



**MINUTES OF THE MEETING OF THE
EAST LOTHIAN INTEGRATION JOINT BOARD
AUDIT & RISK COMMITTEE**

**TUESDAY 8TH JUNE 2021
VIA DIGITAL MEETINGS SYSTEM**

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Members Present:

Councillor S Akhtar (*substitute) (Chair)
Mr D Binnie
Councillor S Kempson
Mr P Murray (*substitute)

Officers Present:

Ms C Flanagan
Ms A MacDonald
Mr I Gorman
Mr D Stainbank

Others Present:

Ms G Woolman, Audit Scotland
Ms M O'Connor, Audit Scotland

Clerk:

Ms F Currie

Apologies:

Dr P Donald*
Councillor F O'Donnell*
Ms F Ireland

Declarations of Interest:

None

In the absence of the Committee's Chairperson, the Clerk advised members that a Chair would have to be elected from those present. Cllr Sue Kempson proposed Cllr Shamin Akhtar as Chair; this was seconded by Mr David Binnie and approved by members.

1. MINUTES OF THE IJB AUDIT AND RISK COMMITTEE MEETING OF 17th MARCH 2021

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 17th March 2021 were approved.

2. MATTERS ARISING FROM THE MINUTES OF 17th MARCH

The following matters arising were dealt with:

Risk Register (Item 3): the Chair asked if further update had been provided by the Scottish Government regarding COVID-19 funding for 2020/21. Claire Flanagan advised that she would provide an update as part of the presentation of the annual accounts (Item 4).

3. ANNUAL INTERNAL AUDIT OPINION AND REPORT 2020/21

A report was submitted by the Chief Internal Auditor informing the Committee of the internal audit work undertaken in 2020/21 and providing an opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control.

Duncan Stainbank presented the report outlining the main points including the audit reports prepared during 2020/21, those that remained outstanding and the evaluation of the IJB's controls and governance. He indicated that, subject to the weaknesses highlighted within the report, it was the opinion of Internal Audit that reasonable assurance could be placed on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year ended 31 March 2021.

In response to questions from Peter Murray, Alison MacDonald acknowledged that the recommendation relating to workforce planning was challenging but that some progress had been made in updating the workforce plan and with the recent recruitment of a Workforce Development Lead for the HSCP. She added that there was significant work still to do and the revised workforce plan would be brought forward to the IJB in due course.

Decision

The Committee agreed to note that the Annual Internal Audit Opinion and Report 2020/21 was a formal confirmation of Internal Audit's opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year ended 31 March 2021.

4. IJB DRAFT (UNAUDITED) ANNUAL ACCOUNTS FOR 2020/21

A report was submitted by the Chief Finance Officer presenting the IJB's draft (unaudited) Annual Accounts for 2020/21.

Ms Flanagan presented the report summarising key aspects of the accounts including the management commentary, the annual governance statement and the financial statements for 2020/21. She highlighted the year-end position of a £7.2M underspend, the majority of which related to earmarked monies including additional COVID-19 funding. She added that the Scottish Government had confirmed that this funding could be carried forward to 2021/22 and should be used as a first call for COVID-related expenditure in that financial year. She also advised that the IJB's reserves had increased as a result of the 2020/21 year-end position to £3M general and £6.5M earmarked. Finally, she explained that additional commentary was contained in the Notes section to reflect the complexities of accounting this year as a result of additional COVID-19 related funding and expenditure.

Ms Flanagan responded to a number of questions from members. She provided further detail on some of the reasons for the underspend and how remobilisation plans would impact services going forward. She also agreed to discuss with Partners the possibility of providing a clearer indication of spending on delegated functions in future accounting statements. In relation to the IJB's reserves position, she confirmed that the general reserve of £3M meant that the IJB was now holding the recommended level of 2% of its total budget. She added that it would be helpful to hold this a contingency going forward. The earmarked reserves of £6.5M would go towards their earmarked programme of use and COVID-19 related costs in 2021/22 and any proposals for diverting some of this money to other services, such as mental health, would have to be discussed and agreed with the Scottish Government.

Gillian Woolman commented on the costs associated with the provision of PPE during the pandemic. She advised that while these would be fully funded by the Scottish Government, all transactions would have to be appropriately reflected in the IJB's accounts.

The Chair thanked Ms Flanagan for her report and for her work on the annual accounts. She said she was glad to hear that it may be possible to have some flexibility on the use of earmarked reserves going forward.

The vote on the recommendations was taken by roll call:

Councillor Shamin Akhtar	Agreed
Councillor Susan Kempson	Agreed
Mr Peter Murray	Agreed

Decision

The Committee:

- i. Considered the IJB's draft annual accounts; and
- ii. Agreed to recommend to the IJB that the IJB agrees the draft annual accounts for publication and audit.

5. INTERNAL AUDIT REPORT ON SOCIAL CARE SUSTAINABILITY PAYMENTS – FURTHER ASSURANCE WORK

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit report on Social Care Sustainability Payments – Further Assurance Work.

Mr Stainbank presented the report. He outlined the background and scope of the further assurance work and the findings detailed in the report.

Mr Stainbank and Ms Flanagan responded to questions confirming that the national principles and guidance were followed when assessing claims and outlining the action taken to address overpayments.

The Chair thanked Mr Stainbank for his report and said it was important to acknowledge that the scheme had been implemented against a background of rapidly changing guidance and while ensuring that payments were made as quickly as possible to support providers.

Decision

The Committee agreed to note the contents of the audit report.

6. RISK REGISTER

A report was submitted by the Chief Finance Officer laying out the IJB's risk register.

Ms Flanagan presented the register drawing attention to changes since the Committee's last meeting and highlighting the following updates:

COVID-19 the due date had been extended to March 2022; this would be kept under review along with regular monitoring of controls.

EU Exit controls remained as previously but would remain under regular review.

3924 at a meeting on 22nd April the IJB agreed budget offers from both Partners for 2021/2022. A development session for IJB members on the financial position for 2021/22 had also taken place.

There were no significant changes to the remaining 4 risks in the register.

Ms Flanagan also reported that, following discussion at the Committee's last meeting, it was proposed to add a risk regarding 'demographic growth' to the IJB's risk register. She explained that consideration had been given to whether this risk should sit on the IJB or HSCP risk registers. On balance, it seemed most appropriate for it to be added to the IJB risk register as this was an issue that could impact delivery of IJB's Strategic Plan.

Mr Murray commented that COVID-19 was now a risk that ran through almost everything and that over time it should cease to be a separate entry in the risk register but should be managed as part of all other identified risks.

Ms Flanagan agreed that, over time, COVID-19 would become embedded within all risks in the register but for now it was important to retain it as a separate entry while the vaccination programme was still in progress and until services were fully remobilised.

The vote on the recommendations was taken by roll call:

Councillor Shamin Akhtar	Agreed
Councillor Susan Kempson	Agreed
Mr Peter Murray	Agreed

Decision

The Committee agreed:

- i. To note the current risk register;
- ii. To accept the inclusion of 'demographic growth' on the IJBs risk register; and
- iii. That no further risks should be added to the register.

7. INTERNAL AUDIT REPORT – PPE STOCK CONTROL

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit report on PPE Stock Control.

Mr Stainbank presented the report. He outlined the background and scope of the audit work and the findings detailed in the report. He also confirmed that, as a result of this work, moderate assurance could be placed on the adequacy and effectiveness of the arrangements in place for PPE Hub stock control.

In response to questions, Mr Stainbank said that while the report had not been widely published he was happy for it to be shared with those who may gain benefit from it.

Ms MacDonald advised that all items of PPE had a 'best before' date; and that they did not require special storage, although it had been necessary to ensure items were kept in a secure area of the hospital.

Ms Flanagan reminded members that while the set-up of the PPE Hub had been part of the rapid response to COVID-19, it had followed all national guidance and requirements. While she accepted the recommendations and these would be taken on board for future processes, she added that Public Health guidance at the height of the pandemic had prevented items being signed for in the usual way. She also confirmed that appropriate checks were put in place to ensure that where providers collected PPE from the Hub free of charge, they did not later receive reimbursement of these PPE costs from other funding sources.

Ms Woolman informed the Committee that she had shared the Internal Audit report with colleagues in Audit Scotland who dealt with Performance Audits. She said it would provide helpful background in relation to their national audit work on PPE. She said it was also helpful to be reminded by Ms Flanagan of the context and timing associated with the setting up of the PPE Hub and that, had it been known that the work would last longer than the anticipated 3 months, the controls would have been set up differently.

Ms MacDonald welcomed these remarks and the acknowledgement that the most important factor had been to issue the PPE as quickly as possible to those who needed it.

Decision

The Committee agreed to note the contents of the audit report.

DRAFT

Signed

Cllr Shamin Akhtar
(Substitute) Chair of the East Lothian IJB Audit and Risk Committee

East Lothian Integration Joint Board Audit and Risk Committee ('Those Charged with Governance')

14 September 2021

East Lothian Integration Joint Board Audit of 2020/21 annual accounts

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Independent auditor's report

1. Our audit work on the 2020/21 annual accounts is now substantially complete. We anticipate being able to issue unqualified audit opinions in the independent auditor's report on 27 September 2021 (the proposed report is attached at [Appendix A](#)).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the East Lothian Integration Joint Board Audit and Risk Committee's consideration our draft annual report on the 2020/21 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.

3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.

4. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature and request that these misstatements be corrected.

6. We have no unadjusted misstatements to be corrected.

Representations from Chief Finance Officer

7. As part of the completion of our audit, we are seeking written representations from the Chief Finance Officer on aspects of the annual accounts, including the judgements and estimates made.

8. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Chief Finance Officer with the signed annual accounts prior to the independent auditor's report being certified.

Appendix A: Proposed Independent Auditor's Report

Independent auditor's report to the members of the East Lothian Integration Joint Board and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of the East Lothian Integration Joint Board for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of the East Lothian Integration Joint Board as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is five years. I am independent of the East Lothian Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the East Lothian Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the East Lothian Integration Joint Board's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the Audit Scotland website, the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Finance Officer and the Audit and Risk Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the East Lothian Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Audit and Risk Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the East Lothian Integration Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of the East Lothian Integration Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the East Lothian Integration Joint Board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Statutory other information

The Chief Finance Officer is responsible for the statutory other information in the annual accounts. The statutory other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the statutory other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on Management Commentary and Annual Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Gillian Woolman (MA FCA CPFA)
Audit Scotland
102 West Port
Edinburgh
EH3 9DN

Appendix B: Letter of Representation (ISA 580)

Gillian Woolman, Audit Director
Audit Scotland
102 West Port
Edinburgh
EH3 9DN

Dear Gillian

East Lothian Integration Joint Board Annual Accounts 2020/21

1. This representation letter is provided in connection with your audit of the annual accounts of the East Lothian Integration Joint Board (the ELIJB) for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the ELIJB's Audit and Risk Committee, the following representations given to you in connection with your audit of the ELIJB annual accounts for the year ended 31 March 2021.

General

3. The ELIJB and I have fulfilled our statutory responsibilities for the preparation of the 2020/21 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by the ELIJB have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (2020/21 accounting code), mandatory guidance from LASAAC, and the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the ELIJB at 31 March 2021 and the transactions for 2020/21.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2020/21 accounting code, where applicable. Where the code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to the ELIJB circumstances and have been consistently applied.

8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed the ELIJB's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on the ELIJB's ability to continue as a going concern.

Liabilities

10. All liabilities at 31 March 2021 of which I am aware have been recognised in the annual accounts.

11. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Fraud

12. I have provided you with all information in relation to

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

13. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

14. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2020/21 accounting code. I have made available to you the identity of all the ELIJB's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

15. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, and all required information of which I am aware has been provided to you.

Management commentary

16. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

17. I confirm that the ELIJIB has undertaken a review of the system of internal control during 2020/21 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

18. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2021, which require to be reflected.

Balance Sheet

19. All events subsequent to 31 March 2021 for which the 2020/21 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Chief Finance Officer

East Lothian Integration Joint Board

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2020/21 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the East Lothian Integration Joint Board and the Controller of Audit
September 2021

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Key messages

2020/21 annual report and accounts

The financial statements of the East Lothian Integration Joint Board give a true and fair view and were properly prepared in accordance with the financial reporting framework.

There was no adverse impact of Covid-19 on the accounting and auditing timetable for the 2020/21 financial statements.

Financial sustainability

The East Lothian Integration Joint Board has appropriate and effective financial management arrangements in place.

The East Lothian Integration Joint Board has a medium-term financial plan but this requires to be updated to take account of the impact of Covid-19.

Covid-19 has generated significant increased spend for the East Lothian Integration Joint Board. Currently this has been matched by funding from the Scottish Government. The long-term impact of Covid-19 has yet to be assessed by the IJB.

Governance, transparency and Best Value

The governance arrangements introduced in response to the pandemic are appropriate and operated effectively. There is effective scrutiny, challenge and informed decision making.

Arrangements are in place to secure best value but more could be done to ensure the annual performance report is prepared and presented to the IJB in a timely fashion. The IJB have yet to submit the 2020/21 Performance Report however this is allowable under the revised timeline set by the Scottish Government due to Covid-19.

Introduction

1. This report summarises the findings from our 2020/21 audit of East Lothian Integration Joint Board (the ELIJB).
2. The scope of our audit was set out in our Annual Audit Plan presented to the 8 June 2021 meeting of the Audit and Risk Committee. This report comprises the findings from:
 - an audit of the ELIJB's annual accounts
 - our consideration of financial sustainability.
3. The global coronavirus pandemic has had a considerable impact on health and social care services during 2020/21. This has had significant implications not least for the services it delivers but also for sickness absence levels, redeployment of staff to critical areas and the suspension of non-essential projects and activities.

Adding value through the audit

4. We add value to the ELIJB, through audit, by:
 - identifying and providing insight on significant risks, and making clear and relevant recommendations
 - sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides
 - providing clear conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability
5. We aim to help the ELIJB promote improved standards of governance, better management and decision making and more effective use of resources.

Responsibilities and reporting

6. The IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The ELIJB is also responsible for compliance with legislation putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.
7. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the Code of Audit Practice (2016) and supplementary guidance and International Standards on Auditing in the UK. Local government bodies have a responsibility to have arrangements in place to demonstrate Best Value in how they conduct

their activities. Our audit work on the IJB's Best Value arrangements is focussed on the body's use of resources to secure financial sustainability.

8. As public sector auditors we give independent opinions on the annual report and accounts. Additionally, we conclude on the appropriateness and effectiveness of the performance management arrangements, the suitability and effectiveness of corporate governance arrangements, the financial position and arrangements for securing financial sustainability. Further details of the respective responsibilities of management and the auditor can be found in the Code of Audit Practice 2016 and supplementary guidance.

9. The Code of Audit Practice 2016 (the Code) includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the appropriateness of the disclosures in the governance statement and the financial sustainability of the IJB and its services. As highlighted in our 2020/21 Annual Audit Plan, due to the volume and lack of complexity of the financial transactions, we applied the small body provisions of the Code to the 2020/21 audit.

10. This report raises matters from our audit. The weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

11. Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and progress against these.

Auditor Independence

12. We confirm that we comply with the Financial Reporting Council's Ethical Standard. We have not undertaken any non-audit related services and therefore the 2020/21 audit fee of £27,330 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

13. This report is addressed to both the IJB and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course. We would like to thank all management and staff who have been involved in our work for their co-operation and assistance during the audit.

Part 1. Audit of 2020/21 annual accounts

The principal means of accounting for the stewardship of resources and performance

Main judgements

The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.

The accounting and auditing timetables for the 2020/21 financial statements were not adversely impacted by Covid-19.

Our audit opinions on the annual report and accounts are unmodified

14. The annual report and accounts for the year ended 31 March 2021 were approved by the Board on 27 September 2021. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the applicable requirements.

The Covid-19 pandemic had a no impact on audit evidence

15. The unaudited annual accounts were received in line with our agreed audit timetable on 30 June 2021.

16. The working papers provided to support the accounts were of a good standard and the audit team received support from finance staff which helped ensure the final accounts audit process ran smoothly.

17. The completeness and accuracy of accounting records and the extent of information and explanations that we required for our audit were not affected by the Covid-19 pandemic.

Overall materiality is £1.9 million

18. We apply the concept of materiality in both planning and performing the audit and in evaluating the effect of any identified misstatements on the audit.

We identify a benchmark on which to base overall materiality such as gross expenditure and apply what we judge to be the most appropriate percentage level for calculating materiality values.

19. The determination of materiality is based on professional judgement and is informed by our understanding of the entity and what users are likely to be most concerned about in the financial statements. In assessing performance materiality, we have considered factors such as our findings from previous audits, any changes in business processes and the entity's control environment including fraud risks.

20. Our initial assessment of materiality was carried out during the planning phase of the audit. This was reviewed and revised on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#).

Exhibit 1

Materiality values

Materiality level	Amount
Overall materiality	£1.9 million
Performance materiality	£1.4 million
Reporting threshold	£93,000

Source: 2020/21 East Lothian Integration Joint Board Unaudited Annual Accounts

Appendix 2 identifies the main risks of material misstatement and our audit work to address these

21. [Appendix 2](#) provides our assessment of risks of material misstatement in the annual report and accounts and any wider audit dimension risks. These risks influence our overall audit strategy, the allocation of staff resources to the audit and inform where the efforts of the team are directed. [Appendix 2](#) also identifies the work we undertook to address these risks and our conclusions from this work.

We have no significant findings to report on the accounts and there were no identified misstatements that exceeded our reporting threshold.

22. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. We have no issues to report from the audit.

23. It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected, although the final decision on

making the correction lies with those charged with governance considering advice from senior officers and materiality.

24. One item was adjusted for in the 2020/21 accounts regarding the war veteran's allowance. £86,000 was double counted in both the NHS resource transfer figure and the Social Care Fund. It was subsequently removed. This has a nil impact on the ELIJB's surplus for the year. There were no identified misstatements above our reporting threshold and there are no unadjusted errors to report.

25. We have reviewed the nature and causes of these misstatements and have concluded that they arose from issues that have been isolated and identified in their entirety and do not indicate further systemic error. We did not need to adjust our audit approach.

Part 2. Financial management and sustainability

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. Financial sustainability looks forward to the medium and longer term to consider whether the body is planning effectively to continue to deliver its services

Main judgements

The IJB has appropriate and effective financial management arrangements in place.

The IJB has a medium-term financial plan but this requires to be updated to take account of the impact of Covid-19.

Covid-19 has generated significant increased spend for the IJB. Currently this has been matched by funding from the Scottish Government. The long-term impact of Covid-19 has yet to be assessed by the IJB.

The 2020/21 budget included planned savings and contributions from reserves to address the funding gap

26. The IJB approved its 2020/21 budget in April 2021. The budget was set at net expenditure of £162 million, with an identified funding gap of £3.5 million. Plans were progressed throughout 2020/21 to address the gap.

The IJB returned an underspend in 2020/21

27. The impact on public finances of the Covid-19 pandemic has been unprecedented, which has necessitated both the Scottish and UK governments providing substantial additional funding for public services as well as support for individuals, businesses and the economy. It is likely that further financial measures will be needed and that the effects will be felt well into the future.

28. The ELIJB does not have any assets, nor does it directly incur expenditure or employ staff. All funding and expenditure for the IJB is incurred by the partner bodies (NHS Lothian and East Lothian Council) and processed in their accounting records.

29. The Covid-19 pandemic had a significant impact on the ELIJB's 2020/21 budget. An additional £10.7 million of income was received to help cover the additional costs of dealing with the Covid-19 costs. The Covid-19 funding that

was not spent at 31st March is shown in earmarked reserves which includes a specific Covid-19 reserve of £3.6 million.

30. The IJB returned an underspend of £7.2 million against a budgeted breakeven position as illustrated below in [Exhibit 3](#)

Exhibit 3 Performance against budget

ELIJB budget summary	Budget £m	Actual £m	Variance £m
Net Expenditure	192,991	185,781	7,210
NHS Lothian funding	143,606	136,829	6,777
East Lothian Council funding	49,385	48,952	433
Total Net Expenditure	0	7,210	7,210
Surplus (from NHS Lothian to be retained by the IJB)			6,777
Surplus (from East Lothian Council to be retained by the IJB)			433
Earmarked Reserves			7,210

Source: 2020/21 East Lothian Integration Joint Board Unaudited Annual Accounts

The budget process was appropriate

31. Regular finance updates were submitted to meetings of the ELIJB throughout the year. The outturn to date and forecast year-end outturn position were made clear within each report and the actual year-end outturn position was in line with expectations. The updates also indicate whether Covid-19 funding has/hasn't been included and the reason(s) why.

32. The content of these finance updates reflects the financial impact of Covid-19. In December 2020 the Board were updated with the latest budget position and were provided with the projected year end outturn. The paper projected an overspend of £4.2 million with £3.3 million of this being unfunded Covid-19 costs. In February 2021 the financial position was updated to reflect additional funding received with the IJB projecting a £1.3m underspend. This reflects the impact of Covid-19 funding being received during the year.

33. In June 2020, the Board were updated on the temporary changes made across the HSCP on how it managed and commissioned services resulting from Covid-19 and the changes that may be required in the longer term. There was no financial information included as funding for Covid-19 was unknown at the

time. The document demonstrates the consideration and due regard given to the challenges brought on by Covid-19 and how the IJB plans to address them.

34. In September 2020, the IJB were presented with a paper that noted the financial impact and uncertainties of Covid-19 and the remobilisation of services for both partners. This ensured the IJB were aware of how Covid-19 impacted on the overall financial position and outturn.

35. We observed that senior management and members received regular and accurate financial information on the ELIJB's financial position and have concluded the IJB has appropriate budget monitoring arrangements.

The IJB has a medium-term financial plan but this requires to be updated to take account of the impact of Covid-19

36. The medium-term (five year) financial plan covering the period 2021/22 – 2024/25 was presented to the Board in October 2020. The plan reported a funding gap of £6.7 million for the 2021/22 financial year rising to £16.3 million by 2024/25. However, it was highlighted in the covering paper to Members, that the medium-term plan was prepared under a 'business as usual,' pre-Covid-19 scenario. The plan is due to be refined and updated once there is further clarity on future service provision.

37. The current medium-term plan details how figures have been arrived at and was prepared in conjunction with the partner bodies. The ELIJB is aware of the challenges ahead and has recommended that officers within the partnership continue to develop financial recovery plans for the future and update the IJB on progress at future meetings.

38. Routine updates on current performance and future projections have been provided to members over the course of the financial year (quarterly). However, work must be done to revise the medium-term financial plan to take account of the impact, new challenges and new ways of working as a result of Covid-19.

39. The IJB are in the process of preparing a revised plan taking the 2021/22 settlement and the financial challenges as well as considering the longer-term financial position. A further update and revised medium-term plan will be presented to the Board in October 2021. The financial sustainability of the IJB remains a risk on the risk register.

40. The latest financial position was discussed at the Board development session in April 2021. This session ensured that all members of the IJB are aware of the financial challenges for the IJB and the need to develop plans to address the funding gaps identified. At the April Board development session, the funding gap for 2021/22 was reduced to £3 million.

Recommendation 1

The existing medium-term financial plan must be revised to take account of the impact, new challenges and new ways of working as a result of Covid-19.

Integration Scheme

41. There is a legal requirement to review the IJB's integration scheme every five years. NHS Lothian along with the four local authority bodies (East Lothian, Mid-Lothian, West Lothian and City of Edinburgh) have agreed to delay the review of their respective integration schemes in order to prioritise putting Covid-19 recovery plans in place in the first instance. This has been reported to the Board and Audit and Risk Committee with the latest update provided in June 2021 to the Board.

42. The current ELIJB Integration Scheme was last reviewed and approved by the Scottish Government in July 2019. We will review the updated integration scheme when it is available.

Financial systems of internal control operated effectively

43. The ELIJB does not have its own financial systems and instead relies on partner bodies' (NHS Lothian and East Lothian Council) financial systems.

44. As part of our audit approach, we sought assurances from the external auditors of NHS Lothian and East Lothian Council and confirmed there were no weaknesses in the systems of internal controls for either the health board or the council which would have an impact on the IJB and our audit approach.

Standards of conduct and arrangements for the prevention and detection of fraud and error are appropriate

45. The ELIJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. We reviewed the arrangements in place at East Lothian Council and found them to be adequate. The IJB has a Code of Conduct in place to which members subscribe and the Members' Registers of Interest are publicly available on the ELIJB's website. It is noted that the IJB Code of Conduct is dated August 2016. The IJB should ensure that the Code of Conduct is reviewed and updated to ensure that it reflects current guidance for members.

46. Appropriate arrangements are in place for the prevention and detection of fraud and error. We are not aware of any specific issues we require to bring to your attention.

3. Governance, transparency, and Best Value

The effectiveness of scrutiny and oversight and transparent reporting of information. Using resources effectively and continually improving services.

Main judgements

The governance arrangements introduced in response to the pandemic are appropriate and operated effectively. There is effective scrutiny, challenge and informed decision making.

Arrangements are in place to secure best value but more could be done to ensure the annual performance report is prepared and presented to the IJB in a timely fashion.

Governance arrangements operating throughout the Covid 19 pandemic have been appropriate and operated effectively

47. During 2020/21 the ELIJB has continued to hold the Board and Audit and Risk Committee meetings virtually. Committees and Board meetings continued to be held in line with original plans. The Covid-19 pandemic has not had a significant impact on the ELIJB's governance arrangements, including scrutiny, challenge and decision-making.

48. We consider governance arrangements to be appropriate and support effective scrutiny, challenge and decision making.

Change in Chief Finance Officer

49. There was a change in one of the senior officers in year. The Chief Finance Officer went on maternity leave in August 2021 and an interim Chief Finance Officer was appointed. The interim appointment is the former Chief Finance Officer for the ELIJB and is experienced and knowledgeable in the role.

Arrangements are in place to secure Best Value

50. IJBs have a statutory duty to have arrangements in place to secure Best Value. To achieve this, IJBs should have effective processes for scrutinising performance, monitoring progress towards their strategic objectives and holding partners to account.

51. ELIJB ensure that they have Best Value in the use of their resources by having an approved Strategy, Workforce and Financial plan. The plans were

approved in 2019 and will need to be updated to reflect the impact of Covid-19 on service redesign and the workforce.

Review of adult social care services

52. An independent, national review of adult social care services was published in February 2021. This was requested by the Scottish Government in September 2020 with the primary aim of the review being to recommend improvements to adult social care services in Scotland. The review made a number of recommendations including the set-up of a National Care Service for Scotland that is equal to the NHS and that self-directed support must work better for people with decisions being based on their needs, rights and preferences.

53. The ELIJB has assessed the review, summarised the recommendations and included follow up actions. This was reported to the Board in February 2021. The IJB continues to monitor developments as a result of the review and is actively engaged in discussions around the implementation of recommendations from the review with partners and stakeholders.

Annual performance report

54. The pandemic is expected to have had a substantial impact on performance measures, particularly for services which have been temporarily suspended, are operating at a reduced level or have had to adapt to new ways of working.

55. The Public Bodies (Joint Working) (Scotland) Act 2014 requires IJBs to produce an annual performance report covering areas such as: assessing performance in relation to national health and wellbeing outcomes, financial performance and best value, reporting on localities, and the inspection of services.

56. The 2019/20 Annual Performance Report was presented to the Board in August 2020. This was in line with the Scottish Government extension.

57. For 2020/21, and in line with the national agreement and extended timeline issued by the Scottish Government, the ELIJB is delaying the publication of their 2020/21 Annual Performance Report to November 2021. It will be presented to the Board in December 2021. We noted that during the year, local performance information was provided to managers on a regular basis.

58. Performance information should be presented on a regular basis to ensure that the IJB members are aware of how the IJB is performing as a whole.

Recommendation 2

More could be done to ensure the annual performance report is prepared and presented to the IJB in a timely fashion.

National performance audit reports

59. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2020/21 we published some reports which may be of direct interest to the IJB as outlined in [Appendix 3](#).

60. From attendance at the Board and Audit and Risk Committees, we note that the ELIJB has arrangements in place for considering and reviewing national reports including any locally agreed actions.

Good practice

61. The Code of Audit Practice 2016 encourages auditors to identify good practice which in their opinion is worth sharing more widely. We have noted that the ELIJB have redesigned their Primary Care Mental Health Pathway. Existing staff redesigned the service to provide a Mental Health phoneline which was launched in May 2020. This allows users to access the service in the way that is most appropriate for them. It is noted that service users who may not use the “traditional” means of accessing the service have used the phoneline to access services. This example of good practice has been shared with the Audit Scotland national NHS overview team.

Appendix 1. Action plan 2020/21

2020/21 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Medium term financial plan update</p> <p>The medium-term (five year) financial plan covering the period 2021/22 – 2024/25 was prepared under a ‘business as usual,’ pre-Covid-19 scenario. The plan is due to be refined and updated once there is further clarity on future service provision.</p> <p>Risk – There is a risk that the IJB will not be able to deliver against its objectives, its strategic plan and deliver financial balance against its budget in the longer term.</p>	<p>The existing medium-term financial plan must be revised to take account of the impact, new challenges, and ways of working as a result of Covid-19 (refer paragraph 37).</p>	<p>Agreed</p> <p>This work will build on the presentation to the IJB on April 2021 and a first iteration will be presented to the IJB in October 2021. Given the quantum of the financial challenge several iterations may be required.</p> <p>Responsible officer: Interim Chief Finance Officer</p> <p>Agreed date: March 2022</p>
<p>2. Performance information provided to the IJB</p> <p>It is noted that ELIJB are taking advantage of the nationally agreed delay in producing the annual performance report.</p> <p>Risk – There is a risk that the performance information for ELIJB is not reported to the Board on a regular basis with the Board members not being able to see the whole picture of how the IJB is performing.</p>	<p>Ensure the annual performance report is prepared and presented to the IJB in a timely fashion to allow the members of the IJB to be aware of how it is performing as a whole (refer paragraph 55).</p>	<p>Agreed</p> <p>Responsible officer: Chief Officer</p> <p>Agreed date: August 2022</p>

Appendix 2. Significant audit risks

The table below sets out the audit risks we identified during our planning of the audit in our annual audit plan and how we addressed each risk in arriving at our conclusion.

Risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by the management override of controls</p> <p>International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<p>Satisfactory</p> <p>Assurances from the external auditors of NHS Lothian and East Lothian Council confirmed there were no weaknesses in the systems of internal controls for the health board and no weaknesses in the systems of internal controls for the Council which would have an impact on the IJB.</p>
<p>2. Risk of material misstatement caused by fraud in expenditure</p> <p>As most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements. The expenditure of the IJB is processed through the</p>	<p>Assurances to be provided to the IJB by East Lothian Council and NHS Lothian on the completeness and accuracy of transactions coded to the IJB codes.</p>	<p>Satisfactory</p> <p>Assurances from the external auditors of NHS Lothian and East Lothian Council confirmed there were no weaknesses in the systems of internal controls for the health board and no weaknesses in the systems of internal controls for the Council which would have an impact on the IJB.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>financial systems of East Lothian Council and NHS Lothian.</p> <p>There is a risk that non-IJB related expenditure is incorrectly coded to the IJB account codes.</p>		
<p>3. Risk of misstatement of independent family health service practitioners' expenditure</p> <p>Family Health Service (FHS) is accounted for in the ELIJB accounts as part of the NHS Lothian figures. National Services Scotland / FHS and NHS boards need to ensure they can demonstrate assurances over the FHS income and expenditure as reported in NHS Lothian accounts and subsequently, the ELIJB accounts.</p> <p>There is a risk of misstatement in the annual accounts if appropriate and adequate assurances cannot be obtained.</p>	<p>Assurance to be provided to the IJB by NHS Lothian on the FHS income and expenditure reported in NHS Lothian accounts and therefore the EL IJB accounts.</p>	<p>Satisfactory</p> <p>Assurances from the external auditors of NHS Lothian have confirmed that there are no weaknesses in the systems of internal controls for the health board which would have an impact on the IJB.</p>
<p>4. Financial reporting of Covid-19</p> <p>Covid-19 funding and expenditure will impact on IJB with principal and agency receipts and payments. It is recommended (but not mandatory) that these items are disclosed in the notes to the accounts. Guidance is due to be issued to all IJBs in due course.</p>	<p>Assurance will be sought from EL IJB accountants following the soon to be issued national guidance.</p>	<p>Satisfactory.</p> <p>We have reviewed the reporting of the additional Covid-19 funding and expenditure. The reporting in the accounts is in line with national guidance. There were no issues noted.</p>

Audit risk	Assurance procedure	Results and conclusions
There is a risk of material misstatement with regard to these.		

Appendix 3. Summary of 2020/21 national performance reports

April

[Affordable housing](#)

June

[Highlands and Islands Enterprise: Management of Cairngorm mountain and funicular railway](#)

[Local government in Scotland Overview 2020](#)

July

[The National Fraud Initiative in Scotland 2018/19](#)

January

[Digital progress in local government](#)

[Local government in Scotland: Financial overview 2019/20](#)

February

[NHS in Scotland 2020](#)

March

[Improving outcomes for young people through school education](#)

East Lothian Integration Joint Board

2020/21 Annual Audit Report

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www.audit-scotland.gov.uk/accessibility



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REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 14 September 2021
BY: Interim Chief Finance Officer
SUBJECT: 2020/21 Audited Annual Accounts

5

1 PURPOSE

- 1.1 The IJB has prepared Annual Accounts for the financial year 2020/21; these have now been audited by the IJB's Independent Auditors. Their report will be presented to the committee in a following agenda item.

2 RECOMMENDATIONS

- 2.1 The Committee is asked:
- i. Having noted the opinion of the IJB's Appointed Auditors, to recommend the Annual Accounts to the IJB.

3 BACKGROUND

- 3.1 As a body governed by section 110 of the Local Government Scotland Act (1973) and the appropriate regulations and subsequent Acts, the IJB must prepare a set of Annual Accounts. The accounts must fulfil the requirements of the Act and the regulations and must give a true and fair view of the IJB's financial position.
- 3.2 The accounts must then be reviewed by an Independent Auditor who will report their findings to this committee which will allow the auditors to bring any matters to the committee's attention. If there are no issues arising from the auditors' report then the committee can recommend acceptance and authorisation of the annual accounts to the IJB.
- 3.3 Having recommended the IJB Annual Accounts to the IJB, these will be signed electronically at a specially arranged meeting on 27 September 2021, following their approval.

3.4 The Annual Accounts (unsigned) are attached to this report along with the letter of representation (ISA 580) (unsigned).

3.5 A statement of assurance is attached from the preceding Chief Financial Officer who was in post during the period the accounts cover.

4 ENGAGEMENT

4.1 The IJB makes its papers and reports available on the internet.

5 POLICY IMPLICATIONS

5.1 This paper is covered within the policies already agreed by the IJB.

6 INTEGRATED IMPACT ASSESSMENT

6.1 There are no implications for health inequalities or general equality and diversity issues arising directly from the issues and recommendations in this paper.

7 RESOURCE IMPLICATIONS

7.1 Financial – there are none.

7.2 Personnel – there are none.

8 BACKGROUND PAPERS

8.1 None

AUTHOR'S NAME	David King
DESIGNATION	Interim Chief Finance officer
CONTACT INFO	David.King4@nhslothian.scot.nhs.uk
DATE	September 2020

Appendices

1. Letter of Representation (ISA 580)
2. IJB's Annual Accounts 2020/21
3. Letter of Assurance from preceding Chief Finance Officer



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Gillian Woolman, Audit Director
Audit Scotland
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Dear Gillian

East Lothian Integration Joint Board Annual Accounts 2020/21

1. This representation letter is provided in connection with your audit of the annual accounts of the East Lothian Integration Joint Board (the ELIJB) for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.

1. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the ELIJB's Audit and Risk Committee, the following representations given to you in connection with your audit of the ELIJB annual accounts for the year ended 31 March 2021.

General

2. The ELIJB and I have fulfilled our statutory responsibilities for the preparation of the 2020/21 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by the ELIJB have been recorded in the accounting records and are properly reflected in the financial statements.

3. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

4. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (2020/21 accounting code), mandatory guidance from LASAAC, and the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.

5. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the ELIJB at 31 March 2021 and the transactions for 2020/21.

Accounting Policies & Estimates

6. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2020/21 accounting code, where applicable. Where the code does not specifically apply, I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to the ELIJB circumstances and have been consistently applied.

7. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

8. I have assessed the ELIJB's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on the ELIJB's ability to continue as a going concern.

Liabilities

9. All liabilities at 31 March 2021 of which I am aware have been recognised in the annual accounts.

10. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Fraud

11. I have provided you with all information in relation to

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud
- any allegations of fraud or suspected fraud affecting the financial statements

- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

12. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

13. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2020/21 accounting code. I have made available to you the identity of all the ELIJB's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

14. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014, and all required information of which I am aware has been provided to you.

Management commentary

15. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

16. I confirm that the ELIJB has undertaken a review of the system of internal control during 2020/21 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

17. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2021, which require to be reflected.

Balance Sheet

18. All events subsequent to 31 March 2021 for which the 2020/21 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

David King, Interim Chief Finance Officer





East Lothian Integration Joint Board Annual Accounts 2020/21



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Audit Arrangements

Under arrangements approved by the Accounts Commission of Scotland, the auditor with responsibility for the audit of the accounts of East Lothian Integration Joint Board for the period 1 April 2020 to 31 March 2021 is Audit Scotland, 102 West Port, Edinburgh EH3 9DN.



Management Commentary

Introduction

The IJB has successfully delivered services throughout 2020/21 in line with the directions to its Partners; however, the delivery of these services has been impacted by the COVID-19 pandemic. Responding to COVID-19 issues has been the over-riding priority throughout 2020/21, our responses evolved as we moved through peaks of activity and were supported by partners in East Lothian Council, NHS Lothian, the third sector and the independent sector.

Impacts of COVID-19 on Service Outcomes and Integration

The last 12 months have been extremely challenging for our citizens, staff and partners. It seems appropriate to begin with a huge thank you to all. Especially the staff and volunteers who have kept everything going as they managed to find new ways of supporting service-users and carers during the pandemic.

The work of the Health and Social Care Partnership during 2020/21 has been to minimise the disruption to services and adapt services to respond to COVID-19. The pandemic also created opportunity to build on our community connections and working with the people in our communities to develop strong, sustainable and supportive communities for the future.

The arrival of COVID-19 has disrupted patient journeys and service delivery in health and care settings and is delaying access to secondary care treatment which might otherwise reduce care requirements for individuals. This places higher demands on the HSCP to provide care during the wait for treatment, while it is also increasing care to maintain its low delayed discharge numbers to take pressure off acute services. Added to this is the prospect of some patients requiring post-COVID rehabilitation which services had not planned for.

Colleagues across health and social care have risen to the challenge presented by COVID-19, showing a great deal of flexibility and inventiveness in how they have altered service delivery arrangements and in stepping up the use of IT and other technologies, to maintain support to patients and clients. Those staff remobilised to other services have quickly adapted to new demands. Through necessity, barriers between health and social care are being dismantled as teams work in a more integrated way, accelerating the wider adoption of ways of working that were in place before the arrival of COVID-19.

Every member of staff has the gratitude of the IJB for their hard work in difficult circumstances and their innovative approaches to meeting patient and client needs while progressing integration. The IJB is also grateful to the communities and the individuals who volunteered their support to local action.

The management commentary provides an overview of the key messages relating to the role, remit, members, objectives and the strategy of the East Lothian Integration Joint Board (the IJB). The management commentary outlines the key messages in relation to the IJB's financial performance for the year ended 31 March 2021 and how it has supported the delivery of the IJB's priorities. This commentary also considers those issues and risks which we face as we strive to meet the needs of the people of East Lothian.



While the main focus this year has been on the IJB's operational response to COVID-19, there has been a consequent impact on other issues. Many services had to make significant changes to the ways they delivered their services and some of these, such as an increased use of technology, will be a feature of future operations and strategic plans going forward.

These accounts cover the period from 1 April 2020 to 31 March 2021.

The Role and Remit of the IJB

The purpose of integration is to improve care and support and therefore the health and wellbeing outcomes for people who use health and social care services. It will make sure that they are listened to, involved and take part in decisions about their care and how it is delivered. It is a significant change in how the strategic planning and delivery of services happens with a range of partners – individuals, local groups and networks, communities and organisations, including patients, service users, carers and the third and independent sectors

The functions delegated to the IJB by East Lothian Council and NHS Lothian are as follows:

- Adult Social Care
- Criminal Justice
- Primary Care Services (GP Practices, Community Dentists, Community Pharmacies and Community Opticians)
- Mental Health Services
- Physical and Learning Disabilities Services
- Community Health Services
- Community Hospital Services
- Unscheduled Care Services (services that are generally delivered from the Royal Infirmary of Edinburgh, the Western General Hospital and St. John's Hospital)

The IJB sets the strategic direction for these delegated functions through the development of a Strategic Plan, to enable it to plan and deliver these strategic outcomes at an overall health and social care level. It gives Directions to the council and NHS Lothian for the operational delivery of functions and the resources available to them for this.

The Public Bodies (Joint Working) (Scotland) Act 2014 (the Act) requires Local Authorities and Health Boards to integrate the strategic planning of a substantial number of health services and functions and most social care functions.

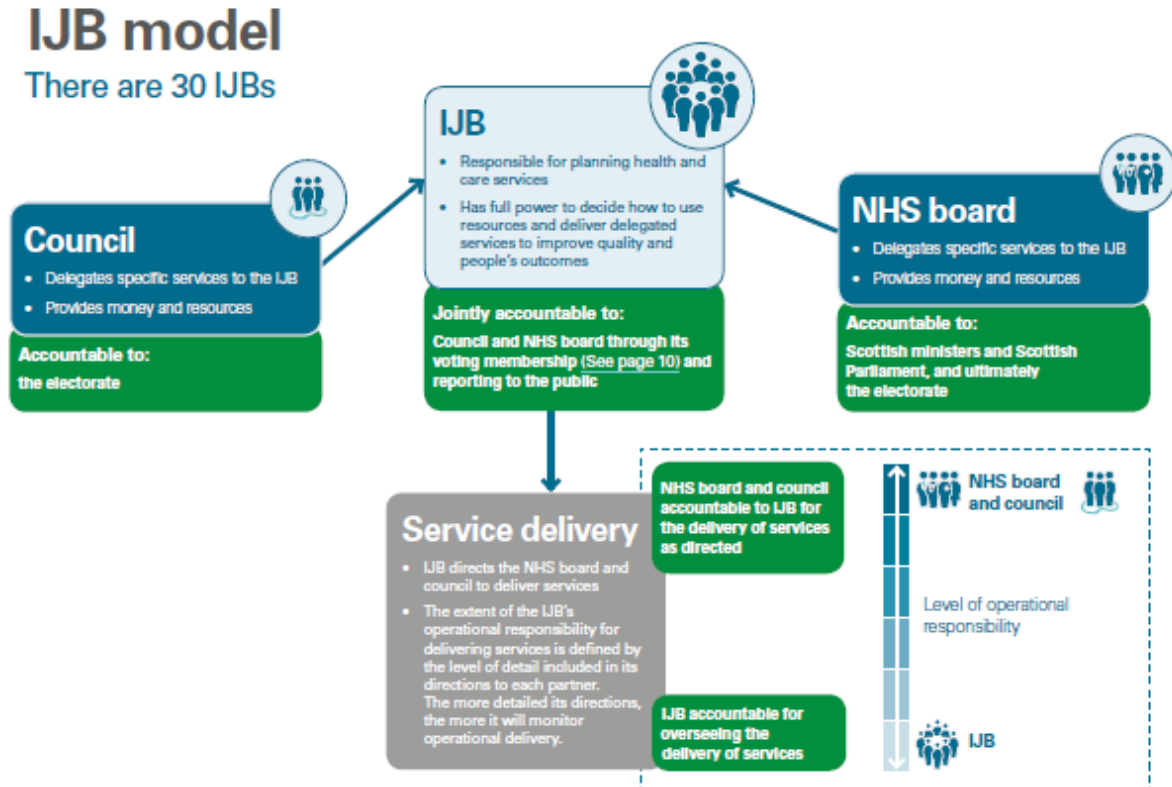
East Lothian IJB is an Integration Authority set up under the Public Bodies (Joint Working) Act (2014). It is a 'body corporate', that is a separate legal entity. The IJB is constituted through its Integration Scheme which was prepared by East Lothian Council and NHS Lothian and presented to Scottish Ministers in March 2015. The Integration Scheme was approved by the Scottish Parliament in June 2015 and the first meeting of the IJB took place on 1 July 2015. The IJB assumed formal responsibility for these functions in April 2016 including the budgets for the delivery of these functions.



The IJB is governed by the Local Government Scotland Act (1973) along with the 2014 regulations and these accounts are prepared on that basis.

The IJB model has been reproduced below and illustrates the accountability, decision making and governance structure of the IJB model. This was published in April 2018 by the Accounts Commission in a short report entitled “What is integration?”

What is integration? A short guide to the integration of health and social care services in Scotland | 9



The Strategic Plan

The strategic plan of each IJB must be reviewed and approved by the IJB every 3 years. East Lothian IJB approved its second Strategic Plan on 28 March 2019, this covers April 2019 to March 2022. A link to the plan is below:

https://www.eastlothian.gov.uk/downloads/file/28278/east_lothian_ijn_strategic_plan_2019-22

The 2019-2022 plan takes into account the previous plan and our achievements and continuing challenges. It is based on consideration of the many factors that have an impact on the delivery of health and social care services, the experience of people who access services and assessment of need.

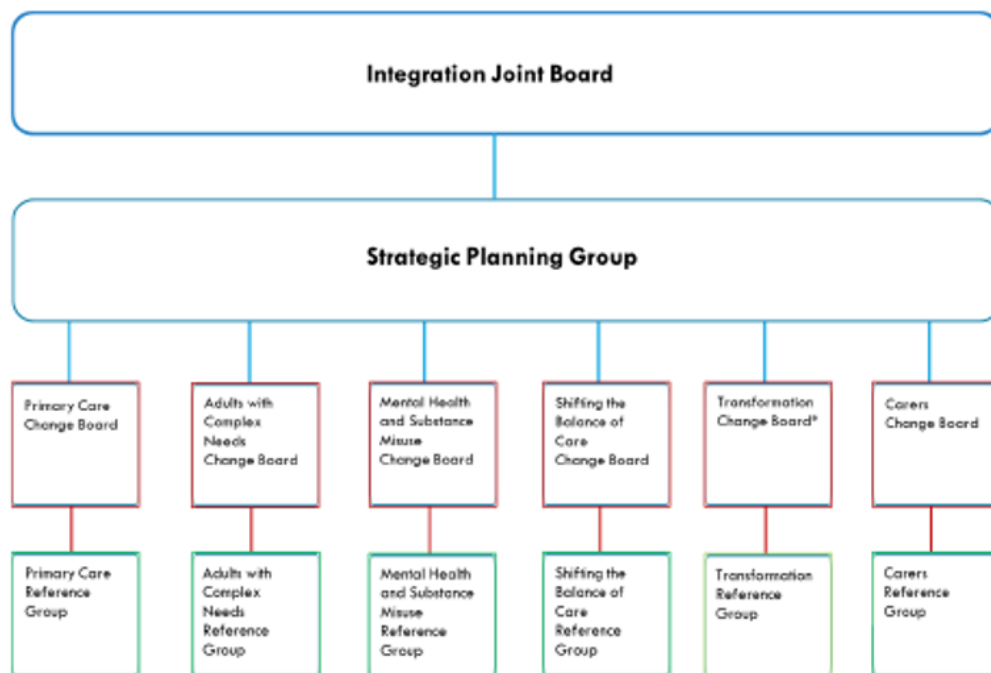
An engagement and consultation process with communities, people who access services, service providers and staff allowed the IJB to hear of, and where possible incorporate, the views and priorities of East Lothian's communities, partners and stakeholders in this Strategic Plan in order to support service development and delivery.



Engagement also allowed participants to hear about the factors that will guide and may limit the opportunities for service change and development over the lifetime of the Strategic Plan.

East Lothian IJB agreed six strategic priority areas for change. These focus on: primary care, adults with complex needs, transformation, adults affected by mental health and substance misuse issues, shifting care from acute hospitals to the community and support to carers.

These six areas, along with our updated Strategic Objectives and a range of ‘Golden Threads’ form the basis of this transformational change supported by this Strategic Plan.



* Formerly called Transforming Services for Older People

Change Boards report to the Strategic Planning Group on progress against agreed priorities, all relevant Directions, the Golden Threads and timeframes for delivery. Change boards provide a structure and accountable approach for delivering programmes of change and this transformation process requires flexibility. As the work progresses new areas of work emerge, this may require a new Change Board to be established and a formal process to do so is through the Strategic Planning Group. An example of such is a newly formed Change Board “to consider the Community Hospital and Care Home provision throughout East Lothian” which has been set up and will form part of the structure during 2021/22.

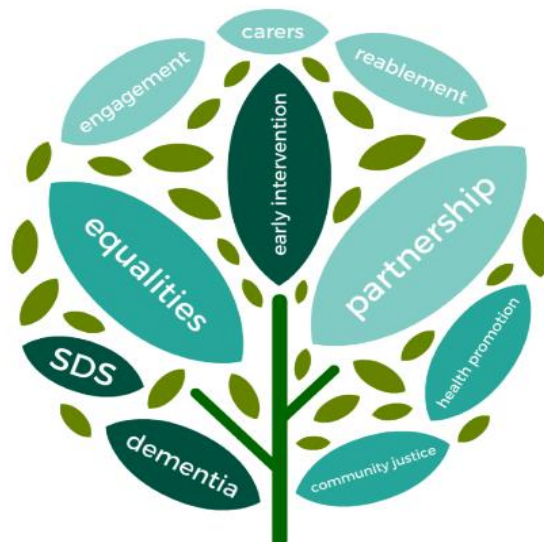
The Strategic Plan is underpinned by a delivery plan to ensure that progress is made to achieve the vision for East Lothian. Change Boards and corresponding reference groups have a key role in progressing the IJB Strategic Plan which facilitate on-going stakeholder involvement in strategic planning and development during 2019-2022.

Throughout all strategic priorities the strategic aims and objectives of the IJB are core. We developed our Strategic Objectives in consultation with our stakeholders. They show our commitment to adopting approaches that tailor services to the needs of people and communities while, at the same time, developing efficient and future-proofed service arrangements.



Each Change Board has to take into account in its work key principles or 'Golden Threads'. The Golden Threads are:

- early intervention and prevention
- carers needs
- Self-Directed Support rights
- equality and diversity, including tackling health inequalities and discrimination
- re-ablement/recovery
- needs of people with dementia health promotion
- partnership working
- communication, engagement and involvement
- advocacy
- community justice
- maximising effective use of resources
- use of integrated information technology and technology enabled care; and
- tackling social isolation



There is a requirement on all projects to evidence to their respective Change Board that the Golden Thread commitments have been achieved as part of project delivery.

Transformation programmes largely stopped during the peak of the COVID-19 outbreak but groups are all up and running again. The transformation programme will also be looking at the impact of COVID-19 and what means to the way we deliver services.

Updates from each Change Board can be found here:

<https://www.edubuzz.org/almac/category/ijb-strategic-plan-and-change-boards/>

IJB Membership

The IJB comprises eight voting members, made up of four elected members appointed by East Lothian Council and four NHS Lothian non-executive directors appointed by



NHS Lothian. There are a number of non-voting members of the Board who are advisory members, including the IJB Chief Officer, Chief Finance Officer, and other service and staffing representatives.

As a result of the COVID-19 pandemic, the IJB agreed to a period of emergency recess between 27 March and 24 June 2020. Meetings resumed on 25 June 2020 and, since then, all meetings have taken place online via MS Teams.

The IJB met virtually 6 times during the financial year 2020/21. There have been some changes to the membership of the IJB during 2020/21, the membership of the IJB at 31 March 2021 is as follows:

Member	Nominated/Appointed by	Role (* denotes change in year)
Councillor Shamin Akhtar	Nominated by East Lothian Council	Chair (voting member) *
Peter Murray	Nominated by NHS Lothian	Vice-chair (voting member)
Alison Macdonald	Appointed by IJB	Chief Officer (non-voting member)
Claire Flanagan	Appointed by IJB	Chief Finance Officer (non-voting member)
Fiona Ireland	Nominated by NHS Lothian	Voting Member
Dr Richard Williams	Nominated by NHS Lothian	Voting Member *
Dr Patricia Donald	Nominated by NHS Lothian	Voting Member, * Chair of Audit & Risk Committee
Councillor Fiona O'Donnell	Nominated by East Lothian Council	Voting Member * (Chair part of year)
Councillor Neil Gilbert	Nominated by East Lothian Council	Voting Member
Councillor Sue Kempson	Nominated by East Lothian Council	Voting Member*, (Chair of Audit & Risk Committee part of year)
Vacant	Appointed by IJB	Independent sector representative (non-voting member)
Paul White	Appointed by IJB	Third sector representative (non-voting member)
David Binnie	Appointed by IJB	Carer representative (non-voting member)
Marilyn McNeill	Appointed by IJB	Service-user representative (non-voting member)



Member	Nominated/Appointed by	Role (* denotes change in year)
Prof Emma Reynish	Appointed by IJB	Medical Consultant (non-voting member) *
Lesley White	Appointed by IJB	ELC Staff Representative (non-voting member)
Judith Tait	Appointed by IJB	Chief Social Work Officer (non-voting member)
Dr Richard Fairclough	Appointed by IJB	General Practitioner (non-voting member)
Thomas Miller	Appointed by IJB	NHS Staff Representative (non-voting member)
Dr Jon Turvill	Appointed by IJB	Clinical Director (non-voting member)
Iain Gorman	Appointed by IJB	Head of Operations (non-voting member)
Lorraine Cowan	Appointed by IJB	Chief Nurse (non-voting member)
Philip Conalglan	Appointed by IJB	Public Health (non-voting member)

Below is the attendance by members of the IJB throughout 2020/21.

Members	IJB Meeting Dates					
	25.6.20	27.8.20	17.9.20	29.10.20	10.12.20	25.2.21
Voting						
Akhtar, Shamin (C)	X	X	A(s)	X	X	X
Donald, Patricia	X	X	X	X	X	X
Gilbert, Neil	X	X	A(s)	X	X	X
Kempson, Susan			X	X	X	X
O'Donnell, Fiona (C)	X	X	X	X	X	X
Ireland, Fiona	X	X	X	X	X	X
Joyce, Alex	X	--	--	--	--	--
Murray, Peter	X	X	X	X	X	X
Williams, Richard	--	A	A	X	X	A
Non-voting						
Binnie, David	X	X	A	X	X	X
Choudhury, Gourab						--



Conalglan, Philip						
Cowan, Lorraine	X	X	X			
Fairclough, Richard						X
Flanagan, Claire	X	X	X	X	X	X
Gorman, Iain	X	X	X	A	X	
MacDonald, Alison	X	X	A	X	X	X
McNeill, Marilyn	X		X	X	X	X
Miller, Thomas	X	X	X	X	X	A
Reynish, Emma	--	--	--	--	--	X
Tait, Judith	X	A	X	X	X	X
Turvill, Jon			X		X	X
White, Lesley	A					
White, Paul	X		X	X	X	X
Independent Sector Rep (vacant)	--	--	--	--	--	--

Key: Present = X; Apologies = A; Apologies (substitute) = A(s); absent without apology = blank ; - - = not occupying this role at this time

The IJB's Operations for the Year

East Lothian IJB has been operational for five years and as described in the opening section the challenge of COVID-19 has been immense. This accelerated the progress we had already made on integrating management arrangements and frontline services. The pandemic has built on the progress made so far and build a stronger partnership between all sectors.

We continue to work towards our long-term objectives through the continuing dedication and skill of our staff; our partners in the voluntary and independent sectors; and all the informal carers and neighbours upon whom the health and care system is entirely dependent.

Financial Impact of COVID-19

NHS Lothian submitted regular information to Scottish Government through the Local Mobilisation Plan (LMP) and this remains the main route for confirming the additional cost and funding required in supporting the COVID-19 response. These returns covered additional costs relating to COVID-19 for the entirety of the Health and Social Care Partnership. There was also additional Health costs within Hosted and Set Aside services. All financial positions are after a significant amount of additional costs were supported through redeployment of existing resources in year.



Additional funding allocations have been received to meet the additional costs and the financial impact of COVID-19 in 2020/21 is covered in full. Where possible staff and resources were redeployed. Detailed below are some of the main costs that were a direct consequence of the pandemic.

The IJB received funding of £10.7m to meet the net additional costs of the pandemic and spent £7.1m. Reflecting the fact that COVID-19 related costs will span across financial years, the Scottish Government has confirmed that any associated funding allocations which have not been fully used in 2020/21 should be carried forward to 2021/22. Accordingly the IJB has transferred the balance of £3.6m to an earmarked reserve.

Adult Social Care Services

The impact of COVID has been marked on Adult Social Care services with changes in the way we provide care and where we provide care (for example, a reduced use of care homes during 2020/21 and increased provision of home care). Significant care was also provided by family and other unpaid carers during these difficult times which we are hugely grateful for. All of this has involved close working with providers in these sectors to deal with these changes and other COVID-19 related issues, such as the provision of Personal Protective Equipment, infection control and outbreaks of COVID-19 amongst service users and staff groups.

Sustainability Payments

Since the beginning of lockdown the Health and Social Care Partnership have been supporting local social care providers by ensuring that reasonable additional costs are met through the National Principles for Sustainability and Remobilisation Payments to Social Care Providers. COSLA, Scottish Government and key partners regularly review the principles and evolving COVID-19 situation to ensure that they are fit for purpose and service providers are supported to deliver a sustainable service. All East Lothian adult service providers were contacted in June 2020 to notify them of the availability of sustainability funding and each provider was offered individual support to complete the claim process. As well as providing support to care home providers on the national care home contract the panel have also been supporting non-framework homes on a like for like basis in recognition of their role in local service provision.

The partnership continue to work actively with individual service providers to ensure that they remain stable and sustainable. Funding to support social care has been provided to local NHS boards from the Scottish Government with local claims that are supported being paid via East Lothian Council finance arrangements. Claims are considered at weekly Sustainability Payment Panels that are chaired by Alison MacDonald (Joint Director HSCP/ Chief Officer East Lothian IJB) and attended by a variety of partnership officers.

Additional Hospital Beds

East Lothian Community Hospital was in the fortunate position of having the flexibility of opening up to an extra 44 hospital beds in the two unoccupied hospital wards at East Lothian Community Hospital (ELCH). This additional capacity was used flexibly as required as part of the remobilisation plan to improve capacity during the first and second wave of COVID-19. This provided resilience in acute adult in-patient beds and



maximised the efficiency of the acute flow. Due to the flexible ward layout, bed capacity could alter to respond to acute sector or community need.

Staffing for the wards was partly through redeployment of staff from services where demand had reduced due to COVID-19 and new staff. The recruitment of permanent staffing was an acceptable risk as the vacancy factor in NHS Lothian was such that, if necessary, redeployment to the wider NHS Lothian workforce would be possible.

COVID-19 Assessment Hub

In April 2020 a COVID-19 Assessment Hub opened in Musselburgh as part of NHS Lothian's regional strategy for the management of patients needing assessment for possible coronavirus infection. Mobile testing units were also set up to identify positive cases and break chains of transmission.

Vaccination Programme

East Lothian Health and Social Care Partnerships are proud to be playing our part in the biggest vaccination programme the country has ever seen, to help protect the population from COVID-19.



The East Lothian's COVID-19 Vaccination Programme links with the NHS Lothian Vaccination Programme Board. There is a dedicated clinical and administrative team to develop, manage and deliver the East Lothian programme. With this support, vaccinations are being delivered in line with the Joint Committee of Vaccination and Immunisation (JCVI) 9 category age and clinical risk related prioritisation programme.

The vaccination programme in East Lothian is making good progress and keeping pace with the national priority targets. We acknowledge the support to the vaccination programme provided by HSCP staff, East Lothian Council staff, volunteers and partners and their role in maintaining safe and effective vaccine service provision.

Health and Social Care Staff Bonus Payment

Thank you payments were paid to health and social care staff as a one off thank you payment for their extraordinary services in this toughest of years. These payments included independent contractors and staff working in Adult Social Care in external providers. Actual payments to staff were between late 2020/21 and early into 2021/22. At the time of writing, for those people working in social care on a "personal assistant" arrangement, the £500 awards are still being finalised.

An additional allocation was issued to cover the full costs associated with the payment of the £500 bonus to all Health and Social Care staff.

Long-COVID (and Post-COVID Rehabilitation)



An Advanced Practitioner Occupational Therapist has recently been appointed to evaluate the approach to Long-COVID. One aspect of their role will be to coordinate the pathway, as well as providing patient-centred rehabilitation, reflecting the demographic of people experiencing post-COVID/long-COVID difficulties. A short life working group with representation from a multidisciplinary team is developing an evidenced based and supported post-COVID pathway in East Lothian.

Funding and Cost Consequences for Next Year

As noted above, the Scottish Government confirmed that COVID-19 funding allocations that have not been fully used in 2020/21 should be carried forward by IJB's to support COVID-19 remobilisation plans in 2021/22. For East Lothian, this can be seen in the reserves statement below.

NHS Lothian has submitted the Remobilisation Plan to the Scottish Government, capturing the impact for East Lothian HSCP, which covers the period April 2021 to March 2022. A feature of 2021/22 may be a continued level of COVID-19 responses while also a decreased ability to rely on previously redeployed resources. Clarification from the Scottish Government on the level of funding support available for next financial year 2021/22 is awaited across Scotland but the carry forward funding noted above will provide good reassurance that approved costs will be supported by the Government.

Longer Term Financial Risks

Aside from the over-riding immediate cost impact of COVID-19, there are other financial risks. In future years there is uncertainty regarding long term prescribing issues, immediate and longer term impact on our independent sector providers, the impact of service reconfiguration and a range of other potential medium and longer term implications. These issues are common across Scotland and continue to be part of regular discussion and reporting between all IJBs and the Scottish Government.

Successful New Approaches over the last year

Many services were redesigned to give all citizens in East Lothian access to services during these unprecedented times. Some of these service changes will remain a feature of future operations and strategic plans going forward, some highlights are shown below:



Mental Health Services

It is acknowledged that the negative mental health effects on the pandemic are likely to last longer than the physical health impacts. Mental health effects are falling unequally across society, with people in some social groups bearing much more of the mental health burden than others and those who face the greatest disadvantages in life also face the greatest risk to their mental health.

There was a need to ensure that individuals across East Lothian had equitable access to Primary Care Mental Health support to promote health and well-being. When the pandemic struck our Mental Health services moved quickly to make sure people experiencing poor mental health still had access to the support they needed. The Collaborative Working for Immediate Care (CWIC) Mental Health line was launched in May 2020 and offers same day assessment and support for people suffering with their mental health. An integrated team of Mental Health PR actioners was formed from existing staff to support a single Primary Care Mental Health pathway.

'We were surprised and delighted at how well the service has been used. It was great getting GP endorsement and referrals, but a surprising number of people phoned us themselves, which is what we're there for. We even managed to engage with people who don't always get in touch through traditional routes, for example, younger men'

Fiona Graham from the CWIC Mental Health Team

Physiotherapy Services for East Lothian

Joint and muscle pain didn't go away during the pandemic. The MSK and Rehab team had to move fast to find other ways to support people in difficulty. They opted for a same-day assessment phone line, which built on the work they had already been doing on early intervention.

We also moved on-line, our lead physiotherapist, has recorded specialist exercise programmes which he posts on-line for patients with ongoing physio needs. This has helped people who couldn't come into our gym any more to carry on their regime at home.

'With joint or muscle pain, the earlier you get advice and support the better,' says Lesley. 'Putting up with pain may be brave, but it's not good for you. We wanted to make sure that people could access physio and occupational therapy and support as soon as they needed it.'

'We are looking forward to getting back to face-to-face, but the phone lines will stay because they have already proved their worth for people working, parenting or caring'

Lesley Berry, General Manager for Access and Rehabilitation



Community Link Workers



We all live with pressures in our daily life but sometimes those pressures grow to the point that they affect our health and wellbeing. There are lots of reasons for feeling under pressure. It could be money worries, living in a stressful relationship, struggling with mental health or finding it difficult to cope with your role as a parent or carer. The Community Link Worker Service is here to help people manage and reduce these pressures. They are link people with support and activities available locally that can help. This can be anything from specialist advice and support to health and wellbeing activities that help you relax or exercise and focus on yourself for a while.

Nursing Support in the Care Homes

During the coronavirus pandemic it became apparent how important the Care Home



Team was in supporting care homes. East Lothian was in the fortunate position of having an established nurse-led Care Home Team. This already provided Nurse Practitioner support to anticipatory care, long-term conditions support and to respond to acute illness presentations in residents in a number of independent care homes and HSCP managed care homes. The team also provided training to care home staff. The team liaises with those GP colleagues covering each

Care Home for medical advice as required. This has greatly reduced the need for GPs to attend Care Homes and has reduced emergency admissions.

During the COVID-19 first wave the team was extended and restructured to support all care homes within East Lothian. A Care Home Operational Group monitors care home occupancy, staffing, infection control and outbreak status and initiates action as required.

Care homes are increasingly using telephone rather than face-to-face assessment. This is reducing time delays to assessment and reducing delays to discharge, and ultimately occupied bed days.



Community Treatment and Access Service (CTACS)

We were just ready to start rolling out our new CTACS service when the pandemic hit. However, after a slight delay we opened our first Community Treatment and Access service base at East Lothian Community Hospital in June 2020 and are available with every East Lothian practice. CTACS offer a range of specialised services which include wound management, stitch and staple removals and B12 injections without a GP referral.

'We have a fantastic team of experienced NHS nurses in our team. CTACS can offer patients longer appointments when needed, allowing the team to take the time to fully assess and plan individualised care to patients.'

'This is a new way of receiving care – one which helps us to ensure people are able to see the right person at the right place at the right time, and one which I know people are coming to value.' CTACS lead Deidre Quigley

A strategic approach to this was taken and the IJB was involved appropriately. The core components and key developments for 2020/21 are summarised above and further details will be included in the Annual Performance Report. The Annual Performance Report will not be published until November, it has therefore not been possible to include a link to this at this time, but this will be available on the IJB webpage in due course which will include key performance indicators and comparators.

Plans for Next Year

Review of Adult Social Care

Following the Independent Review of Adult Social Care (published in February 2021), East Lothian IJB will closely scrutinise the Review, its recommendations and the implications for East Lothian and for partnership working

<https://www.gov.scot/publications/independent-review-adult-social-care-scotland/>

The Review was set up to recommend improvements to adult social care in Scotland. It looked at these in terms of the outcomes for people who use services, their carers and families and the experience of those working in the sector.

Although the financial implications of the recommendations cannot be assessed at this stage, the changes proposed do not come without costs. There are key areas with greater costs implications but there is also opportunities to spend money better.

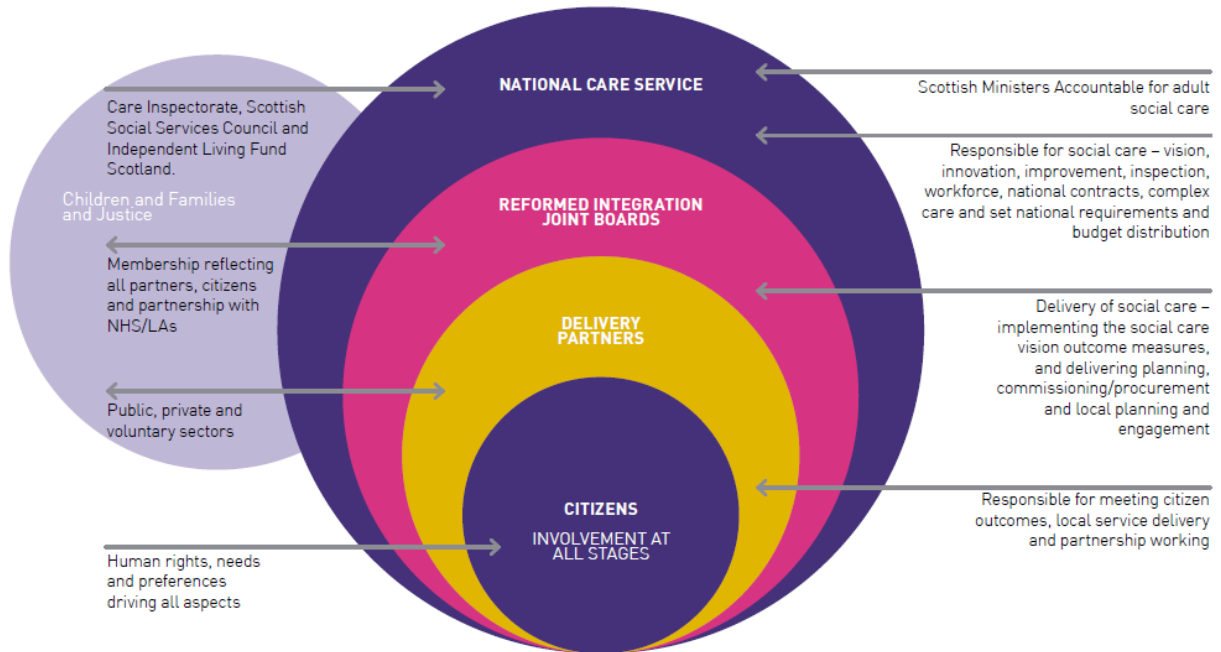
The report describes that some costs arise in our current system because social care supports are often too focused on crisis management and late intervention, and not enough on prevention and empowering people to live fulfilling lives. Suggesting that with more effective care planning and delivery it could in some instances be put to better use to support people more effectively

The focus with all partners is to invest in preventative care rather than crisis responses, to avoid expenditure on poor outcomes.



The diagram below summarises the ethos of the review and the end goal of ensuring the human rights of our citizens is driving all aspects of the review.

The case for a National Care Service (NCS)



(Source – Independent Review of Adult Social Care in Scotland)

East Lothian IJB have a key objective within their Strategic Plan (2019-2022) to transform care. The transformation programmes will consider the role of all colleagues, including social care, in developing future care and service options. The IJB’s strategic objectives, aim to “...support all people in East Lothian to live the lives they want as well as possible, achieving their potential to live independently and exercising choice over the services they use.”

East Lothian Health and Social Care Partnership faces current and future increasing demands from an ageing and growing population. It also faces further challenges in meeting the needs of a range of different communities, some urban, some more rural.

East Lothian IJB will work closely in decision making at NHS Board, regional and national levels. We will continue to work with partners to simplify processes to deliver service change and to improve outcomes for patients while increasing the efficient use of public funds in the delivery of services

The IJB’s Position at 31 March 2021

For the year ending 31 March 2021, the IJB was underspent. That is, the costs incurred in delivering the IJB’s functions by East Lothian Council and NHS Lothian are less than the income that the IJB received from NHS Lothian and East Lothian Council.



The year-end position was arrived at as follows:

	Income £000's	Expenditure £000's	Surplus £000's
Health	143,606	136,829	6,777
Social Care	49,385	48,952	433
Total	192,991	185,781	7,210

This surplus has been transferred to the IJBs reserve which is described further below.

Although the IJB has a range of functions delegated to it, these are delivered through a range of services provided by the partners (East Lothian Council and NHS Lothian) and these are further described below in the analysis of the Income and Expenditure position.

Analysis of the Financial Statements

The financial statements are all presented on a net basis.

The table below summarises the income and expenditure for the IJB for 2020/21.

Income and Expenditure

	Budget Health £000's	Budget Social Care £000's	Expenditure Health £000's	Expenditure Social Care £000's	Variance £000's	Note
Direct East Lothian Services						
Community AHPS	4,037		3,993		45	
Community						
Hospitals	11,613		11,608		5	
District Nursing	2,600		2,488		112	
General Medical						
Services	17,746		17,928		(182)	
Health Visiting	1,900		1,740		159	
Mental Health	6,161		5,886		275	
Other	16,787		10,445		6,342	
Prescribing	20,599		20,686		(87)	
Resource Transfer	4,733		4,738		(4)	1
Older People		26,466		28,126	(1,660)	
Mental Health		2,004		2,001	2	
Physical Disabilities		3,378		3,073	305	
Learning Disabilities		16,103		16,325	(222)	
Planning and						
Performance		2,871		2,543	328	
Other		4,779		3,100	1,679	
East Lothian Share of pan Lothian						
Set Aside	21,921		21,957		(36)	2
Mental Health	2,411		2,492		(81)	
Learning Disabilities	1,816		1,786		30	
GP Out of Hours	1,392		1,517		(125)	
Rehabilitation	875		773		103	
Sexual Health	801		748		53	



Psychology	908		990		(82)	
Substance Misuse	411		407		4	
Allied Health						
Professions	1,500		1,391		109	
Oral Health	2,098		2,060		38	
Other	3,846		3,746		100	
Dental	6,824		6,824		0	3
Ophthalmology	2,046		2,046		0	3
Pharmacy	4,363		4,363		0	3
Totals	137,390	55,601	130,613	55,168	7,210	
SCF	6,216	(6,216)	6,216	(6,216)		4
Per accounts	143,606	49,385	136,829	48,952		

(* Due to rounding's the Totals for Health are out by £1k when summing the individual budget and expenditure lines.)

Income & Expenditure Notes

1. Resource Transfer are funds for specific purposes which are transferred from health to social care. However, these remain part of the health budget and are reported there.
2. Set Aside is the budget for those functions delegated to the IJB which are managed by the Acute Services management teams within NHS Lothian; These services are:
 - Accident and Emergency
 - Cardiology
 - Diabetes
 - Endocrinology
 - Gastroenterology
 - General Medicine
 - Geriatric Medicine
 - Rehabilitation Medicine
 - Respiratory Medicine
 - Various ancillary support services for the above.

These services are delivered at the Royal Infirmary of Edinburgh, the Western General Hospital and St. John's Hospital.

3. In the Health system, expenditure to support the delivery of community dentistry, community opticians and community pharmacists is termed as 'non cash limited' (NCL) but is clearly part of the delivery of primary care services and these functions are delegated to the IJB. However, being NCL there is no budget as such but any expenditure incurred is supported in its entirety by the Scottish Government. The NCL values are not part of the budget setting process, there being no budget, but NHS Lothian has matched the NCL expenditure with income to cover this expenditure.
4. The Social Care Fund (SCF) is a resource which the Scottish Government has directed to the IJB through NHS Lothian and is shown as health funds in the accounts. However, these funds are then transferred to the Council and used to support the delivery of social care services and the analysis above reflects this.



The charges (shown as expenditure above) made by East Lothian Council to the IJB are the net direct costs incurred in the delivery of social care services in East Lothian. The charges from NHS Lothian are based on the health budget setting model as agreed by the IJB. That is, charges for the core services (those services specifically for and delivered by the East Lothian HSCP) are based on the net direct actual costs incurred in East Lothian. However, charges for hosted and set aside services (those services which are not generally managed by the East Lothian Partnership and are delivered on a pan-Lothian basis) are based on the total actual costs for these services shared across four IJBs per the budget setting model. The IJB share of the total actual costs incurred in 2020/21 for hosted services is 12% and, generally, 12% of the Lothian element of the set aside budgets and the non-cash limited budgets.

Overview of the 2020/21 position

As is discussed above, the IJB was underspent by £7.2m in 2020/21. However, this underspend is largely made up of committed funds that have been carried forward into 2021/22 with the 'operational' underspend being c. £1.3m. This is laid out in detail in the analysis of reserves below. This operational underspend will be taken to the general reserve which is £3.1m at March 2021. The IJB's reserve strategy proposed a reserve of c. 2% of the IJB's turnover which would equate to c. £3.8m.

The IJB's income has increased by £21.2m between 2019/20 and 2020/21 although £10.7m of that was specifically to cover the additional costs of the COVID-19 pandemic. Having excluded the COVID-19 income, the IJB's income was increased in line with the Scottish Government's guidance by NHS Lothian and East Lothian Council.

The IJB's expenditure is detailed above along with indicative budgets by service and, again having excluded the COVID-19 carry-forward (shown in 'Other' under health) the most significant operational overspend of £1.6m is within the services for Older People within Social Care, much of this relating to older people with an underlying condition, as explained below under Direct Services. There is also an element of the impact of the pandemic whereby additional social care costs are showing in the services where incurred but funding is showing in 'Other' which is showing a £1.6m underspend.

Direct East Lothian Services

In the health budgets although there were operational overspends within General Medical Services these were offset by vacancies across the system, reduction in staffing requirements associated with the ward redesign and slippage of programmes (programmes starting later in the year than planned and thus generating an underspend).

Within the social care budgets the pressures lay within increased demand for commissioned care services, particularly clients with Learning and Physical Disabilities. There was a change to grouping for people aged 65 and over who have a Learning, Physical or Mental Health illness; all are now showing within Older People where in 2019/20 accounts they would show in the other categories regardless of age. For 2021/22 a budget reset exercise has taken place to address this change in categorisation.



East Lothian Share of Pan-Lothian Services

The Scottish Government released funding to cover the impact of COVID-19 costs on NHS Lothian's position and that funding has been allocated to delegated and set aside services to offset additional expenditure incurred. The areas within hosted services with continued pressures being experienced are Adult Psychology Services and Mental Health Inpatient services with additional capacity being required in year to cope with high demand.

The main pressure for Set Aside services in this financial year lies within Gastroenterology Services and the ongoing pressure with drug costs for the treatment of long-term gastroenterology conditions. Junior Medical pay pressure also continued during this year, where additional staffing was required to fill gaps in rotas and where there were service pressures. The Junior Medical position has improved significantly from previous years but still remains a pressure.

With COVID-19 funding being allocated across the IJB set aside specialities to cover additional costs incurred around extra staffing to cope with COVID-19, the overall position on set aside is much improved compared to previous years.

Appendix 1 illustrates the principal of Set Aside

Reserves

The IJB's reserves are classified as either Useable or Unusable Reserves.

The IJB is permitted to set aside future amounts of reserves for future policy purposes. These reserves normally comprise funds that are set aside for specific purposes; and funds which are not earmarked for specific purposes but are set aside to deal with unexpected events or emergencies.

The IJB has reserves at the end of 2020/21 of £9.608m, compared to reserves of £2.398m in March 2020. The movement can be described below.

The IJB's useable reserve is broken down as follows and a full breakdown of earmarked reserves shows later in the accounts:

	2019/20 Total £000's	2020/21 Movement £000's	2020/21 Total £000's
General Reserves			
Surplus on Provision of Service	1,793	1,289	3,082
Earmarked Reserves			
Surplus on Provision of Service	605	5,921	6,526
Total Usable reserves	2,398	7,210	9,608

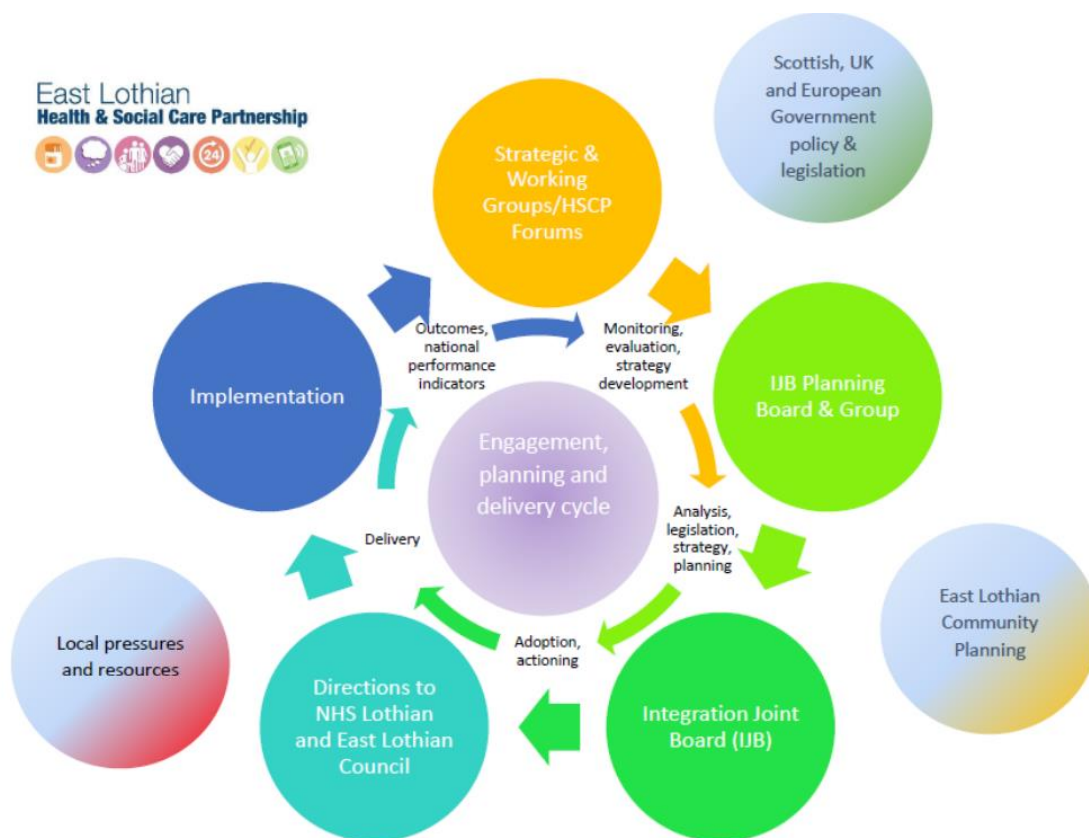
The IJB's Strategy and Business Model



The actions outlined in the Strategic Plan form the basis of more detailed plans for client groups and key services. They also form the basis of the Directions we give to NHS and East Lothian Council and enables us to set out the following strategic aims.

Engagement is key to everything that we do and the purpose of this strategy is to ensure that:

- we have a clear and effective participation and engagement approach which is at the heart of reforming health and social care services locally
- enables the Partnership’s vision and how it works to become a reality
- informs decision making processes that drive strategy and inform the carrying out of delegated functions.



East Lothian IJB is committed to ensuring that services:

- are joined-up for service-users
- take account of the particular needs of individual service-users and their circumstances in different parts of the county
- improve the quality of our services and ensure that they are planned and delivered locally in a way that is engaged with our communities
- make the best use of the available facilities, people and other resources.

The IJB’s remit and goals are laid out in the IJB’s Strategic Plan.



Key Risks and Uncertainties

The challenge for the IJB is to transform the delivery of its delegated functions whilst supporting the delivery of financial balance within the financial resources available.

There remain a series of uncertainties:

- The coronavirus pandemic resulted in a disruption for many services and additional funding met by the Scottish Government to mobilise services is a short term solution. The medium and long term impacts of the pandemic remain uncertain and there is little doubt that significant financial challenges lay ahead.
- East Lothian faces increasing demands from this ageing and growing population and we must ensure we have the ability to provide additional GP consultations and provide services locally in appropriate premises. East Lothian has the highest level of aging population growth in Scotland. This population growth and the increasing aspiration to deliver more care in the local community results in pressure on GP practices to provide fit-for-purpose premises.
- The increasing population in East Lothian remains a challenge which may exacerbate the staffing and financial pressures above.
- The financial position for the UK and Scotland remains uncertain and this will provide a challenge to the amount of financial resources available to the IJB.
- That said, the Scottish Government have announced a series of investments in Primary Care, Mental Health and Substance misuse and Drugs Related Deaths all of which will be directed to the IJB and these resources will support not only the delivery of the new GMS contract but also the transformation programme that the IJB is managing for these services.
- The current fragility of provider organisations in the home care and care homes sector may require action and investment to secure sustainability in these important services

Shamin Akhtar
Chair

Alison MacDonald
Chief Officer

David King
Interim Chief Finance Officer



Statement of Responsibilities

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the board has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the chief finance officer
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland act 2003)
- Approve the Annual Accounts.

I confirm that these Annual Accounts were approved for signature at a meeting of the Integration Joint Board.

Signed on behalf of East Lothian Integration Joint Board

Shamin Akhtar
Chair



Responsibilities of the Chief Finance Officer

The Chief Finance Officer is responsible for the preparation of the IJB's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently
- Made judgements and estimates that were reasonable and prudent
- Complied with legislation
- Complied with the local authority Code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

- Kept proper accounting records which were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the East Lothian Integration Joint Board as at 31 March 2021 and the transactions for the year then ended.

David King
Interim Chief Finance Officer



Remuneration Report

Introduction

This Remuneration Report is provided in accordance with the Local Authority Accounts (Scotland) Regulations 2014. It discloses information relating to the remuneration and pension benefits of specified IJB members and staff.

The information in the tables below is subject to external audit. The explanatory text in the Remuneration Report is reviewed by the external auditors to ensure it is consistent with the financial statements.

Remuneration: IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by East Lothian Council and NHS Lothian Board. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative.

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. Neither the Chair nor the Vice Chair appointments had any taxable expenses paid by the IJB in 2020/21.

The IJB does not have responsibilities, either in the current year or in future years, for funding any pension entitlements of voting IJB members. Therefore no pension rights disclosures are provided for the Chair or Vice Chair.

NHS Lothian remunerates its non-executive members on a notional day basis. That is they are paid a fixed annual amount which is considered to represent payment for one day a week. Those non-executive members of the NHS Lothian Board, who are also Chairs or Vice Chairs of IJBs, are given an additional day's remuneration per week in recognition of the additional time required to undertake those roles. Peter Murray, as a non-executive member of NHS Lothian Board who was also the Vice Chair of East Lothian IJB, has received an additional day's remuneration specifically for his role as Vice Chair of the IJB in 2020/21. This remuneration is £8,842 per annum.

Remuneration: Officers of the IJB

The IJB does not directly employ any staff in its own right, however, specific post-holding officers are non-voting members of the Board.

Chief Officer

Under section 10 of the Public Bodies (Joint Working) (Scotland) Act 2014 a Chief Officer for the IJB has to be appointed and the employing partner has to formally second the officer to the IJB. The employment contract for the Chief Officer will adhere to the legislative and regulatory framework of the employing partner organisation. The remuneration terms of the Chief Officer's employment are approved by the IJB.



The Chief Officer of the IJB is Alison MacDonald. Alison has a joint role as Director of Health and Social Care for East Lothian Council and the Joint Director of the East Lothian Partnership. As in previous years it has been agreed, 50% of total remuneration is to be shown in the accounts of the IJB as the remuneration as the Chief Officer of the IJB.

Chief Finance Officer

The Chief Finance Officer of the IJB is Claire Flanagan. Although the costs of the Chief Finance Officer are not included in the charges made to the IJB by either partner, given the S95 role of the Chief Finance Officer and in the interests of transparency the remuneration of the Chief Finance Officer is included below. The Chief Finance Officer is employed by NHS Lothian and has three roles – the IJB’s Chief Finance Officer, the Chief Finance Officer of Midlothian IJB and an operational role in the NHS Lothian finance team as a Finance Business Partner. On that basis, one third of the total remuneration is shown below.

Other Officers

No other staff are appointed by the IJB under a similar legal regime. Other non-voting board members who meet the criteria for disclosure are included in the disclosures below.

Total for 2019/20 £	Senior Employees Salary, Fees & Allowances	Total for 2020/21 £
48,004	Alison MacDonald, Chief Officer	50,757
23,781	Claire Flanagan, Chief Finance Officer	25,000

In respect of officers’ pension benefits, the statutory liability for any future contributions to be made rests with the relevant employing partner organisation. On this basis there is no pensions liability reflected on the IJB balance sheet for the Chief Officer or any other officers.



Pension Disclosure

The IJB however has responsibility for funding the employer contributions for the current year in respect of the officer time spent on fulfilling the responsibilities of their role on the IJB. The following table shows the IJB's funding during the year to support officers' pension benefits. The table also shows the total value of accrued pension benefits which may include benefits earned in other employment positions and from each officer's own contributions.

	In year Contribution			Accrued Pension benefits		
	For year to 30/03/2021 £000's	For year to at 31/3/2020 (restated) £000's		Difference from 31/3/2020 £000's	at 31/3/2021 £000's	at 31/3/2020 (restated) £000's
Alison MacDonald	14	13	Pension Lump Sum	3 -	16 6	13 6
Claire Flanagan	9	9	Pension Lump Sum	3 1	16 25	13 24

(* The 2019/20 figures have been restated due to information that came to light during 2020/21)

Disclosure by Pay Bands

Pay band information is not separately disclosed as all staff pay information has been disclosed in the information above.

Exit Packages

The IJB did not support nor did it direct to be supported by its partners for any exit packages during 2020/21.

Shamin Akhtar
Chair

Alison MacDonald
Chief Officer



Annual Governance Statement

Purpose

The annual governance statement lays out how East Lothian Integration Joint Board (the ELIJB) complies with the Code of Corporate Governance and sets out the framework within which the ELIJB has put in place proper financial and governance arrangements for the conduct of its business affairs. This will facilitate the effective exercise of its functions, ensuring that appropriate arrangements are in place for the management of risk and that appropriate systems of internal control are in place.

Scope of Responsibility

ELIJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards. This is to allow the public funds at its disposal to be safeguarded and used efficiently and effectively in pursuit of best value.

Board members, including the Chief Officer and the Chief Finance Officer, are responsible for the governance of the business affairs of the ELIJB. This includes setting the strategic direction, vision, culture and values of the ELIJB and establishing appropriate and cost effective systems, processes and internal controls to allow the strategic objectives to be delivered.

In order to achieve this, the ELIJB follows the principles of corporate governance based on the CIPFA/SOLACE Framework and Guidance on ‘Delivering Good Governance in Local Government’.

The ELIJB Local Code of Corporate Governance details 7 core principles which are supported by 20 sub-principles and 91 behaviours and actions that demonstrate good governance. Elements of good governance included are:

- Ensuring Board and Committee members behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the ELIJB;
- Creating the conditions to ensure that all ELIJB members and the ELIJB’s partners (East Lothian Council and NHS Lothian) are able to fulfil their responsibilities in accordance with legislative and regulatory requirements;
- Having a clear vision, which is an agreed formal statement of the ELIJB’s purpose and intended outcome which provide the basis for the ELIJB’s overall strategy, planning and other decisions, the ELIJB Strategy was agreed by the ELIJB in March 2019 and runs from April 2019 to March 2022;
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources and to ensure best value is achieved, the ELIJB Workforce Plan 2019-2022 was approved by the ELIJB in May 2019;
- Evaluating and monitoring risk management and internal control on a regular basis, which is monitored through the ELIJB Audit and Risk Committee;
- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the ELIJB’s Chief Internal Auditor, as monitored through the ELIJB Audit and Risk Committee;
- Ensuring an audit committee, which is independent of the Board and accountable to the IJB, provides a further source of effective assurance regarding arrangements



for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon. As demonstrated in the maintenance of all 2020/21 Audit and Risk Committee meetings being held remotely apart from the June 2020 Committee when significant items were considered at the June 2020 ELIJB meeting;

- Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and providing an Annual Report which includes an action plan for improvement and evidence to demonstrate good governance (the annual governance statement); and
- Ensuring that recommendations for corrective action made by the external auditor are acted upon.

ELIJB's financial management arrangements conform to the requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government. The Chief Finance Officer has overall responsibility for the ELIJB's financial arrangements and is professionally qualified and suitably experienced.

The ELIJB is responsible for conducting each financial year, a review of the effectiveness of its governance framework, including risk management and the systems for internal control and financial control. The review of the effectiveness of the ELIJB's governance framework is informed by:

- The work of the ELIJB Board, the Strategic Planning Group, and the Audit and Risk Committee;
- The annual assurances that are provided by the ELIJB Chief Officer and the Chief Finance Officer;
- The ELIJB Chief Internal Auditor's annual assurance report which is based on internal audit work completed during the year;
- Reports from the ELIJB's external auditor;
- Reports from other external review bodies, agencies and inspectorates.

The key governance arrangements and controls are set out in the Local Code of Corporate Governance.

Statutory and other Compliance

ELIJB ('the Board') has secured compliance with statutory and other requirements, as follows:

- Membership - its minimum membership (voting and non-voting) is set by statutory instrument, with the power to appoint additional members as it sees fit. The Board's membership is fully populated;
- Standing Orders - the Board is required by statutory regulations to have Standing Orders to regulate its business, with some aspects stipulated in those regulations. Standing Orders were adopted at the ELIJB's inaugural meeting and were subsequently amended on 26 March 2020 as part of COVID-19 recess procedures. They comply with statutory requirements;
- Committees - the Board has established an Audit and Risk Committee with a detailed remit and powers and with the membership clearly defined. This complies with statutory requirements and with the Board's Standing Orders;
- Meetings - the Standing Orders adopted by the Board allow the public to have prior access to meeting agendas and reports, and to attend meetings of the Board and its committees, except in clearly defined and limited circumstances. During the



2020/21 year meetings have been held remotely via Teams. Local press representatives have been invited to meetings and the meetings recorded and made available publicly to meet these commitments;

- Strategic Plan - the Board established its Strategic Planning Group as required by legislation, with Terms of Reference approved by the Board covering membership, meetings and meetings procedures. From August 2020 the Strategic Planning Group continued to meet remotely;
- Officers - the Board appointed a Chief Officer and a Chief Finance Officer as required by the legislation. A Chief Internal Auditor has been appointed to carry out the Board's internal audit requirements and assist its Audit and Risk Committee;
- Finance - the Board received reports in relation to financial assurance prior to the setting of budgets for the functions delegated by East Lothian Council and NHS Lothian, and adopted Financial Regulations in relation to the conduct of its financial affairs, the maintenance of its accounting and financial records, and its annual accounts and financial statements;
- Code of Conduct - the Board adopted a Code of Conduct based on the existing Model Code for Members of Devolved Public Bodies in Scotland, and members have registered their interests according to that Code. The Scottish Government approved the ELIJB's Code of Conduct on 1 June 2016.

The ELIJB Chief Internal Auditor has responsibility for the provision of Internal Audit services to the ELIJB and reports functionally to the ELIJB Audit and Risk Committee to allow appropriate independence. The ELIJB Chief Internal Auditor is professionally qualified and suitably experienced to lead and direct the Internal Audit team.

The ELIJB Chief Internal Auditor concluded that based on the work undertaken in 2020/21 reasonable assurance can be placed on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the period to 31 March 2021, but noted areas for further development. These improvements are reflected below.

Action Plan

During 2020/21, areas identified with scope for improvement included the following:

- The current Health and Social Care Partnership workforce plan and workforce action plan does not reflect the workforce developments arising from the events of 2020, and will require staff in the role of workforce development to take forward appropriate actions.
- If the Health and Social Care Partnership are required to continue operating a PPE equipment hub following the current review, then procedures to ensure a complete audit trail for equipment from receipt to delivery to NHS locations and social care providers will be required.

The implementation of these actions to enhance the governance arrangements in 2021/22 will be driven and monitored by the ELIJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2021/22 is designed to test improvements and compliance in governance and implementation of agreed recommendations. Progress has been made against all actions noted in the 2019/20 annual governance statement and monitoring to completion is undertaken by Internal Audit.



It is our opinion, subject to the weaknesses outlined above, that reasonable assurance can be placed on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year to 31 March 2021.

Shamin Akhtar
Chair

Alison MacDonald
Chief Officer



Independent Auditor's Report

Independent auditor's report to the members of the East Lothian Integration Joint Board and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of the East Lothian Integration Joint Board for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of the East Lothian Integration Joint Board as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed under arrangements approved by the Accounts Commission on 10 April 2017. The period of total uninterrupted appointment is five years. I am independent of the East Lothian Integration Joint Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the East Lothian Integration Joint Board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the East Lothian Integration Joint Board's ability to continue to adopt the



going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Finance Officer and the Audit and Risk Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the East Lothian Integration Joint Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Audit and Risk Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the East Lothian Integration Joint Board is complying with that framework;
- identifying which laws and regulations are significant in the context of the East Lothian Integration Joint Board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the East Lothian Integration Joint Board's controls, and the nature, timing and extent of the audit procedures performed.



Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Statutory other information

The Chief Finance Officer is responsible for the statutory other information in the annual accounts. The statutory other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the statutory other information and, in doing so, consider whether the statutory other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this statutory other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the statutory other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on Management Commentary and Annual Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial



statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Gillian Woolman (MA FCA CPFA)
Audit Scotland
102 West Port
Edinburgh
EH3 9DN



Comprehensive Income and Expenditure Statement

This statement shows the cost of providing services for the year according to accepted accounting practices. Where the impact on the General Fund is amended by statutory adjustments this is shown in the Movement in Reserves Statement.

2019/20		Note	2020/21
Net Expenditure			Net Expenditure
£000			£000
3,295	Community AHPS		3,993
9,953	Community Hospitals		11,608
2,393	District Nursing		2,488
16,550	General Medical Services		17,928
1,625	Health Visiting		1,740
7,437	Mental Health		7,888
10,013	Other		13,545
21,031	Prescribing		20,686
3,226	Resource Transfer		4,738
24,049	Older People		28,126
3,321	Physical Disabilities		3,073
17,363	Learning Disabilities		16,325
2,663	Planning and Performance		2,543
26,154	Share of pan Lothian Health Services		29,144
22,118	Set Aside		21,957
171,191	Cost of Services		185,781
171,817	Taxation and Non-Specific Grant Income	6	192,991
626	Surplus or (Deficit) on Provision of Services		7,210
626	Total Comprehensive Income and Expenditure		7,210



Movement in Reserves Statement

This Statement shows the movement in the year on the different reserves held by the East Lothian IJB

	2019/20	2020/21	2020/21
	Total	Movement	Total
	£000	£000	£000
General Reserves			
Surplus on Provision of Service	1,793	1,289	3,082
Earmarked Reserves			
Surplus on Provision of Service	605	5,921	6,526
Total Usable reserves	2,398	7,210	9,608

Reserves

The Integration Joint Board is permitted to set aside future amounts of reserves for future policy purposes. These reserves normally comprise funds that are set aside for specific purposes; and funds which are not earmarked for specific purposes but are set aside to deal with unexpected events or emergencies. They are created by appropriating amounts out of revenue balances. When expenditure to be funded from a reserve is incurred, it is charged to the appropriate service in that year and thus included in the Comprehensive Income and Expenditure Statement. Movements in reserves are reported in the Movement in Reserves Statement.

Useable Reserves

East Lothian IJB has both a general reserve which can be used to mitigate financial consequences of risks and other events impacting on the IJB's resources and an earmarked reserve the monies within this fund are earmarked for specific purposes. East Lothian IJB has an earmarked reserve which can be used to mitigate financial consequences of risks and other events impacting on the specific project budget. The monies within this being the carry forward COVID-19 funding, Primary Care Improvement Fund, the Action 15 funding to support implementation of Scottish Government's Mental Health Strategy and other locally committed programmes.

Earmarked Reserves	£000
COVID-19	3,623
Primary Care Improvement Fund	226
Action 15 - Scottish Government Mental Health Strategy	53
Alcohol and Drugs Scottish Government Allocation	766
Community Living Change Fund	346
Locally Committed programmes	1,512
Committed Project Funds	6,526



Balance Sheet

The Balance Sheet shows the value, as at 31 March 2021, of the assets and liabilities recognised by the Board. The net assets of the Board are matched by the reserves held.

2019/20		Notes	2020/21
Total			Total
£000			£000
	Current Assets		
2,573	Short Term Debtors		9,608
	Current Liabilities		
(175)	Short Term Creditors		0
2,398	Total Assets less current Liabilities		9,608
	Capital and Reserves		
605	Earmarked Reserves		6,526
1,793	General Reserves		3,083
2,398	Total Reserves	MIRS	9,608
		Note 5	

The unaudited accounts were issued on 30 June 2021 and the audited accounts were authorised for issue on 27 September 2021.

David King
Interim Chief Finance Officer



Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

The Financial Statements summarises the IJB's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021.

The IJB was established under the requirements of the Public Bodies (Joint Working) (Scotland) Act 2014 and is a Section 106 body as defined in the Local Government (Scotland) Act 1973.

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

The accounts are prepared on a going concern basis, which assumes that the IJB will continue in operational existence for the foreseeable future. The historical cost convention has been adopted.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when settlement in cash occurs. In particular:

- Expenditure is recognised when goods or services are received and their benefits are used by the IJB
- Income is recognised when the IJB has a right to the income, for instance by meeting any terms and conditions required to earn the income, and receipt of the income is probable
- Where income and expenditure have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet
- Where debts may not be received, the balance of debtors is written down.

It should be noted that the above principles are those applied by the partners (NHS Lothian and East Lothian Council). The IJB has funded these partners to deliver the delegated functions and these partners have charged the IJB as above.

Funding

The IJB is wholly funded through funding contributions from the statutory funding partners, East Lothian Council and NHS Lothian. Expenditure is incurred in the form of charges by the partners.

Cash and Cash Equivalents

The IJB does not operate a bank account or hold cash. Transactions are settled on behalf of the IJB by the funding partner. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the Balance Sheet.

The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet. Where income and expenditure



have been recognised but settlement in cash has not taken place, a debtor or creditor is recorded in the Balance Sheet.

Employee Benefits

The IJB does not directly employ staff. Staff are formally employed by the partners who retain the liability for pension benefits payable in the future. The IJB therefore does not present a Pensions Liability on its Balance Sheet.

The IJB has a legal responsibility to appoint a Chief Officer. More details on the arrangements are provided in the Remuneration Report.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are liabilities of uncertain timing or amount. A provision is recognised as a liability on the balance sheet when there is an obligation as at 31 March due to a past event, settlement of the obligation is probable, and a reliable estimate of the amount can be made. Recognition of a provision will result in expenditure being charged to the Comprehensive Income and Expenditure Statement and will normally be a charge to the General Fund.

A contingent liability is a possible liability arising from events on or before 31 March, whose existence will only be confirmed by later events. A provision that cannot be reasonably estimated, or where settlement is not probable, is treated as a contingent liability. A contingent liability is not recognised in the IJB's Balance Sheet but is disclosed in a note where it is material.

A contingent asset is a possible asset arising from events on or before 31 March, whose existence will only be confirmed by later events. A contingent asset is not recognised in the IJB's Balance Sheet but is disclosed in a note only if it is probable to arise and can be reliably measured.

The IJB has no provisions, contingent liabilities or contingent assets at 31 March 2021.

Reserves

The IJB's only Useable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision. As noted above, the IJB had reserves of £9,608,000 at 31 March 2021.



Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Lothian and East Lothian Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. The IJB holds separate indemnity insurance through its membership of the CNORIS scheme; the charge for this in 2020/21 was £6,000.

Unlike NHS Boards, the IJB does not have any ‘shared risk’ exposure from participation in CNORIS. The IJB participation in the CNORIS scheme is therefore analogous to normal insurance arrangements.

Known claims are assessed as to the value and probability of settlement. Where it is material the overall expected value of known claims taking probability of settlement into consideration is provided for in the IJB’s Balance Sheet.

The likelihood of receipt of an insurance settlement to cover any claims is separately assessed and, where material, presented as either a debtor or disclosed as a contingent asset.

2. Critical Judgements and Estimation Uncertainty

The critical judgements made in the Financial Statements relating to complex transactions are:

- The partner organisations have considered their exposure to possible losses and made adequate provision where it is probable that an outflow of resources will be required and the amount of the obligation can be measured reliably. Where it has not been possible to measure the obligation, or it is not probable in the partner organisations’ opinion that a transfer of economic benefits will be required, material contingent liabilities have been disclosed (there are none).
- The Annual Accounts contains estimated figures that are based on assumptions made by the IJB about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. There are no items in the IJB’s Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year.

Provisions

The IJB has not created any provisions in respect of compensation claims. The IJB has not had any claims made against it in 2020/21 nor is it aware of any claims pending. However, it is not certain that all claims have been identified or that the historic level of settlement payments is a reliable guide for future settlements.

3. Events After the Reporting Period

The Annual Accounts were authorised for issue by the IJB. Events taking place after this date are not reflected in the financial statements or notes. Where events taking



place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4. Short Term Debtors

The IJBs short term debtors are broken down as follows:

	2019/20	2020/21
	£000	£000
Funding due from NHS Lothian	2,272	9,049
Funding due from East Lothian Council	126	559
Total	2,398	9,608

Amounts owed by the East Lothian Council is stated on a net basis; that is the creditor balances relating to expenditure obligations incurred but not yet settled in cash terms are offset against the funds they are holding on behalf of the IJB.

5. Reserves

The IJB's useable reserve is broken down as follows:

	2019/20	2020/21
	£000	£000
Earmarked Reserves		
COVID-19 Funding	-	3,623
Scottish Government Mental Health Strategy - Action 15	50	53
Scottish Government Primary Care Improvement Plan Fund	235	226
Midlothian and East Lothian Drug and Alcohol Partnership	-	766
Community Living Change Fund	-	346
Locally Committed Programmes	320	1,512
	605	6,526
General Reserves	1,793	3,082
Total Reserves	2,398	9,608

6. Taxation and Non-Specific Grant Income

2019/20		2020/21
£000		£000
47,284	Contributions from East Lothian Council	49,385
124,533	Contributions from NHS Lothian	143,606
171,817	Total	192,991

The contributions received by East Lothian IJB represent the funding provided by the Partners (East Lothian Council and NHS Lothian).

The funding contribution from the NHS Board shown above includes £21,921k in respect of the set aside resources and £29,292k in respect of East Lothian's share of pan Lothian health services resources.



7. Corporate Service

Included in the above costs are the following corporate services:

2019/20		2020/21
£000		£000
48	Staff (Chief Officer)	51
6	CNORIS	6
26	Audit Fee	27
80	Total	84

8. Related Party Transactions

As partners with the East Lothian Integration Joint Board both East Lothian Council and NHS Lothian are related parties and the material transactions with these bodies are disclosed in these accounts.

There are elements of expenditure which are shown against NHS Lothian but where the resources are used by social care services delivered by East Lothian Council. Further details are shown on the Income and Expenditure analysis on page 18.

2019/20		2020/21
Net Expenditure		Net Expenditure
£000		£000
123,732	NHS Lothian	136,829
(3,226)	Resource Transfer	(4,738)
(6,216)	Social Care Fund	(6,216)
114,290	Total	125,875
47,459	East Lothian Council	48,952
3,226	Resource Transfer	4,738
6,216	Social Care Fund	6,216
56,901	Total	59,906

Both Resource Transfer and the Social Care fund are resources which are part of the NHS Lothian Budget and are shown as expected there in but these funds are used to deliver social care service supplied by East Lothian Council.

The change in Resource Transfer in 2020/21 relates to a presentational reclassification exercise within NHS Lothian. The actual monetary values between years remain largely static.



9. Agency Transactions

COVID-19 Grants were distributed on behalf of the Scottish Government in accordance with the Scottish Government's eligibility criteria. The £500 social care workers grant funding was not received in 20/21, but has been received and disbursed by East Lothian Council 2021/22.

10. VAT

The IJB is not a taxable entity and does not charge or recover VAT on its functions. The VAT treatment of expenditure and income within the accounts depends upon which of the partners is providing the services as these bodies are treated differently for VAT purposes.



Appendix 1 – Set Aside

Set Aside budget relates to services provided by large hospitals on behalf of the IJB. The principle is illustrated in the diagram below.

What is a set aside budget?

The budgets of integration authorities (IAs) are composed of two elements:

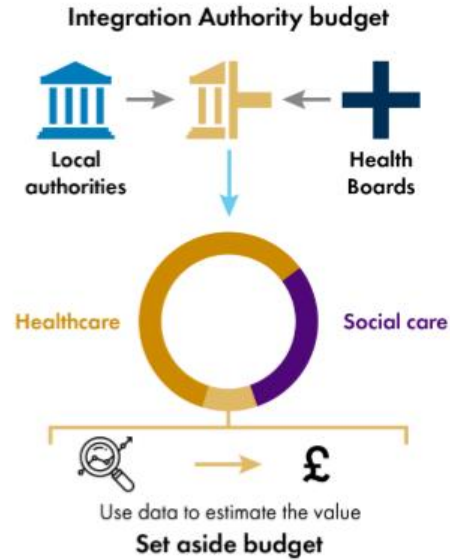
- Social care
- Health care – including primary and community healthcare, as well as some hospital care

The majority of integration authorities (IAs) have a 'set aside' budget. This relates to unscheduled acute hospital care.

How is the set aside budget agreed?

When setting the budget, the integration authority agrees with the NHS health board partner how much it expects to need for unscheduled acute hospital care. To do this, the partners use hospital data on levels of activity.

For IAs using the "set aside" approach, the agreed amount remains within the NHS rather than being paid to the IA (like the rest of the NHS contribution). This "set aside" budget should still remain under the control of the IA.



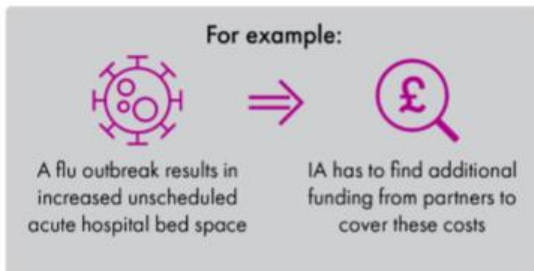
What can change the set aside budget?

In year

During the year, actual **unscheduled acute activity** might be higher or lower than anticipated.

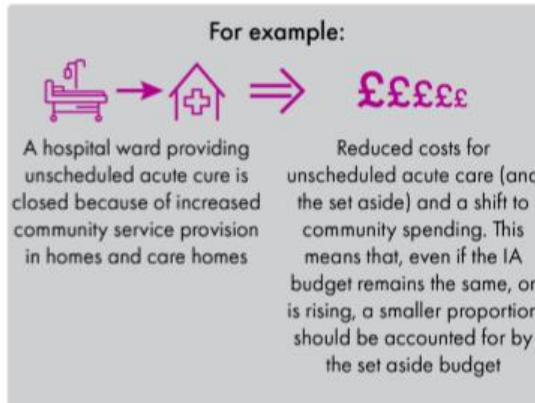
If activity is higher, the IA needs to agree with partners how these additional costs will be met.

If activity is lower, the IA should be able to decide how to spend the difference between actual and anticipated costs.



Longer term

Over the longer term, changes to how services are delivered should also be aimed at reducing demand for unscheduled acute care and – in turn – the set aside budget.



Source - Scottish Government Health and Sport Committee report in October 2019 "Looking ahead to the Scottish Government Health Budget 2020/21: When is hospital bad your health? "



East Lothian Chief Finance Officer Statement of Assurance 2020/21 IJB Annual Accounts

Dear David

The Draft Unaudited Accounts were prepared and presented to the IJB in June 2021; they are now with our External Auditors for audit. As the East Lothian IJB Annual Accounts cover the financial year 1 April 2020 to 31 March 2021 and this fell within my time as IJB Chief Finance Officer. I can confirm that I am not aware of any matters relating to controls or indeed any other issues which would impact on the finalisation of the Annual Accounts or which would impact on your ability to sign the Final Audited set of Annual Accounts.

There are, of course, on file letters from both of the Partners confirming the values and transactions held in their financial ledgers are complete and accurate.

Signed: *Claire Flanagan*

Name: Claire Flanagan
Designation: Chief Finance Officer East Lothian IJB
Date: 5th August 2021



REPORT TO: East Lothian IJB - Audit and Risk Committee
MEETING DATE: 14 September 2021
BY: Interim Chief Finance Officer
SUBJECT: Risk Register

6

1 PURPOSE

- 1.1 This paper lays out the IJB's risk register.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to:
- i. Note the current risk register;
 - ii. Consider if the Scottish Government's consultation on its proposed National Care Service should be included in the register; and
 - iii. Consider if any further risks should be added to the register.

3 BACKGROUND

- 3.1 As a key part of its governance process the IJB maintains a risk register. This risk register examines the risks that impact on the business of the IJB itself and not the operational risks that the IJB's partners manage unless those risks are considered so significant that they could impact on the business of the IJB – that is impact on the ability of the IJB to deliver its strategic plan.
- 3.2 The current version of the risk register is attached. Members are asked to consider if there are additional risks that require to be added to the register and consider if the management actions identified against these current risks provide assurance that these risks are being appropriately managed.

- 3.3 The following changes have been made since the register was last presented to the committee:

Risk 4018, Impact of Partners Decisions. This risk is managed through the issuing by the IJB of its Directions to the partners. The Directions for 20/21 have now been issued and the narrative has been updated to reflect that along with an amendment to the due date.

Risk 4947, NHSL Recovery Plan. This risk had a due date of December 2020. Work continues to manage this risk as laid out in the text and the due date has been moved to December 2021.

Risk 5022, Demographic Pressures. This is a new risk which the committee decided should be added to the register. Mitigating actions to manage this risk will be part of the revision and on-going review of the IJB's Strategic Plan

- 3.4 Following an independent review of adult social care, a Scottish Government consultation was published on 9th August 2021 entitled :National Care Service for Scotland: Consultation. This proposes the creation of a National Care Service and a revision of the role and structure of IJBs. The Scottish Government have indicated that they will make these changes during the lifetime of the current parliament. This is clearly a very significant change to the current position of the IJB. However, at this time there is insufficient detail and clarity to add this to the IJB's risk register.

4 ENGAGEMENT

- 4.1 The IJB makes its papers and reports available on the internet

5 POLICY IMPLICATIONS

- 5.1 This paper is covered within the policies already agreed by the IJB.

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 There are no implications for health inequalities or general equality and diversity issues arising directly from the issues and recommendations in this paper.

7 RESOURCE IMPLICATIONS

- 7.1 Financial – there are none.
7.2 Personnel – there are none.

8 BACKGROUND PAPERS

8.1 None

AUTHOR'S NAME	David King
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DATE	September 2021

Appendices

1. Risk Register

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Date Risk Reviewed	Action ID	Responsibility	Description	Progress	Start date	Due date	Done date
5045	COVID-19	There is a risk that the IJB will not be able to deliver against its objectives, its strategic plan and deliver financial balance against its budget due to COVID-19 and the response to this.	1. IJB Board/Committee meetings now operating in a virtual manner. 2. Controls in place within HSCP to evidence the response. 3. Part of Partners response to pandemic, NHS Lothian Tactical Response and East Lothian Council CMT. 4. IJB Members Briefings in place.	Very High 20	Medium 9	Macdonald, Alison X	Gorman, Iain	11/05/2020	01/06/2021	11673	Iain Gorman	COVID-19 Response	IJB Chief Officer and Head of Operations actively part of East Lothian Council COVID -19 CMT Meeting and NHS Lothian Gold Command Meetings. 01/06/21: These meetings vary depending on the COVID response required. NHS Lothian Gold Command is currently stood down.	11/05/2020	31/03/2022	
5220	Demography	The population of East Lothian has increased over the past few years and the projections predict a further increase. Further compounding that pressure, the percentage of that population over the age of 65 will also increase from the current position. This will generate increased demand for the health and social care services in East Lothian that have been delegated to the IJB	Forecasts available to IJB Addressed through IJB's Strategic Planning Process	Very High 20	Medium 9	Macdonald, Alison X	Gorman, Iain	23/08/2021	23/08/2021		Iain Gorman	Ensure that Strategic Plan fully addresses the the issue of demography	Under development	23/08/2021	23/09/2021	
5127	EU Exit	There is a risk that the IJB will not be able to deliver against its objectives, its strategic plan and deliver financial balance against its budget due to the impact the EU Exit may have on Partners.	East Lothian HSCP established a local EU Exit Group to assess service-related risks across all functions arising from departure from the EU. This is chaired by Iain Gorman, Head of Operations. In addition, the HSCP provided regular Impact Assessment Report Updates and was represented at the NHS Lothian EU Exit Strategic Group, the remit for which is to manage EU Exit communication strategy and reporting requirements; assess and monitor current, potential and future risks and impact to NHSL service. The NHS Lothian Group has paused meetings at times when updates showed no major issues.	Medium 9	Medium 9	Macdonald, Alison X	Gorman, Iain	04/03/2021		12970	Iain Gorman	Mitigate risks associated with Brexit	26/02/21: Following a number of meetings and assessment of risks relating to Brexit as low for East Lothian HSCP services and in light of COVID, the HSCP Group was paused during much of 2020. Following no change in updates the scheduled January 13th was cancelled, with services areas asked to highlight if any Brexit-related issues arise, so these can be acted on. Future meetings will be arranged as required.	04/03/2021	31/12/2021	

3924	Financial resources may be insufficient to sustain the Strategic Plan	There is a risk that the financial challenges faced by the NHS and East Lothian Council will result in allocations to the IJB that do not allow the Strategic Plan to be delivered leading to the failure to achieve outcomes and targets.	<p>1. Financial assurance process carried out by IJB</p> <p>2. Engagement of IJB Officers and members in NHS and Council budget setting processes</p> <p>3. Regular financial monitoring reports to IJB</p> <p>4. Scheme of Integration risk sharing and dispute resolution processes</p> <p>5. IJB Chief Finance Officer in post</p> <p>6. Strategic Planning Group in place</p> <p>7. Efficiency and recovery plans are developed in year by operational teams to "break even".</p> <p>8. There is a programme of meetings and discussion between IJB, Council and Health Board leading to an IJB financial planning process being approved by the IJB and supported by Council and Health Board</p> <p>9. The IJB take a lead role in policy decisions to support the Financial Plan.</p> <p>10. Developed a longer term rolling financial plan for the IJB.</p> <p>11. IJB now holds a general reserve.</p>	High 12	Medium 9	Macdonald, Alison X	Flanagan, Claire	26/02/2016	01/06/2021	6950	David Small	Creation of appropriate financial planning processes	Meetings have taken place regularly. IJB financial plan policy agreed by IJB and drafts presented to IJB	#####	#####	#####
										7346	Claire Flanagan	Financial Reporting	Ongoing throughout current financial year. 7/1/20: Regular financial reporting takes place. Agreement to close risk and add to controls.	01/04/2017	31/03/2020	07/01/2020
										7347	Claire Flanagan	IJB and Policy Decisions	This action has now become a control	01/04/2017		16/05/2019
										8949	Claire Flanagan	Development of a longer term rolling financial plan for the IJB	This went to IJB in June 2019 and was accepted. 23/11/20: A further update of the IJB rolling financial plan was presented to the IJB in October 2020. This iteration of the plan will require to be refined once clarity on the impact COVID-19 has on the IJB delegated functions moving forward.	16/05/2019	31/03/2022	
										10548	Claire Flanagan	Annual National and Scottish Budget Allocation	7/1/20: Annual budget settlement is currently unclear. Awaiting further information. 23/11/20: Scottish Government Annual Budget for 2021/22 to be set February 2021 will require to work with Partners to assess the impact this will have on the IJB. 26/02/2021: Scottish Government Budget announced and correspondence from Scottish Government has been received by the IJB and Partners. Awaiting formal budget offers from Partners. Paper on budget offers will be updated at the next IJB meeting. 08/05/21: IJB agreed budget offer from both Partners at April 2021 meeting. This business was followed by an IJB budget challenge 2021/22 development session.	07/01/2020	31/12/2021	

4018	Impact of Partners' Decisions	There is a risk that Partners reach decisions on priorities and services (including service reviews) that impact negatively on the IJB leading to an inability to deliver the Strategic Plan	<ol style="list-style-type: none"> 1. Involvement of IJB membership in the Partners' decision making process including voting members and Officers 2. Involvement in Partners' service reviews 3. Good working relationships and regular formal /informal meetings 4. Participation in MSG self-evaluation to inform improvement actions for better partnership working. 	High	Medium	Macdonald, Alison X	Macdonald, Alison X	17/06/2016	26/02/2021	6956	Alison Macdonald	Clarity and monitoring of directions	<p>Action extended to cover the period April 2017to March 2018.</p> <p>16/05/19 directions for 2019-2020 currently in review.</p> <p>23/12/19: Directions agreed at IJB on 31/10/19 - ongoing action.</p> <p>7/1/20: Directions being finalised for publication.</p> <p>25/02/20: Directions (including links) will be taken to the Core and Extended CMT on 18th March.</p> <p>26/02/2021: Development Session ran on the 27th Aug 2020 on Directions, the fitness of purpose of the current directions, the potential impact of Covid on directions, how direction will support remobilisation plans locally and nationally. A paper on Directions following this session was presented to the IJB at the September business meeting of the IJB.</p>	03/04/2017	30/06/2021
4947	NHSL Recovery Plan	There is a risk that the EL IJB will not provide satisfactory services due to acute waiting times, delayed discharges and mental health. There is a risk that we will fail to meet the 4 hour performance target for unscheduled care which could mean that patients fail to receive appropriate care due to volume and complexity of patients, staffing, lack and availability of beds, lack of flow leading to a delay to first assessment, a delay in diagnosis and therefore in treatment for patients and a reputational risk for the organisation. Scottish Government has escalated these risks to Level 3 & 4.	<ol style="list-style-type: none"> 1. Extra capacity available in ELCH. 2. Winter Plan 3. Chief Officer on Recovery Board for Unscheduled Care and MH/LD. 4. NHSL Project Management support has been recruited. 5. Proactive teams are managing the situation on a daily basis. 6. Contribute to tele-conferencing. 	High 16	High 12	Macdonald, Alison X	Macdonald, Alison X	19/12/2019	26/02/2021	10551	Alison Macdonald	Involvement in a Collaborative Approach with all 4 IJB's	<p>25/02/20: (1) Remits of groups and sub-groups in place (2) Operational delivery groups established and attended appropriately.</p> <p>26/02/2021: Paper on the NHSL recovery programme was presented to the A&R Committee in March 2021. Committee has asked to receive regular updates.</p>	07/01/2020	31/12/2021

3925	Operational resources may be insufficient to deliver the Strategic Plan	There is a risk that the IJB fails to achieve its targets due to insufficient access to key services and resources e.g. General Practice, Care at Home, Care Homes, Health Visiting, Housing, acute services etc leading to failure to deliver the Strategic Plan resulting in risk to patients' and clients' safety, external review and reputational damage	<ol style="list-style-type: none"> 1. The Strategic Plan sets out clear priorities 2. IJB directions are clear about actions required by NHS and Council 3. The Partnership Management Team is focussed on ensuring adequate resources are in place for delegated functions to deliver the Strategic Plan 4. NHS Lothian is focussed on ensuring adequate resources are in place for set-aside and hosted functions to deliver the Strategic Plan 5. NHS Lothian and East Lothian Council are focussed on ensuring adequate resources are in place for non-delegated but related functions (e.g. housing), to deliver the Strategic Plan 6. Quarterly Performance Report to IJB and scrutiny by the Audit and Risk 	Medium 6	Medium 6	Macdonald, Alison X	Macdonald, Alison X	26/02/2016	07/01/2020	6953	Alison Macdonald	Develop Joint Workforce Plan	This will be taken to IJB in May 2019 for approval. Joint Workforce Plan approved at IJB on 23/5/19.	01/04/2017	03/06/2019	28/05/2019
3926	Potential Instability e.g elections / IJB changes	There is a risk that the IJB will be destabilised as a consequence of membership change or policy change as a result of elections and Public Sector reform leading to conflicting priorities and/or inability to make decisions	<ol style="list-style-type: none"> 1. Standing orders that control members' behaviour 2. Code of Conduct 3. Scheme of Integtration which includes a dispute resolution mechanism 4. Ensuring that membership changes are not all planned at the same time e.g. stakeholder member changes are separate from voting member changes, NHS membership changes on a different cycle from the East Lothian Council membership changes 	Medium 4	Medium 4	Macdonald, Alison X	Macdonald, Alison X	26/02/2016	26/02/2021	7349	Alison Macdonald	IJB Induction Review and IJB Members Annual Discussion	<p>7/1/20: AM will speak to Cllr Fiona O'Donnell and find out if regular meetings are taking place with IJB members.</p> <p>25/2/20: Cllr O'Donnell has met with IJB members. Induction plans to be reviewed in light of new members - Public Consultant and Independent Sector reps.</p> <p>23/11/20: IJB Standing Orders circulated to IJB members November 2020. IJB now operating virtually due to ongoing COVID-19 pandemic</p>	31/05/2017	31/12/2021	



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 14 September 2021
BY: Chief Internal Auditor
SUBJECT: Internal Audit Report – East Lothian H&SCP Workforce Development

7

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the recently issued audit report on East Lothian H&SCP Workforce Development.

2 RECOMMENDATION

- 2.1 That the Audit and Risk Committee note the contents of the audit report.

3 BACKGROUND

- 3.1 An assurance review of East Lothian H&SCP Workforce Development has been undertaken as part of the Audit Plan for 2020/21. This report was completed by the NHS Lothian Internal Audit team and was reported to the NHS Lothian Audit & Risk Committee in June 2021.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the arrangements in place for East Lothian H&SCP Workforce Development.
- 3.3 The main findings from our audit work are outlined in the attached report.

4 ENGAGEMENT

- 4.1 The findings from the review have been discussed with Management, but do not require wider engagement.

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

7 DIRECTIONS

- 7.1 The subject of this report does not require any amendment to or creation of Directions.

8 RESOURCE IMPLICATIONS

- 8.1 Financial - None
8.2 Personnel - None
8.3 Other - None

9 BACKGROUND PAPERS

- 9.1 None

AUTHOR'S NAME	Duncan Stainbank
DESIGNATION	Chief Internal Auditor
CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	3 September 2021

Internal Audit



East Lothian H&SCP – Workforce Development

June 2021

Internal Audit Assurance assessment:

Objective One	Objective Two	Objective Three
Moderate Assurance	Significant Assurance	Significant Assurance

Timetable

Date closing meeting held: No meeting held, client responded directly to draft report

Date draft report issued: 28 May 2021

Date management comments received: 10 June 2021

Date Final report issued: 11 June 2021

Date presented to Audit and Risk Committee: 21 June 2021

This report has been prepared solely for internal use as part of NHS Lothian's internal audit service. No part of this report should be made available, quoted or copied to any external party without Internal Audit's prior consent.

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1. Introduction

- 1.1 The East Lothian Integration Joint Board (ELIJB), established in April 2016, under the Public Bodies Joint Working Act 2014 (the Act) is responsible for commissioning, directing, and governing the activities of the East Lothian Health and Social Care Partnership (the Partnership). The Partnership comprises NHS Lothian (NHSL), and East Lothian Council (the Council) who work together to deliver health and social care services for adults across East Lothian. The IJB is responsible for the strategic planning of the functions delegated to it and for ensuring the delivery of those functions through the directions issued by it under the Act. The role of the Partnership is the operational delivery of the Directions set by the IJB. The focus of the audit will be the operational delivery of workforce planning by the Partnership.
- 1.2 Workforce planning is concerned with ensuring that an organisation has the right people, with the right skills, in the right place, at the right time to support the delivery of objectives. This is particularly important for the effective provision of services within the partnership across East Lothian.
- 1.3 The provision of adequate resources is recognised within the ELIJB strategic risk register as a medium level risk with there being a potential lack of ability to recruit and deliver required services. In order to mitigate this a Joint Workforce Plan was approved at IJB on 23 May 2019. It aims to ensure that ELIJB strategically plans to have sufficient staff (health and social care), with the appropriate skills, to meet the current and future needs of the East Lothian population.
- 1.4 NHS Lothian and East Lothian Council remain the employers of staff in the partnership and both have detailed workforce plans. As a result the ELIJB workforce plan does not duplicate the detail of these plans, but builds on these to address common issues across the partnership. This workforce plan is informed by and informs workforce planning undertaken by partnership managers as they develop and review their service strategic plans.

Scope

- 1.5 The review assessed the East Lothian Health and Social Care Partnership's approach to workforce development, in particular ensuring that operationally people resources are in place to deliver redesigned services commissioned by the ELIJB which fit with strategic priorities for health and social care integration set out in the Strategic Plan to meet the needs of service users
- 1.6 Our fieldwork included reviewing the workforce plans for the HSCP, NHS Lothian and East Lothian Council. Detailed testing was carried out to assess the completeness of the plans and how the workforce development priorities are being considered across the partnership, and within the respective action plans. Interviews were held with representatives from the H&SCP, East Lothian Council and NHS Lothian.

Acknowledgements

- 1.7 We would like to thank all staff consulted during this review for their assistance and cooperation.

2. Executive Summary

Summary of Findings

2.1 The table below summarises our assessment of the adequacy and effectiveness of the controls in place to meet each of the objectives agreed for this audit. Definitions of the ratings applied to each action are set out in Appendix 3.

No.	Control Objectives	Assurance Level	Number of Findings			
			Critical	High	Medium	Low
1	The workforce planning framework is in place and provides a basis for the production of workforce plans that facilitate the achievement of the ELIJB's current strategic objectives	Moderate Assurance	-	-	1	-
2	Workforce plans are in place within the partnership which identifies existing workforce requirements and includes prioritised actions to address gaps in skills and numbers, to ensure the ELIJB's objectives are achieved	Significant Assurance	-	-	-	1
3	There is appropriate governance arrangements in place to monitor and report progress against workforce plans	Significant Assurance	-	-	-	1
Total			-	-	1	2

Conclusion

- 2.2 Within its 2019-2022 Workforce Development Plan, the ELIJB Health & Social Care Partnership has documented a workforce development framework in line with Scottish Government Guidance. The workforce development plan recognises the need to change how the IJB works across social care, community and acute providers. In collaboration with all partners and stakeholders the Health and Social Care Partnership has aimed through the plan to ensure that the future workforce will be knowledgeable, skilled and able to respond to the changes outlined in the East Lothian Strategic Plan
- 2.3 An Annual Workforce Planning Reporting Process has been developed by the Scottish Government to meet its annual reporting requirements. A reporting template has been developed and forwarded to NHS Lothian and Integration Authorities for completion by the end of April 2021, to support their submission. Exercises have been carried out to consider the events of the last year and their impact on future workforce requirements. Consequently, the ELIJB H&SCP should develop its workforce development plan to include its refreshed planning priorities and the impact on workforce plans going forward. As well as the likely resourcing requirements to ensure that the planning process is adequately supported.

Main findings

- 2.4 The ELIJB H&SCP Workforce Development Plan 2019-2022 clearly states the strategic objectives present in the ELIJB Strategic Plan 2019-2022. A number of these objectives had been taken forward into the production of the year one H&SCP Workforce Development Plan Action Plan.
- 2.5 Elsewhere, the NHS Lothian Workforce Plan 2019-2022 and East Lothian Council Workforce Plan 2018-2022 have both been aligned to the H&SCP Workforce Plan, with their respective workforce action plans including the actions necessary to ensure partnership involvement across the H&SCP workforce planning agenda.
- 2.6 NHS Lothian reviewed their actions in Autumn last year in light of Covid-19 and the timescales have been extended. In order to monitor progress and support leads all the actions have been factored into the agenda and plans for the NHS Lothian Workforce Planning and Development Board with HSCP actions due for an update in August 2021.
- 2.7 Similarly East Lothian Council are also in the process of reviewing their own workforce plan, with a Council Management Team meeting scheduled in Spring 2021 to agree updates to this. As with the IJB H&SCP, NHS Lothian and East Lothian Council are also required by the Scottish Government to submit interim 12 month workforce plans covering April 2021 to March 2022.
- 2.8 In May 2019 the 4 HSCPs working with NHS Lothian came together to share their workforce planning process and plans and during the event agreed 4 areas for future collaboration that each of the Chief Officers would progress. Covid-19 has given a

unique opportunity to rapidly implement new ways of working and they were keen to capture learning from this within the previously agreed areas of:

- GMS Implementation - encouraging collaboration rather than competition for staff.
- Digital Enablement - access to multiple systems across health & care/agile working.
- Recruitment & Retention (with a focus on promoting and supporting careers in care) factoring in the use of the third and independent sector as well as all unpaid carers.
- Learning & Development - building on ANPs, MAs and all other workforce enablers.

2.9 The ELIJB H&SCP Senior Management Team has established a strategic Workforce Planning & Development Steering Group. The Group acts on behalf of the H&SCP Senior Management Team and in a high-level strategic oversight role. It is responsible for advising senior management and the workforce development teams on the planning, implementation, evaluation and review of the ELH&SCP Workforce Development Strategy and Plan. A further role of the Group is to assist senior management and the workforce development teams to identify and address current risk factors relating to workforce planning and development priorities.

2.1 We identified three issues / improvement opportunities during this review:

Medium Rating

- The current H&SCP workforce plan and workforce action plan does not reflect the workforce developments arising from the events of 2020, with a lack of dedicated staff in the role of workforce development.

Low Rating

- Detailed service and workforce plans have not been developed to support the H&SCP workforce planning framework, with additional workforce plans in place across the Partnership recording similar actions.
- Meetings of the H&SCP Workforce Planning and Development Steering Group have not taken place since February 2020, with the monitoring arrangements from the H&SCP Workforce Plan not followed.

Further details of these points are set out in the Management Action Plan.

3. Management Action Plan

<p>Control objective 1: The workforce planning framework is in place and provides a basis for the production of workforce plans that facilitate the achievement of the ELIJB's current strategic objectives</p>	
<p>Finding 1: The current H&SCP workforce plan and workforce action plan does not reflect the workforce developments arising from the events of 2020, with a lack of dedicated staff in the role of workforce development</p> <p>Associated risk of not achieving the control objective: The East Lothian HSCP Workforce Planning Framework does not reflect the ELIJB's current strategic objectives and is under resourced to effectively link with partnership and progress the plan</p>	<p>Medium</p>
<p><u>Background</u></p> <p>The East Lothian IJB recorded in its Strategic Plan 2019-2022 that the East Lothian Health and Social Partnership was in the process of developing its first Joint Workforce Plan. It was intended that the plan would enable the Partnership to better match its human resources to those service areas which have the most need, enabling the partnership to better forecast and profile the workforce and to make staffing more sustainable.</p> <p>In response to this the East Lothian Health & Social Care Partnership has published the East Lothian Integration Joint Board Workforce Development Plan 2019-2022. The Workforce Development Plan has recorded in it the IJB's Strategic Aims, Objectives and Values. To support the implementation of the ELIJB H&SCP Workforce Plan, the East Lothian Health & Social Care Partnership had developed a year one action plan, covering 2019-2020. The Workforce Plan Action Plan has also been aligned to the ELIJB's Strategic Priorities, assigning a number of high level actions, owners and timescales.</p> <p><u>Observation and Risk</u></p> <p>It is noted that the ELIJB H&SCP has been unable to recruit a permanent workforce development officer, despite two recruitment exercises. This role has been filled on an interim basis by the Interim General Manager Service Improvement and Strategic Planning, East Lothian H&SCP.</p> <p>However, this is unsustainable in the longer-term and there is a risk that the Partnership is insufficiently supported in the role of workforce development, on which it is likely to become increasingly dependent following the publication of the 2020-2021 interim workforce plan and production of the 2022-2025 ELIJB H&SCP Workforce Development plan.</p> <p>Covid-19 has presented the H&SCPs with an opportunity to implement new ways of working and an exercise was carried out in September 2020 to capture this learning from each of the partnerships within the areas listed below:</p>	

- GMS Implementation
- Digital Enablement
- Recruitment & Retention (with a focus on promoting and supporting careers in care)
- Learning & Development

Consequently, the ELIJB H&SCP Workforce Development Plan 2019-2022 no longer supports the anticipated new ways of working identified from the exercise carried out in September last year. Without the required resources in place, there is a risk that the H&SCP is unable to develop the necessary actions to take forward all of its workforce priorities.

Recommendation

Management should consider the dedicated resource that is required to support workforce planning to move it forward at the pace required, with efforts continuing to establish necessary personnel to achieve this.

Management Response

Agree with risks and recommendation

Management Action

Senior Workforce and Organisational Development Officer has now been appointed and will start work on 7 June 2021. The post is hosted by ELC with a remit for ELHSCP.

In addition and recognising the importance of this role a further post is being developed to provide a project officer to support this the Senior officer. This is in addition to Business support already in post.

Further consideration is being given for a post to focus on Social Work professional development who would form part of the ELHSCP WFOD team.

Responsibility:

Interim General Manager

Target date:

30 June 2021

Control objective 2: Workforce plans are in place within the partnership which identifies existing workforce requirements and includes prioritised actions to address gaps in skills and numbers, to ensure the ELIJB’s objectives are achieved

Finding 2: Detailed service and workforce plans have not been developed to support the H&SCP workforce planning framework, with additional workforce plans in place across the Partnership recording similar actions

Associated risk of not achieving the control objective: The H&SCP is unable to support the achievement of the ELIJB’s strategic objectives, or the workforce priorities recorded within the H&SCP Workforce Plan

Low

Background

The East Lothian Partnership has two parts. The IJB sets strategy, issues directions to partners for delivery and monitors performance against delivery, while the H&SCP focuses on delivery of NHS and Council services and supports the IJB.

In addition NHS Lothian and East Lothian Council remain the employers of staff in the partnership and both have detailed workforce plans. As a result the H&SCP plan is not designed to duplicate the detail of these plans, but builds on these to address common issues across the Partnership.

The H&SCP Workforce Plan 2019-2022 has identified a number of workforce challenges across several service areas, and where sustainability issues are likely to occur. These include:

- General Practice
- General Practice Nursing
- Social Work/Care
- Mental Health
- Allied Health Professionals, and
- Planning & Performance

Meanwhile, the NHS Lothian Workforce Plan 2019-22 has included three actions that relate to the H&SCP:

- Building collaborative build collaborative approaches around the development of new/advanced/redesigned roles.
- With a focus on promoting and supporting careers in care, factoring in the use of the third and independent sector as well as unpaid carers, and
- Access to multiple IT systems across health & care to support agile working.

Elsewhere, the East Lothian Council noted in its March 2020 update that the H&SCP Workforce Plan should be aligned with the Council’s workforce plan and supports the development of new models of integrated working.

Observation and Risk

The East Lothian Health & Social Care Partnership Workforce Planning and Organisational Development Steering Group noted at its meeting on 24 January 2020 that further detail was to be added to the H&SCP Workforce Plan for each individual service plan. And that the partnership was now moving forward with service action and team plans. The subsequent meeting on 28 February of the Group noted the agreement to discuss the workforce plan and related service plans at its next meeting.

However, at the time of this review, there has been no meaningful progress around the development of service plans. Audit have been provided with the AHP Workforce Plan Action Plan for 2019-20, however the H&SCP actions contained therein relate to the three H&SCP Workforce priorities recorded in the NHS Lothian Workforce Plan Action Plan.

Consequently there is a risk that without detailed workforce plans the East Lothian H&SCP is unable to support the achievement of the ELIJB's strategic objectives, or the workforce priorities recorded within the H&SCP Workforce Development Plan. Including the risk that Partnership is unable to report progress against workforce plans in line with its set objectives.

Also, where a number of plans are in place across the Partnership, each with their own strategic priorities, there is the additional risk that the core H&SCP strategic priorities are diluted across the partnership. Or there may be a disconnect between the various workforce plans, leading to uncertainty or confusion around who is responsible for taking particular actions forward. With this in mind, there is a risk of duplication across the workforce plans, resulting in inefficiencies in the delivery of the workforce plan priorities.

Recommendation

Management should continue the development of the individual service plans, ensuring that they are aligned with the H&SCP Workforce Development Plan and comply with national workforce planning guidance. After which, detailed workforce plans for all individual areas of the H&SCP should be created.

Elsewhere, the partnership should consider its workforce planning arrangements, identifying potential areas of duplication and opportunities to streamline the workforce plans, with agreed actions assigned across partnership.

Management Response

Agree with recommendation, but would like it to be noted that this recommendation is a result of two factors;

1. The requirement for all partners to respond to Covid -19 Pandemic and therefore unable to address the service plans for WFD.
2. The lack of personnel as detail in recommendation 1 meant even without the pandemic work would have been hampered.

Management Action

Re-instate individual service WFP.

Work collaboratively with ELC and NHS in the development of ELHSCP Workforce Plan 2022-2025.

Create Action Plan which is aligned to the WFP and allows the actions of the WFP to be measured.

Responsibility:

Senior Workforce and Organisational
Development Officer

Target date:

30 April 2022

Control objective 3: There is appropriate governance arrangements in place to monitor and report progress against workforce plans

Finding 3: Meetings of the H&SCP Workforce Planning and Development Steering Group have not taken place since February 2020, with the monitoring arrangements from the H&SCP Workforce Plan not followed

Low

Associated risk of not achieving the control objective: Partnership does not report progress against workforce plans in line with the set objectives

Background

The H&SCP Senior Management Team has established a strategic Workforce Planning & Development Steering Group (the Group). All parts of the service is required to participate in the work of the Group either directly through membership or indirectly through ensuring steering group decisions approved by management are implemented.

The Group provides significant opportunities to move forward with the workforce development agenda at a local level and within the services in a coordinated way. Ensuring that all parts of the service are influenced by learning and development strategic priorities.

The Group acts on behalf of the H&SCP Senior Management Team and in a high-level strategic oversight role. It is responsible for advising senior management and the workforce development teams on the planning, implementation, evaluation and review of the ELH&SCP Workforce Development Strategy and Plan.

A further role of the Group is to assist senior management and the workforce development teams to identify and address current risk factors relating to workforce planning and development priorities. This will help to inform the development, implementation and review of the annual Workforce Planning and Development Plan. The Group's agenda will reflect national and local strategic developments in health and social care services as well as Council/NHS Lothian corporate strategic initiatives and policies, in addition to supporting and advising senior management and the workforce development teams regarding the delivery of priority workforce development initiatives.

The Group reports to the ELH&SCP Senior Management Team and is chaired by the Director of the ELH&SCP. Membership of the Group includes:

- Director ELH&SCP (Chair)
- Heads of Service
- Group Service Manager – Planning & Performance
- Human Resource Business Partners ELC / NHSL
- Organisational Development colleagues ELC /NHSL
- Senior Workforce Development Officers ELC /NHSL
- Union Representatives
- Other co-opted specialists both internal and external

The Terms of Reference for the Group includes the proposal of establishing a working group made up of middle managers to map out what is happening now as well as develop proposed shared terminology.

The ELIJB H&SCP Workforce Development Plan has recorded that the Implementation of the plan will be monitored by the East Lothian Workforce Planning and Development Group, with progress reported annually to the East Lothian IJB to ensure it continues to align with the Strategic Plan.

Monitoring will be through progress reviews against the short, medium and long term action plan and assessment against delivery of service priorities and change programmes.

Observation and Risk

However, the events of 2020 and associated shift in H&SCP focus during the pandemic has meant that the Group has not had the opportunity to meet since February of last year, with a number of ELIJB Workforce Plan actions pending. Also, no decision has been made by the Group on the merits of establishing a working group to take forward the more operational aspects of workforce development within the H&SCP services.

Consequently, progress has not been formally reported by the Group to the East Lothian IJB.

Also, the monitoring framework, documented in the 2019-2022 ELIJB H&SCP Workforce Development Plan has not been established. It is intended that the first report will be the updated action plan that is due the end of April and will reflect the changes required in workforce due to the pandemic. Detailed monitoring criteria will be developed from this.

Without an effective means of monitoring and review, there is a risk that Partnership does not report progress against workforce plans in line with the set objectives, resulting in limited assurance being provided to the ELIJB that workforce planning is operating as intended.

Recommendation

The Workforce Planning & Development Steering Group should establish a frequency of meetings appropriate for the ongoing development of the H&SCP workforce development framework, which should be a standing item on the Group's agenda.

The Group should upon its recommencement discuss establishing a management working group to provide the link between the development of the overarching H&SCP Workforce Development plan and the various service plans that are essential to the strategic objectives of the Plan.

Once done, the Chair of the Group should prepare an update paper to be tabled at the next meeting of the IJB, providing clear information on the current status and a timeline of actions necessary for the IJB receive assurance on the implementation of the one year interim plan and 3-year workforce development plan thereafter.

Management Response

Agree with recommendation.

Interim WFP 2021- 2022 was submitted to Scottish Government at the end of April 2021

Steering Group now restarted and scheduled for the coming year.

Management Action

Continue the steering group as detailed in the recommendation.

Support the development and quality assurance of individual service action plans.

Responsibility:

Chief Officer – East Lothian IJB

Target date:

30 April 2022

4. Internal Audit Follow-up Process

- 4.1 Approximately two weeks following issue of the final Internal Audit report, a member of the Audit Team will issue an 'evidence requirements' document for those reports where management actions have been agreed.
- 4.2 This document forms part of the follow up process and records what information should be provided to close off the management action.
- 4.3 The follow-up process is aligned with the meetings of the Board's Audit & Risk Committee. Audit Sponsors will be contacted on a quarterly basis with a request to provide the necessary evidence for those management actions that are likely to fall due before the next meeting of the Audit and Risk Committee.

Appendix 1 – Staff Involved and Documents Reviewed

Staff Involved

- Service Manager Internal Audit East Lothian Council
- Head of Workforce Planning – NHS Lothian
- Regional Workforce Planning Manager – East Lothian Council
- Interim General Manager Service Improvement and Strategic Planning – East Lothian H&SCP
- Senior Development Officer – East Lothian Council

Documents Reviewed

- East Lothian Workforce Plan 2019-2022
- Terms of Reference – H&SCP Workforce Planning & Development Group
- NHS Lothian Workforce Planning & Development Programme Board – 10/11/20 minutes
- NHS Lothian Workforce Planning & Development Programme Board – 19/01/21 agenda
- East Lothian IJB 2019-2022 Strategic Plan
- 2021-22 NHS Lothian Workforce Plan Action Plan
- East Lothian IJB HSCP Workforce Plan Action Plan 2019-22 (year 1)
- East Lothian Council Workforce Plan 2018-2022
- Interim Workforce Planning Reporting Template and Guidance
- NHS Lothian Workforce Planning and Development Programme Board - Rolling Action Log January 2021
- NHS Lothian review of workforce plan 12 month actions SBAR – 02/12/20
- ELC Workforce Plan Update March 2020
- Lothian HSCPs - Workforce Planning Collaborative - Lessons Learnt from Covid-19
- NHS Lothian Workforce Plan 2019-22
- Integrated Health and Social Care Workforce Planning for Scotland Guidance
- East Lothian Health & Social Care Partnership Workforce Planning & Development Steering Group – 31/01/18, 24/01/20 and 28/02/20 minutes

- East Lothian Health & Social Care Partnership Workforce Planning & Development Steering Group – 28/02/20 agenda
- East Lothian Health & Social Care Partnership Workforce Planning & Development Steering Group action log
- SBAR Lothian HSCP Workforce Planning Collaborative May 2019
- Regional Workforce Planning Group - Refocus of Regional Workforce Planning Priorities
- NHSL WPDPB Action Plan Agenda update schedule March 2021

Appendix 2 - Definition of Ratings

Findings and management actions ratings

Finding Ratings	Definition
Critical	A fundamental failure or absence in the design or operating effectiveness of controls, which requires immediate attention
High	A key control failure has been identified which could be either due to a failure in the design or operating effectiveness. There are no compensating controls in place, and management should aim to implement controls within a calendar month of the review.
Medium	A control failure has been identified which could be either due to a failure in the design or operating effectiveness. Other controls in place partially mitigate the risk to the organisation, however management should look to implement controls to fully cover the risk identified.
Low	Minor non-compliance has been identified with the operating effectiveness of a control, however the design of the control is effective

Report ratings and overall assurance provided

Report Ratings	Definition	When Internal Audit will award this level
No assurance	The Board cannot take any assurance from the audit findings. There remains a significant amount of residual risk.	The controls are not adequately designed and / or operating effectively and immediate management action is required as there remains a significant amount of residual risk (for instance one Critical finding or a number of High findings)
Limited assurance	The Board can take some assurance from the systems of control in place to achieve the control objective, but there remains a significant amount of residual risk which requires action to be taken.	<p>This may be used when:</p> <ul style="list-style-type: none"> • There are known material weaknesses in key control areas. • It is known that there will have to be changes that are relevant to the control objective (e.g. due to a change in the law) and the impact has not been assessed and planned for. <p>The controls are deficient in some aspects and require management action (for instance one 'high' finding and a number of other lower rated findings)</p>
Moderate assurance	The Board can take reasonable assurance that controls upon which the organisation relies to achieve the control objective are in the main suitably designed and effectively applied. There remains a moderate amount of residual risk.	<p>In most respects the "purpose" is being achieved. There are some areas where further action is required, and the residual risk is greater than "insignificant".</p> <p>The controls are largely effective and in most respects achieve their purpose with a limited number of findings which require management action (for instance a mix of 'medium' findings and 'low' findings)</p>
Significant assurance	The Board can take reasonable assurance that the system(s) of control achieves or will achieve the control objective. There may be an insignificant amount of residual risk or none at all.	<p>There is little evidence of system failure and the system appears to be robust and sustainable.</p> <p>The controls adequately mitigate the risk, or weaknesses are only minor (for instance a low number of findings which are all rated as 'low' or no findings)</p>

