



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

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

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.

Signed

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