East Lothian
Integration Joint Board

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

TUESDAY 14 SEPTEMBER 2021
VIA DIGITAL MEETINGS SYSTEM

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Members Present:
Dr P Donald (Chair)
Councillor S Akhtar
Councillor S Kempson
Mr D Binnie

Officers Present:
Ms H Gray, Project Support Manager
Mr D King, Interim Chief Finance Officer
Mr D Stainbank, Service Manager – Internal Audit
Mr I Gorman, Head of Operations – Adult Wellbeing

Others Present:
Ms M O'Connor, Audit Scotland
Ms G Woolman, Audit Scotland

Clerk:
Ms B Crichton

Apologies:
Ms A Macdonald, Chief Officer

Declarations of Interest:
None

1. MINUTES OF THE EAST LOTHIAN IJB AUDIT AND RISK COMMITTEE MEETING OF 8 JUNE 2021

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 8 June 2021 were approved.

2. MATTERS ARISING FROM THE MINUTES OF 8 JUNE 2021

There were no matters arising from the previous minutes.

3. NEW CIPFA FINANCIAL MANAGEMENT CODE 2021/22 & BEST VALUE, AUDIT SCOTLAND QUESTIONNAIRE

A verbal update was provided by David King, Interim Chief Finance Officer. He provided background to the CIPFA Financial Management Code and advised of its relevance to the IJB due to its constitution under local government regulations. Despite the IJB being a board of governance and not employing staff, Mr King nevertheless felt it was important consider how the plan's principles and standards would reflect upon the IJB. He proposed to bring a paper to the following meeting which summarised these principles and standards for formal consideration by the Committee. He advised that there was an assumption that the CIPFA Financial Management Code would be accepted by bodies and advised that other IJBs had already adopted this standard.

Mr Stainbank confirmed that the code had been in its shadow year in 2020/21 for with implementation in 2021/22. He welcomed the paper and commented that the IJB would already have applied many of the code's principles and standards for some time.

Mr King then provided a verbal update on the Best Value, Audit Scotland Questionnaire. He highlighted that best value was an obligation on bodies constituted under the Local Government Act, and summarised that it related to making good decisions in the use of resources and promoting understanding as to how these decisions were made. He drew attention to Audit Scotland's published Ten Best Value Prompts, and noted that much of this was already in place. He drew attention to one particular prompt, which he summarised as relating to how the IJB received assurance that the work undertaken by East Lothian Council (ELC) and NHS Lothian was secured under best value. He noted the good relationships between the IJB and ELC and NHS Lothian and highlighted that these bodies had their own systems in place. Mr King sought agreement to summarise these prompts and bring a paper to the Committee at a following meeting; the Committee would subsequently take a decision as to whether to bring this to the IJB.

Gillian Woolman, External Auditor, reminded the Committee that a full-scope best value assurance review was carried on behalf of ELC around two and a half years ago. She advised that ELC had actively implemented the action plan provided as part of this review; this would be a helpful source of information for any review the Committee and/or IJB may undertake.

Decision

The Committee agreed to consider a paper on the CIPFA Financial Management Code and the Audit Scotland, Best Value Questionnaire at a future meeting.

4. INDEPENDENT AUDITORS' REVIEW OF THE ANNUAL ACCOUNTS

a. Audit Scotland ISA 260 Letter to Those Charged with Governance of the East Lothian IJB

A letter was submitted by Gillian Woolman, Audit Scotland Senior Auditor, to inform the Committee that Audit Scotland were at the concluding stages of the audit of the 2020/21 annual report and accounts. She informed Members that there were no unadjusted misstatements to draw to their attention. She highlighted the unmodified opinion of the auditors, which was that the statements provided and true and fair view in respect of the financial position at year end. She highlighted other information contained within the Appendix relating to the process of the audit, and advised that there were no exceptions to due process that had to be drawn to the attention of the Committee. This Independent Auditors' Review would be included in the annual reports and accounts, and the Committee would be in a position to recommend approval of the accounts to the IJB.

Councillor Akhtar welcomed the sharing of good practice of the Health & Social Care Partnership within the report, and highlighted the mental health pathway in particular. It was hoped that this recognition could be fed back to staff.

Decision

The Committee agreed to note the contents of the ISA 260 Letter.

b. East Lothian IJB 2020/21 Annual Audit Report

The East Lothian IJB Annual Audit Report was also submitted by Ms Woolman. She drew attention to various sections of the report, and advised that the pandemic had not impacted upon the audit process in the case of this report. She took Members through some the detail of the risks included at the planning stage, contained within Appendix 2. She also advised that there were no significant findings to report or misstatements that exceeded the reporting threshold. She drew attention to assurances provided within the report in the areas of financial management and sustainability, and governance arrangements. She highlighted the recommendation that performance information be made available more readily to the whole of the IJB. She summarised that the report should provide Committee with confidence to progress with approving the annual accounts.

The Chair recorded her thanks to the finance teams involved in the East Lothian IJB for their thorough work.

Mr King stated that the report's recommendations would be accepted. He highlighted the recommendation regarding financial sustainability; a balanced multi-year financial plan had been pursued, and work had begun to plan transformational work to close financial gaps. He assured the Committee that this financial plan would be driven forward.

The Chair referenced the £7m underspend and suggested that some of this money may be used to provide ongoing support to the workforce.

Decision

The Committee agreed to note the contents of the Annual Audit Report.

5. IJB AUDITED ANNUAL ACCOUNTS

A report was submitted by the Interim Chief Finance Officer of the IJB to present the audited annual accounts for the financial year 2020/21.

Mr King presented the accounts and asked the Committee, having noted the opinion of the appointed auditors, to recommend the signing of the annual accounts to the IJB. The accounts would subsequently be signed by the Chief Officer, Chief Finance Officer, and the Chair of the IJB.

Councillor Akhtar asked whether there had been any feedback on the submission of the NHS Lothian remobilisation plans to the Scottish Government for April 2021 – March 2022. Mr King would ask for further information from NHS Lothian colleagues.

A vote was taken by roll call and the recommendation was unanimously approved.

Decision

Having noted the opinion of the IJB's appointed auditors, the Committee agreed to recommend the annual accounts to the IJB.

6. RISK REGISTER

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

Mr King presented the register, noting that although the risks detailed were posed to the IJB, these risks were managed by the IJB's partners, NHS Lothian and ELC. He highlighted the issue of demography and noted the resource risks resulting from East Lothian's increasing population, and advised that the Strategic Planning Group may have to consider how to move forward with such issues. There were currently no actions noted under the demography risk, which would be developed and brought back. He also asked the Committee to consider whether the new National Care Service (NCS) should be added to the risk register.

The Committee discussed how demography could be itemised within the risk register. Mr Binnie raised the increasing and disproportionate number of care home places being built within the county and issues around the support of these facilities. Mr Gorman raised actions to mitigate these risks, which were: understanding whether financial offers from each of the partners accounted for demographic change; and understanding whether there was an infrastructure following the demographic shift, such as GP practices and adult resource centres.

Councillor Akhtar was keen to enable issues around demography to be raised through available democratic processes, such as ensuring that health infrastructure be fully considered as part of the second iteration of the Local Development Plan. She noted that joined up government policy and thinking would be required for the whole of South East Scotland, the area experiencing the greatest growth in Scotland. Mr King noted the challenge of ensuring that resources came to the appropriate place, as well as the time lag in resources following population growth.

The Committee discussed adding the new NSC to the risk register. Mr Binnie noted that should the IJB become the delivery agent for the NCS it would require a change programme to become a board of delivery; this would involve inherent risk and robust transitional planning, and he therefore supported the new NCS being included on the risk register. The Chair noted the risk to the delivery of services during the period of

change, and welcomed the awareness brought about by inclusion on the risk register. Councillor Akhtar agreed with Members' comments and highlighted the importance of retaining local links with, and accountability to, communities; she felt this was a strength in East Lothian. The Chair agreed that there was a risk to delivery of services and changing relationships during times of reorganisation.

Mr Gorman noted an omission in Risk 5045, and advised that NHS Gold had stood back up eight weeks previously. This date would be added into the document.

Mr King would add capture these risks within the register, consider actions to support the management of this change, and would continue to monitor the risk register.

A decision was taken by roll call vote and the recommendations were approved unanimously.

Decision

The Committee agreed:

i. to note the current risk register;

ii. that the Scottish Government's consultation on its proposed National Care Service should be included on the register; and

iii. that no further risks should be added to the register.

***Sederunt**: David Binnie left the meeting.*

7. INTERNAL AUDIT REPORT – EAST LOTHIAN H&SCP WORKFORCE DEVELOPMENT

A report was submitted by the Chief Internal Auditor to inform the Committee of the recently issued internal audit report on East Lothian H&SCP Workforce Development.

Duncan Stainbank, Chief Internal Auditor, presented the report, noting the moderate assurance provided regarding the workforce planning framework, and the significant assurance provided regarding workforce plans and governance arrangements in place. He summarised the key issues and advised that all recommendations made within the report had been progressed.

The Chair was reassured that aspects of workforce development were being revisited and asked about strategies within workforce development. Mr Stainbank highlighted the ongoing work on workforce development plans between all of the Lothian IJBs.

Mr Gorman highlighted issues around recruitment of a workforce development officer, and advised of active workforce planning and development processes across East Lothian Council and NHS Lothian. He was confident that the right people were now in post within workforce development to progress within the current strategy, but noted implications the national discussion around the NCS would have on the future workforce.

Responding to a request from the Chair, Mr Gorman agreed that an update on workforce development infrastructure and progress against plans in place could be provided to the Committee. He suggested that commentary could also be provided on

challenges within workforce development and where this might pose a risk to the IJB's strategy.

Decision

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

Signed .....

Dr Patricia Donald
Chair of the East Lothian IJB Audit and Risk Committee

East Lothian
Integration Joint Board

REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 7 December 2021

BY: Interim Chief Finance Officer

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SUBJECT: CIPFA – Financial Management Code 2021/22

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1 PURPOSE

1.1 The purpose of this report is to inform the IJB Audit and Risk Committee of the CIPFA FM guidance (21/22) and to ask the committee to recommend the adoption of the guidance, in so far as it applies to the operation of the IJB.

2 RECOMMENDATIONS

2.1 The Committee is asked to:

i. Recommend the adoption of the CIPFA guidance to the IJB, in so far as it applies to the operations of the IJB.

3 BACKGROUND

3.1 The Financial Management Code (FM Code) produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. For the first time the FM Code sets out the standards of financial management for local authorities. The IJB is governed by the Local Authority regulations

3.2 The FM Code applies a principles-based approach which is linked to other financial statutory and good practice guidance. It contains the CIPFA Statement of Principles of Good Financial Management – these are laid out below. These principles are the benchmarks against which all financial management should be judged.

Financial Management Code

3.3 The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation to:

- financially manage the short, medium and long-term finances of a local authority
- manage financial resilience to meet unforeseen demands on services
- manage unexpected shocks in their financial circumstances.

3.4 Each local authority (in this case the IJB) must demonstrate that the requirements of the code are being satisfied. Demonstrating this compliance with the FM Code is a collective responsibility of IJB members, the Chief Finance Officer (CFO) and the Chief Officer. In doing this the statutory role of the Section 95 Officer will not just be recognised but also supported to achieve the combination of leadership roles essential for good financial management. However, to ensure that self-regulation is successful, compliance with the FM Code cannot rest with the CFO acting alone.

Principles

3.5 The FM Code applies a principle-based approach. It does not prescribe the financial management processes that local authorities should adopt. Instead, this code requires that a local authority demonstrates that its processes satisfy the principles of good financial management for an authority of its size, responsibilities and circumstances. Good financial management is proportionate to the risks to the authority's financial sustainability posed by the twin pressures of scarce resources and the rising demands on services. The FM Code identifies these risks to financial sustainability and introduces an overarching framework of assurance which builds on existing best practice but for the first time sets explicit standards of financial management.

1. Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
2. **Accountability** – based on medium-term financial planning that drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
3. Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported frequently with evidence of periodic officer action and elected member decision making.
4. Adherence to professional **standards** is promoted by the leadership team and is evidenced.
5. Sources of **assurance** are recognised as an effective tool mainstreamed into financial management, including political scrutiny and the results of external audit, internal audit and inspection.

6. The long-term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

Financial Management Standards

3.6 The FM code is split into seven sections, and seventeen standards. Sections 1 and 2 address important contextual factors which need to be addressed if sound financial management is to be possible. The first deals with the responsibilities of the CFO and leadership team, the second with the authority's governance and financial management style.

3.7 The remaining sections 3 to 7 address the requirements of the financial management cycle, with section 3 stating the need for a long-term approach to the evaluation of financial sustainability. Section 4 looks at the authority's annual budget setting process, followed by stakeholder engagement and business cases (section 5) and performance monitoring arrangements (section 6), and the cycle is completed by section 7, which shows how high quality financial reporting supports the financial management cycle by ensuring that it rests on sound financial information.

Section 1: The responsibilities of the Chief Finance Officer and Leadership Team

- Standard A: The leadership team is able to demonstrate that the services provided by the authority provide value for money
- Standard B: The authority complies with the CIPFA 'Statement on the Role of the Chief Officer in Local Government'

Section 2: Governance and financial management style

- Standard C: The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control
- Standard D: The authority applies the CIPFA/SOLACE 'Delivering Good Governance in Local Government: Framework (2016)'
- Standard E: The financial management style of the authority supports financial sustainability

Section 3: Long to medium-term financial management

- Standard F: The authority has carried out a credible and transparent financial resilience assessment
- Standard G: The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members
- Standard H: The authority complies with the CIPFA 'Prudential Code for Capital Finance in Local Authorities'
- Standard I: The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans

Section 4: The annual budget

- Standard J: The authority complies with its statutory obligations in respect of the budget setting process
- Standard K: The budget report includes a statement by the chief finance officer in the robustness of the estimates and a statement on the adequacy of the proposed financial reserves

Section 5: Stakeholder engagement and business plans

- Standard L: The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget
- Standard M: The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions

Section 6: Monitoring financial performance

- Standard N: The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability
- Standard O: The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability

Section 7: External financial reporting

- Standard P: The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the 'Code of Practice on Local Authority Accounting in the United Kingdom'
- Standard Q: The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions

Implementation

3.8 Local authorities are required to apply the requirements of the FM Code with effect from 1 April 2020. This means that the 2020/21 budget process provides an opportunity for assessment of elements of the FM Code before April 2020 and to provide a platform for good financial management to be demonstrable throughout 2020/21. Consequently CIPFA considers that the implementation date of April 2020 should indicate the commencement of a shadow year and that by 31 March 2021, local authorities should be able to demonstrate that they are working towards full implementation of the code. The first full year of compliance with the FM Code will therefore be 2021/22.

4 ENGAGEMENT

4.1 The IJB makes its papers and reports available on the Council's website.

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	1 December 2021

East Lothian
Integration Joint Board

REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 7 December 2021

BY: Interim Chief Finance Officer

4

SUBJECT: Best Value Framework

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1. PURPOSE

1.1 The purpose of this report is to remind members of its duty to secure best value. A Best Value Framework for East Lothian IJB must provide a basis of demonstrating the IJB has made arrangements to comply with Best Value.

2. RECOMMENDATIONS

2.1 The Committee is asked to:

i. Note that the IJB has a statutory duty to make arrangements to secure Best Value;

ii. Remind members of the appropriate monitoring procedures to ensure compliance with Best Value and continually reviewing of the Best Value Framework is a means of demonstrating compliance; and

iii. Note that the Annual Performance Report has outlined the basis of the IJB's best value assessment since 2019/20 but further development is required.

3. BACKGROUND

3.1 Local government bodies, including Integration Joint Boards, have a statutory duty to make arrangements to secure Best Value, through the continuous improvement in the performance of their functions. This Audit Scotland guidance note was published in March 2018 and aims to assists auditors assessing best value within IJBs. The IJB should secure best value similar to other public sector bodies including health and central government. This publication can be viewed at

http://www.dg-change.org.uk/wp-content/uploads/2018/09/Agenda-Item-10-Appendix-1-Audit-Scotland-Report-Guidance-on-Best-Value.pdf

Key Messages in the Best Value Guidance

3.2 The guidance note lays out the expectations that IJBs demonstrate achievement of best value within documents such as the strategic plan and the performance reports. That Auditors should assess best value reviews of parent bodies and whether this support the delivery of best value from the IJB. Finally an appendix of Audit prompts as follows.

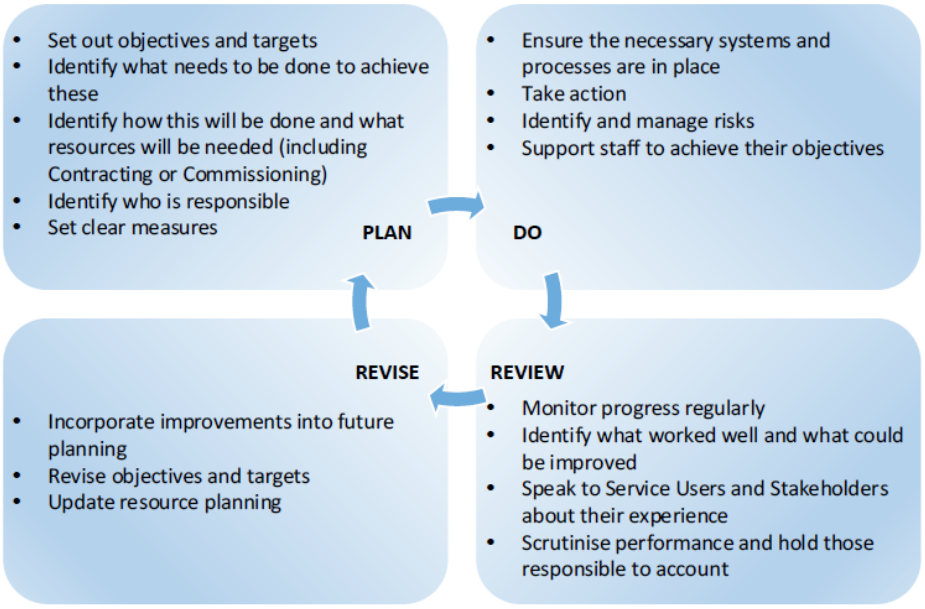
1. Who do you consider to be accountable for securing Best Value in the IJB?
2. How do you receive assurance that the services supporting the delivery of the strategic plan are securing Best Value?
3. Do you consider there to be sufficient buy-in to the IJB's longer term vision from partner officers and members?
4. How is value for money demonstrated in the decisions made by the IJB?
5. Do you consider there to be a culture of continuous improvement?
6. Have there been any service reviews undertaken since establishment – have improvements been identified? Is there any evidence of improvements in services and/or reductions in pressures as a result of joint working?
7. Have identified improvement actions been prioritised in terms of those likely to have the greatest impact?
8. What steps are taken to ensure that quality of care and service provided is not compromised as a result of costs saving measures?
9. Is performance information reported to the board of sufficient detail to enable value for money to be assessed?
10. How does the IJB ensure that management of resources (finances, workforce etc.) is effective and sustainable?

3.3 Best Value duties apply across the public sector although the arrangements by which achieving best value is demonstrated is not the same across NHS Boards and local authorities. While partner arrangements for securing best value will play a key part in receiving assurance that the services delivering the IJBs strategic plan are achieving best value, it is important going forward that the IJB is able to demonstrate appropriate arrangements are in place to meet and report on the delivery of best value.

3.4 The independent auditors on the IJB's 2018/19 annual accounts made a recommendation that the IJB should consider how it can report on best value within the 2019/20 Annual Performance Report. This recommendation was supported and the Annual Performance Report in 2019/20 introduced the concepts on how the IJB ensures best value is achieved. This showed that East Lothian IJB has governance and financial

management arrangements in place, as part of these arrangements, the IJB also needs demonstrate value for money in line with statutory requirements.

3.5 Best Value is achieved by building a culture of continuous improvements through setting out a logical approach to driving performance improvement as shown below.



Source: Adopted from Audit Scotland

3.6 Like all assessment tools, it is recommended Best Value Frameworks are reviewed every 2 years to take account of any ongoing developments. It is therefore recommended that members review the key principals outlined in 3.2 to ensure the Best Value Framework remains up-to-date and relevant.

4. ENGAGEMENT

4.1 The Committee is held in public and its papers are publicly available.

5. POLICY

5.1 There are no policy implications from this report.

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. RISK

7.1 The uncertainty surrounding COVID 19 may involve timing delays of implementing the Best Value Framework. The Chief Finance Officer will keep the members of the IJB informed of developments.

8. RESOURCE IMPLICATIONS

8.1 Financial - none

8.2 Personnel – none

8.3 Other – Best Value in the use of resources is a key objective of the IJB and the proposed Best Value Framework will help provide assurance.

9. BACKGROUND PAPERS

9.1 None

AUTHOR'S NAME	David King
DESIGNATION	Interim Chief Finance Officer
CONTACT INFO	David.King4@nhslothian.scot.nhs.uk
DATE	1 December 2021

East Lothian
Integration Joint Board

REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 7 December 2021

BY: Chief Internal Auditor

SUBJECT: Lothian IJBs'/NHS Audit and Risk Committees

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1 PURPOSE

1.1 To inform and seek approval of the Audit and Risk Committee to the recently agreed 'Principles to Underpin Working Relationships between Lothian NHS and IJB' and seek approval of these principles. These principles have been developed through discussion between the NHS Lothian and Lothian IJB's Chief Internal Auditors and Audit & Risk Committee Chairs.

2 RECOMMENDATION

2.1 That the Audit and Risk Committee approve the Principles to Underpin Working Relationships between Lothian NHS and IJB, as presented in Appendix 1.

3 BACKGROUND

3.1 The Governance, Risk and Control framework of East Lothian IJB is impacted by the environment in place across NHS Lothian and the other Lothian IJB's, as well as East Lothian Council. The Chief Internal Auditors of NHS Lothian and the Lothian IJB's have been meeting to agree a set of principles to govern the relationships between the Audit & Risk Committees of these organisations.

3.2 Further discussion of the principles was then completed in October 2021 with all Audit & Risk committee chairs. During November and December 2021 the NHS Lothian and Lothian IJB Audit & Risk Committees are all being asked to approve the principles.

3.3 The following four principles have been agreed, and Appendix 1 provides agreed examples of how they will operate in practice:

- The IJB Audit & Risk Committees and the Lothian NHS Board Audit & Risk Committee have an effective working relationship to take forward matters of common interest.

- To support the efficient conduct of business, there is a clear communication process from the IJB Audit & Risk Committee to the Lothian NHS Board Audit & Risk Committee, and vice versa.
- The reports from the Lothian NHS Board Internal Audit function shall be readily available to the IJB Audit & Risk Committees. The reports from the IJB Internal Audit functions shall be readily available to the Lothian NHS Board Audit & Risk Committee.
- NHS Lothian and the respective Council's will work together to support the IJB Internal Audit plans.

4 ENGAGEMENT

4.1 The principles have been discussed with Audit & Risk Committee Chairs, Chief Internal Auditors and Management across NHS Lothian and the Lothian IJB's, 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	26 November 2021

3. Appendix 1 - Principles to Underpin Working relationships between Lothian NHS and IJB Final 251021.docx

THE PRINCIPLES TO UNDERPIN THE WORKING RELATIONSHIPS BETWEEN THE LOTHIAN NHS BOARD AUDIT & RISK COMMITTEE AND THE INTEGRATION JOINT BOARD AUDIT & RISK COMMITTEES

PRINCIPLE 1: The IJB Audit & Risk Committees and the Lothian NHS Board Audit & Risk Committee have an effective working relationship to take forward matters of common interest.

How will this work in practice?

- ✓ In addition to other specific measures, the chairs of the committees will meet every 6 months alongside the Chief Internal Auditors (broadly timing to be aligned to IA Planning and IA opinion).
- ✓ The audit & risk committees, chief internal auditors and management from the IJBs and Lothian NHS Board shall work collaboratively to resolve issues and risks, recognising that for some issues and risks there are interdependencies between the IJBs.
- ✓ The IJB Chief Officers (or delegated per IJB structures) shall lead the work required to maximise and maintain consistency in the IJBs' systems for risk management and risk registers. The aim is to create a reliable holistic view of risk from IJBs and Partner organisations.
- ✓ There will be an agreed two-way communication between the NHS Lothian ARC and the IJB. This will focus on the principles of assurance and sharing relevant information between both parties, not to duplicate the work of the respective committees.
- ✓ The IJB Audit & Risk Committees have the right to require NHS managers to attend their meetings, should they wish to discuss an internal audit report with them. However, it is agreed that this right would be exercised after due consideration and would probably be exceptional. In the normal course of events the IJB Audit & Risk Committees will in the first instance rely on the scrutiny and oversight work of Lothian NHS Board Audit & Risk Committee.

PRINCIPLE 2: To support the efficient conduct of business, there is a clear communication process from the IJB Audit & Risk Committee to the Lothian NHS Board Audit & Risk Committee, and vice versa.

How will this work in practice?

- ✓ In the event that an IJB Audit & Risk Committee wishes to raise a matter directly with the NHS Lothian Audit & Risk Committee, the IJB relevant Officer will be tasked with communicating the request.
- ✓ The IJB Chief Finance Officer shall send the request to the secretary of the Lothian NHS Board Audit & Risk Committee (

PRINCIPLE 2: To support the efficient conduct of business, there is a clear communication process from the IJB Audit & Risk Committee to the Lothian NHS Board Audit & Risk Committee, and vice versa.

). The secretary shall process the request accordingly.

- ✓ With regard to communication from the Lothian NHS Board Audit & Risk Committee to the IJB audit & risk committees, the secretary of the Lothian NHS Board Audit & Risk Committee shall send the information to the IJB Chief Finance Officer (or an officer that the IJB Chief Finance Officer has identified for that purpose).

PRINCIPLE 3: The reports from the Lothian NHS Board internal audit function shall be readily available to the IJB audit & risk committees. The reports from the IJB internal audit functions shall be readily available to the Lothian NHS Board audit & risk committee.

How will this work in practice?

- ✓ The Lothian NHS Board Audit & Risk Committee publishes internal audit reports once the Committee has reviewed and accepted them. The NHS Lothian Chief Internal Auditor routinely publishes internal audit reports on the Board's website following the Audit & Risk Committee meetingwww.nhslothian.scot.nhs.uk / Our Organisation / Key Documents / Audits

- ✓ Once the reports have been placed on the website, the NHS Lothian Chief Internal Auditor shall email the IJB Chief Internal Auditors to make them aware of this. This email will include reference to those reports relevant to the IJB for the Chief Internal Auditor to consider for referral.

- ✓ On a quarterly basis NHS Lothian Internal Audit present a follow up on outstanding actions to the ARC meeting. This will be shared with the IJB Chief Internal Auditors once presented to Committee.

- ✓ The IJB Audit & Risk Committees shall refer any relevant IJB internal audit reports to the Lothian NHS Board Audit & Risk Committee and reflect that referral in their minutes. The IJB Chief Internal Auditor shall liaise with the Chief Internal Auditor of NHS Lothian to share the reports.

PRINCIPLE 4: NHS Lothian and the respective Council's will work together to support the IJB Internal Audit plans.

How will this work in practice?

- ✓ The IJB Chief Internal Auditors and the NHS Lothian Chief Internal Auditor will routinely meet during the year to share intelligence including work programmes. Both parties will aim to avoid duplication in internal audit resources. To support the IJB Internal Audit plan delivery, NHS Lothian Internal Audit will provide an internal audit team member to the IJB Chief Internal Auditors. This will be for an agreed period of time, at a time that works for both parties.

- ✓ The NHS Lothian Internal Audit team member will be the responsibility of the Chief Internal Auditor for the IJB who will scope, direct, and review the work of the auditor. The report will be the responsibility of the IJB Chief Internal Auditor who will report the work to the IJB Audit and Risk Committee.

- ✓ The sharing of internal audit resource will be referenced in the NHS Lothian plan, but this will not form the NHS Lothian Internal Audit plan and will not be considered within the NHS Lothian annual internal audit opinion.

East Lothian
Integration Joint Board

REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 7 December 2021

BY: Interim Chief Finance Officer

SUBJECT: Audit Scotland Reports of interest

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1. PURPOSE

1.1 This report highlights audit reports from Audit Scotland on areas of interest to the IJB Audit and Risk Committee.

2. RECOMMENDATIONS

2.1 The Committee is asked to:

i. note the publications and the key messages; and

ii. consider if any actions arising from this reports should be brought to the attention of the IJB.

3. BACKGROUND

3.1 Audit Scotland publish a range of reports some of which relate to matters which relate to the business of the IJB and these reports also require to be brought to this Committee's attention.

3.2 Audit Scotland Reports have covered a variety of topics which are summarised below, with the majority of reports focussing on the Covid19 pandemic. Rather than attach the whole of the appropriate audit report as appendices to this report, the executive summary is included in Appendix 1 which includes a brief summary and a link to the whole report.

3.3 Topics included are noted below:

- Impact of Covid-19 on Scottish Councils Benefit Services
- Christie – It Really is Now or Never
- Covid-19 Vaccination Programme
- Covid-19 – Tracking the Impact of Covid-19 on Scotland's Public Finances

- Social Care
- Local Government in Scotland Overview 2021
- Covid-19 Following the pandemic pound : Our Strategy
- NHS in Scotland 2020

3.4 As the Vaccination Programme is a major part of the operational aspects of East Lothian Health & Social Care Partnership a copy of this report has been included in Appendix 2.

4 ENGAGEMENT

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

5 POLICY IMPLICATIONS

5.1 The framework focuses on supporting the implementation of the Public Bodies (Joint Working) (Scotland) Act 2014.

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

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DATE	1 December 2021

Appendix 1 - Audit Scotland reports:-

Date	Report	Summary	Link
7/10/21	Impact of Covid-19 on Scottish Councils Benefit Services	Most of Scotland's councils have maintained or improved their delivery of vital benefits during the Covid-19 pandemic, despite short-staffing and major disruptions from having to abruptly move to home or remote working.	https://www.audit-scotland.gov.uk/report/the-impact-of-covid-19-on-scottish-councils-benefit-services
4/10/21	Christie – It Really is Now or Never	In 2011, Christie published the well-researched and well-evidenced Christie Commission report. It was welcomed as a blueprint for developing and delivering public services in Scotland, accepting the critical importance of its four pillars of People, Prevention, Performance and Partnership, and how they interconnected.	https://www.audit-scotland.gov.uk/report/blog-christie-it-really-is-now-or-never
30/09/21	Covid-19 Vaccination Programme	The Covid-19 vaccination programme is the largest vaccination programme that NHS boards have ever carried out. This briefing paper looks at progress of the Covid-19 vaccination programme to September 2021 and what plans are in place for the next phase of the rollout and for the longer term.	https://www.audit-scotland.gov.uk/report/covid-19-vaccination-programme
15/9/21	Covid-19 Tracking the Impact of Covid-19 on Scotland's Public Finances	The Scottish Government estimated it spent over £8.8 billion of the £9.3 billion allocated to support Covid-19 spending in 2020/21. Unprecedented spending to mitigate the harms of the pandemic. Transparency is essential but challenging in a fast-moving and unpredictable environment.	https://www.audit-scotland.gov.uk/report/covid-19-tracking-the-impact-of-covid-19-on-scotland%E2%80%99s-public-finances

3/6/21	Social Care Reform	The Scottish Government has committed to putting in place the recommendations of the Feely report, including creating a National Care Service. Although questions remain unanswered on the solutions to how this and other social care changes will be provided.	https://www.audit-scotland.gov.uk/report/social-care
27/5/21	Local Government in Scotland Overview 2021	Covid-19 exacerbated existing inequalities across Scotland's communities. This has brought into focus the value and importance of partnership working and empowering communities to deliver services that meet very local needs.	https://www.audit-scotland.gov.uk/report/local-government-in-scotland-overview-2021
7/5/21	Covid-19 Following the pandemic pound : Our Strategy	Following the pandemic pound strategy is to provide overall conclusions to the public and the Scottish Parliament on the level of Covid-19 related funding that has been allocated to business, communities, and public services.	https://www.audit-scotland.gov.uk/report/covid-19-following-the-pandemic-pound-our-strategy
17/2/21	NHS in Scotland 2020	The Scottish Government acted quickly to prevent the NHS from being overwhelmed by Covid-19, but it could have been better prepared to respond to the pandemic. Service innovation, such as video consultations took place as did pausing of non-urgent treatments. There is now a substantial backlog of patients. Dealing with this backlog alongside the financial and operational challenges already faced by boards will be difficult.	https://www.audit-scotland.gov.uk/report/nhs-in-scotland-2020

Covid-19

Appendix 2

Vaccination programme

AUDIT SCOTLAND

Briefing prepared by Audit Scotland
September 2021

Contents

Audit team

The core audit team consisted of: Leigh Johnston, Eva Thomas-Tudo and Claire Tennyson with support from other colleagues and under the direction of Angela Canning.

Links

PDF download

Web link

Key messages

1 The Covid-19 vaccination programme has made excellent progress in vaccinating a large proportion of the adult population. More than 90 per cent of people aged 18 and over have received at least one Covid-19 vaccine. The programme has been effective in reducing the number of people getting severely ill and dying from Covid-19. Vaccines have been delivered in a variety of ways to make it easier for more people to access them, and the level of vaccine wastage has been low.

2 Engagement with the vaccination programme is lower in some groups of the population. A smaller proportion of younger people, those living in the most deprived areas and people from some ethnic groups have been vaccinated. The Scottish Government is taking action to encourage people to take up the offer of a Covid-19 vaccination.

3 The Covid-19 vaccination programme is being implemented under uncertain and challenging circumstances. Clinical advice from the Joint Committee on Vaccination and Immunisation (JCVI) continues to evolve and has needed to be implemented quickly. The Scottish Government and NHS boards are responding quickly to new clinical advice and are planning for future stages of the programme.

4 The Scottish Government has agreed that the UK Government should lead on the purchase and supply of the vaccines on a four nations basis. The Scottish Government and NHS Scotland are responsible for delivering the Covid-19 vaccination programme in Scotland. NHS boards and Health and Social Care Partnerships (HSCPs) have predicted that the programme will cost £223.2 million in 2021/22. The expenditure needed will depend on advice issued by the JCVI, so it could differ substantially from current predicted costs. The Scottish Government has confirmed that vaccination costs will be fully funded for the 2021/22 financial year.

5 The vaccination programme has relied on temporary staffing to date. The Scottish Government has recognised that a longer-term solution is needed for future phases of the rollout to be sustainable.

6 The delivery of the vaccination programme has been a success so far, with good collaboration, joint working and new digital tools developed at pace. There are opportunities for the Scottish Government to use the learning from this programme to inform the implementation of further stages of the vaccine programme and the wider delivery of NHS services.

Introduction

1. The Covid-19 vaccination programme has been a crucial part of the UK and Scottish governments' responses to the pandemic and has helped to protect Scotland's population from Covid-19. It is the largest vaccination programme that NHS boards have ever carried out. The vaccines have helped to reduce the incidence of severe illness and death from Covid-19 and have eased pressure on stretched NHS services. The vaccines have also allowed restrictions across Scotland to be lifted more safely, supporting economic recovery.

2. The first doses of Covid-19 vaccines in Scotland were administered on 8 December 2020, following the approval of the first Covid-19 vaccine by the Medicines and Healthcare Products Regulatory Agency (MHRA).[1] By September 2021, four vaccines had been approved by the MHRA. These were Pfizer-BioNTech, Oxford-AstraZeneca, Moderna and Janssen. The JCVI has not yet provided guidance on the use of the Janssen vaccine, but the remaining three vaccines are in use (Exhibit 1, page 5).[2]

3. This briefing paper looks at progress of the Covid-19 vaccination programme to September 2021 and what plans are in place for the next phase of the rollout and for the longer term. We will also report on further progress of the programme in our NHS in Scotland 2021 report, which will be published in early 2022.

4. We would like to acknowledge the support and assistance provided by the Scottish Government and NHS boards that has enabled us to prepare this briefing paper.

5. This paper is in three sections:

- Part one (Management of the programme) sets out the aims and objectives of the Covid-19 vaccination programme. It covers how the vaccination programme has been managed, the staffing and infrastructure put in place and costs so far.
- Part two (Progress so far) covers the progress of the Covid-19 vaccination programme. It covers how many people have been vaccinated, variation in uptake, and what impact the vaccination programme has had.
- Part three (Next steps) sets out the next steps of the programme. It covers how the Scottish Government is preparing to deliver a booster programme from autumn 2021, and the longer-term role of the Covid-19 vaccination programme.

Exhibit 1

Timeline of major milestones in the Covid-19 vaccination programme

2020	2 December	MHRA approval of Pfizer-BioNTech vaccine
	8 December	First Covid-19 vaccine administered in Scotland
	30 December	MHRA approval of Oxford-AstraZeneca vaccine
2021	8 January	MHRA approval of Moderna vaccine
	14 January	Publication of the Scottish Government's first Covid-19 vaccine deployment plan
	24 March	Publication of the Scottish Government's second Covid-19 vaccine deployment plan
	7 May	Everyone in JCVI priority groups 1-9 has been offered the first dose of a vaccine
	28 May	MHRA approval of Janssen vaccine
	30 June	JCVI publishes interim advice on a potential Covid-19 booster programme for vulnerable and older people from Autumn 2021
	18 July	Everyone aged 18 and over has been offered the first dose of a vaccine
	19 July	JCVI publishes advice that children aged 12 and over who are at increased risk from Covid-19 should be offered the Pfizer BioNTech vaccine
	23 July	Publication of the Scottish Government's third Covid-19 vaccine deployment plan
	4 August	JCVI announces the Pfizer-BioNTech vaccine should be offered to all 16 and 17 year olds
	1 September	JCVI announces that a third dose should be offered to people aged 12 and over who were severely immunosuppressed at the time of their first or second dose
	12 September	Everyone aged 18 years and over has been offered the second dose of a vaccine
	13 September	The four UK Chief Medical Officers advise that all 12-15 year olds should be offered one dose of the Pfizer-BioNTech vaccine
	14 September	JCVI announces that priority groups 1-9 should be offered a booster vaccine dose
	20 September	The Covid-19 booster programme starts.

Source: Audit Scotland

Management of the programme

The Scottish Government is responsible for the vaccination programme, and has prioritised Covid-19 vaccinations in accordance with JCVI guidance

6. The Scottish Government has agreed that the UK Government should lead on the purchase and supply of the vaccines on a four nations basis. The Scottish Government and NHS Scotland are responsible for the management and delivery of the Covid-19 vaccination programme in Scotland.

7. Scotland's allocation of the total supply of vaccines arriving in the UK is based on the Barnett formula.[3] The main factor determining the speed of the first phase of the rollout was the availability of vaccines. As the programme progressed, the Scottish Government made changes to more effectively allocate the available supply of vaccines across Scotland. NHS boards now plan the deployment of vaccines on a weekly basis, based on the expected supply of vaccines. The Scottish Government reviews these plans weekly alongside national modelling of predicted demand to manage the allocation of vaccines.

8. The Scottish Government has based its decisions on which groups should be prioritised for receiving Covid-19 vaccinations on advice from the JCVI. This approach has been taken by all four UK nations.

9. The JCVI developed nine priority groups for receiving Covid-19 vaccinations based on those who are most at risk from contracting Covid-19 (Appendix). The JCVI recommended that those living in care homes, older people, clinically vulnerable people and patient-facing health and social care staff should be the first groups to receive Covid-19 vaccinations.

10. The JCVI has since published advice about how the remaining adult population should be prioritised, based on age. It has also published advice about vaccinating children and young people and on a booster programme in autumn and winter 2021/22.

The Scottish Government set out its priorities in three vaccine deployment plans

11. The Scottish Government has published three vaccine deployment plans since the start of the Covid-19 vaccination programme. These plans set out the high-level priorities of the programme, how it will be managed and summarise progress.

- First plan – published January 2021. This set out the Scottish Government's aim to vaccinate everyone in Scotland over the age of 18 and those aged 16 and 17 years who are frontline health and social care workers, young carers or have underlying health conditions. These groups amount to 4.5 million people.[4]

- Second plan – published in March 2021. This provided a summary of progress to date, highlighting that the programme was progressing faster than planned and with high uptake. It set out plans for the next phase of the programme and outlined some of the measures being taken to ensure that the vaccine programme is inclusive.[5]

- Third plan – published in July 2021. This provided a summary of progress and achievements since the start of the vaccination programme. It also outlined priorities for the next phase of the programme, including vaccinating eligible children and young people, and planning for a potential vaccine booster programme in autumn 2021.[6]

The Scottish Government and NHS boards have worked closely to deliver the Covid-19 vaccination programme

12. The Covid-19 vaccination programme is categorised into three tranches. More information on the priorities of Tranches Two and Three can be found on pages 15 and 16.

- Tranche One consisted of vaccinating all adults in Scotland with two doses of a Covid-19 vaccine.

- Tranche Two consists of the autumn and winter 2021/22 flu vaccinations and Covid-19 booster programme.

- Tranche Three focuses on the longer-term, business-as-usual approach to providing vaccinations in future across Scotland.

13. The Scottish Government set up a Flu Vaccination and Covid-19 Vaccination (FVCV) programme board to provide strategic direction and oversight of the planning and delivery of Tranche One of the Covid-19 vaccination programme. The board met fortnightly, and membership included senior officials from Scottish Government, NHS boards and other partners.

14. Several other groups reported to the FVCV programme board, including groups focused on clinical governance; programme delivery; planning; and communication and engagement. An Executive Group was also established for decisions that had to be taken between board meetings. All such decisions were recorded and reported at the next FVCV board meeting.

15. NHS National Services Scotland (NSS) has played a key role in the rollout of the Covid-19 vaccination programme in Scotland. It administers the allocation process for vaccines across Scotland and manages a contract for the storage and distribution of vaccines and sundries. It also developed and manages the National Vaccination Scheduling System (NVSS) and vaccination call centre.

Vaccines have been administered in a range of locations

16. NHS boards have been delivering vaccines in a range of locations to reach as many people as possible. Vaccines have been administered in mass vaccination centres set up in conference centres and stadiums, and in local venues such as GP practices, town halls and community treatment centres. The Scottish Ambulance Service (SAS) has also set up mobile vaccination units to support the delivery of the vaccine programme. By the end of July 2021, 10,000 vaccines had been administered from SAS mobile vaccination units.[7]

17. As the economy reopened, the availability of some venues, such as stadiums and conference centres, decreased. The Scottish Government and NHS boards will need to consider how and where they deliver vaccines in the future.

The vaccine programme has relied on temporary staffing, and a longer-term, sustainable workforce is needed

18. The vaccine programme has so far been reliant on temporary staff and volunteers. By July 2021, more than 14,000 vaccinators had administered vaccines.[8] Vaccinators consist of nurses, GPs, dentists, optometrists, pharmacists, allied health professionals, healthcare students and healthcare support workers (HCSWs). This diverse workforce has enabled the rollout of the vaccine programme to progress at pace, but it is an expensive model. Like other parts of the UK, NHS boards have also received support from the armed forces to increase vaccine workforce capacity when required.

19. As restrictions ease and NHS services recover, the availability of the temporary workforce will be reduced as staff return to their substantive posts. The Scottish Government has determined that a permanent, sustainable vaccine workforce will be needed in future. Work is currently taking place to establish the size of the workforce needed. This will depend on clinical advice about how vaccines should be delivered in future. The Scottish Government plans to recruit HCSW vaccinators as far as possible, working alongside registered nurses.

New digital tools were developed at pace to support the vaccination programme

20. To support the rollout of the Covid-19 vaccination programme, new digital tools were developed quickly. These digital developments have enhanced NHS Scotland's ability to coordinate and manage the rapid rollout of the vaccines and required close collaboration and partnership working. NHS boards, such as NHS Education for Scotland, NHS NSS, Public Health Scotland (PHS) and NHS Greater Glasgow and Clyde, worked with the Scottish Government to develop new systems to support the deployment of the vaccines, including:

- the National Vaccine Management Tool – a web-based application that enables frontline health and social care staff to view and record patient vaccination data at the point of care
- the National Clinical Data Store – holds the Covid-19 vaccination records for everyone in Scotland, which can be securely shared with healthcare staff when required
- the NVSS – used to allocate and reschedule appointments and will continue to be used for the next phase of the programme, including giving people the option to book appointments online
- a self-registration portal – initially allowed unpaid carers to self-register for the vaccine before being rolled out to everyone aged under 30 years, and subsequently to all adults.

21. NHS boards developed vaccine programme delivery plans in January and March 2021. In these plans, NHS boards identified risks related to the NVSS. There were concerns about the functionality of the tool before its launch, and challenges around the flexibility to schedule second doses.

22. Risks and issues relating to the NVSS were monitored regularly, and the NVSS was adapted to improve its functionality. Most NHS boards have used the NVSS and there are plans to continue using it in future stages of the vaccine programme. Some NHS boards have opted for local scheduling arrangements to better meet the needs of the local population.

Vaccination costs for the 2021/22 financial year will depend on advice issued by the JCVI

23. Covid-19 vaccines are procured by the UK Government, so the costs in Scotland are associated with the management, distribution, and delivery of the Covid-19 vaccination programme.

24. In 2020/21, NHS Scotland spent £58.9 million on the Covid-19 vaccination programme. Territorial NHS boards account for the majority of this (£42.7 million), and NHS NSS spent £16.1 million.

25. In August 2021, NHS boards and HSCPs predicted that the Covid-19 vaccination programme for the 2021/22 financial year will cost £223.2 million. NHS boards account for the majority of this (£209.9 million). Of this, NHS NSS has predicted that its costs will amount to £61 million.

26. NHS boards have based their predicted costs on planning assumptions provided by the Scottish Government. The expenditure needed will depend on advice issued by the JCVI, so could differ substantially from current predicted costs. The Scottish Government has confirmed that vaccination costs will be fully funded for the 2021/22 financial year.

27. As part of the initial Covid-19 funding allocations for 2021/22, the Scottish Government allocated £76.8 million for the extended flu and Covid-19 vaccination programme.[9] Costs are being reviewed quarterly and further allocations will be made later in the year.

Progress so far

Excellent progress has been made in rolling out the Covid-19 vaccination programme

28. The Covid-19 vaccination programme is making excellent progress, with most of the adult population having received their first and second doses. By 21 September 2021, 7,979,142 doses of the Covid-19 vaccine had been administered in Scotland. Of all those aged 18 years and over, 91.7 per cent had received their first dose of a vaccine, and 85.7 per cent had received their second dose.[10] This is considerably higher than the target of 80 per cent.

29. The Scottish Government aimed to offer first doses to everyone in JCVI priority groups 1-9 by early May 2021, and to all adults by the end of July 2021. This deadline was originally September 2021, but it was revised because of the good progress being made. First doses of the vaccine had been offered to all adults by 18 July 2021.[11]

The vaccines have helped to reduce the number of people getting severely ill and dying from Covid-19

30. The vaccines have helped to reduce the incidence of severe illness and death from Covid-19. The rate of cases and hospitalisations is significantly lower among vaccinated people, than for those who are unvaccinated. The most recent increase in Covid-19 cases during summer 2021 did not result in as significant an increase in hospitalisations and deaths as the previous waves of Covid-19 (Exhibit 2, page 11). As new variants of the virus continue to emerge however, there is a risk that the current Covid-19 vaccines will become less effective.

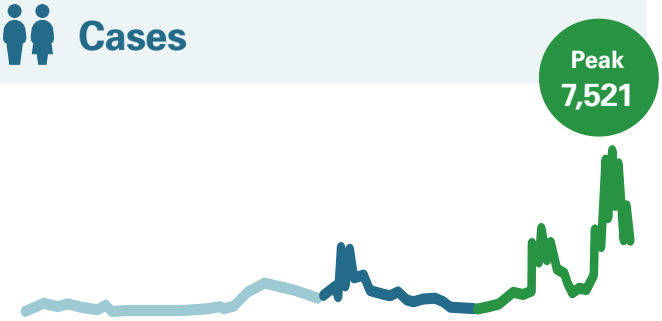
Exhibit 2

Covid-19 cases, hospitalisations and deaths, March 2020 to September 2021

The vaccination programme has helped to reduce the number of people needing hospital treatment or dying from Covid-19.

15 March 2020 — 16 September 2021

Cases

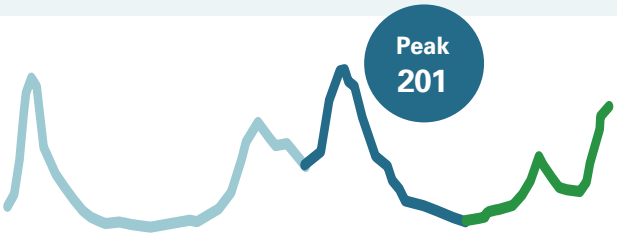


4-10 September 2021

Cases

	Unvaccinated per 100,000	Fully vaccinated per 100,000
	1,146	477

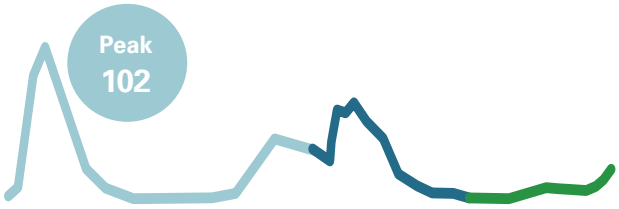
Hospital admissions



Hospitalisations

	Unvaccinated per 100,000	Fully vaccinated per 100,000
60 and over	77	29
16-59	24	8

Deaths



Age standardised mortality rate

	Unvaccinated per 100,000	Fully vaccinated per 100,000
	5	1

Before the vaccination programme

Vaccination programme began from 8 December 2020

98% of priority groups 1-9 had received their first dose of the Covid-19 vaccine by 7 May 2021

Note. Cases, hospitalisations and the age standardised mortality rate per 100,000 by vaccine status between 4 and 10 September 2021. Hospital admissions and deaths trend lines are based on the seven day averages.

Source: Public Health Scotland and National Records of Scotland

The rate of people not attending their vaccination appointments has increased, but the proportion of vaccine wasted remains low

31. The rate of people not attending their vaccination appointments (DNAs) has been higher in recent months. In February 2021, DNAs accounted for eight per cent of scheduled appointments. This increased to a high of 36 per cent in July 2021, before decreasing to 23 per cent in August (Exhibit 3).

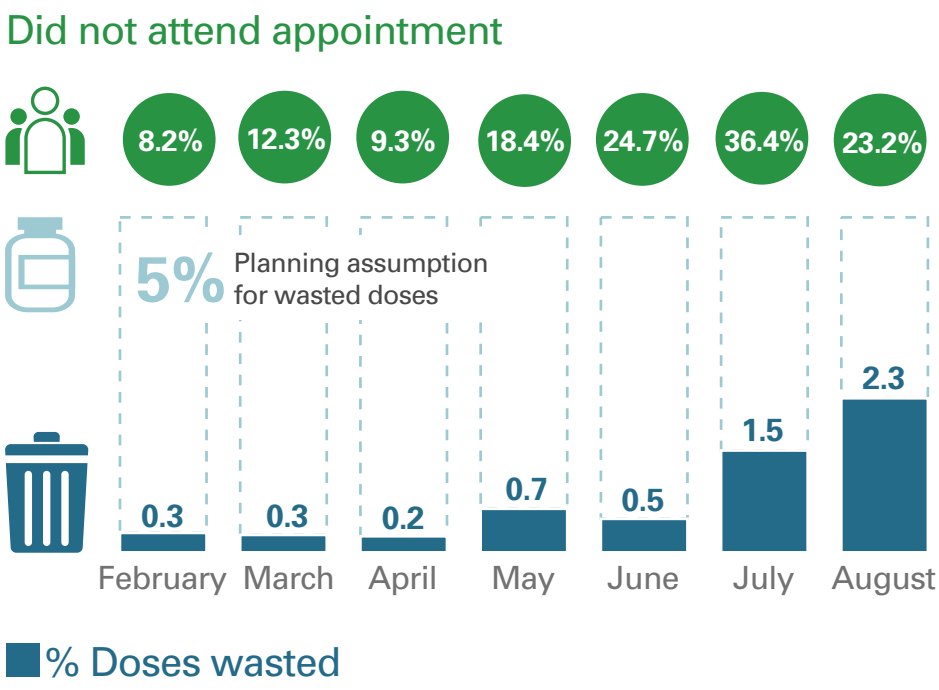
32. It is important not to look at DNA rates in isolation. The uptake of Covid-19 vaccinations is very high, and there are factors that could account for the increasing rate of DNAs. For instance, all mainland NHS boards introduced drop-in clinics from early July 2021. This meant that people could be vaccinated when it is most convenient for them, instead of at their scheduled appointment time.

33. The proportion of Covid-19 vaccine doses being wasted has remained consistently low throughout the vaccination programme, although it has increased slightly in recent months, with 2.3 per cent of vaccines wasted in August 2021.

34. The Scottish Government published guidance in March 2021 to help NHS boards to minimise the number of vaccine doses wasted. Some wastage is unavoidable and to be expected: for instance, depending on the equipment being used, or if there is a malfunction in the cold storage of the vaccines. In its planning assumptions, the Scottish Government anticipated that around five per cent of vaccines would be wasted. Between February and August 2021, the proportion of vaccines wasted was just 0.65 per cent (Exhibit 3).

Exhibit 3

Rates of non-attendance at appointments and vaccine wastage between February and August 2021



Source: Scottish Government

Engagement with the vaccination programme is lower in some groups of the population

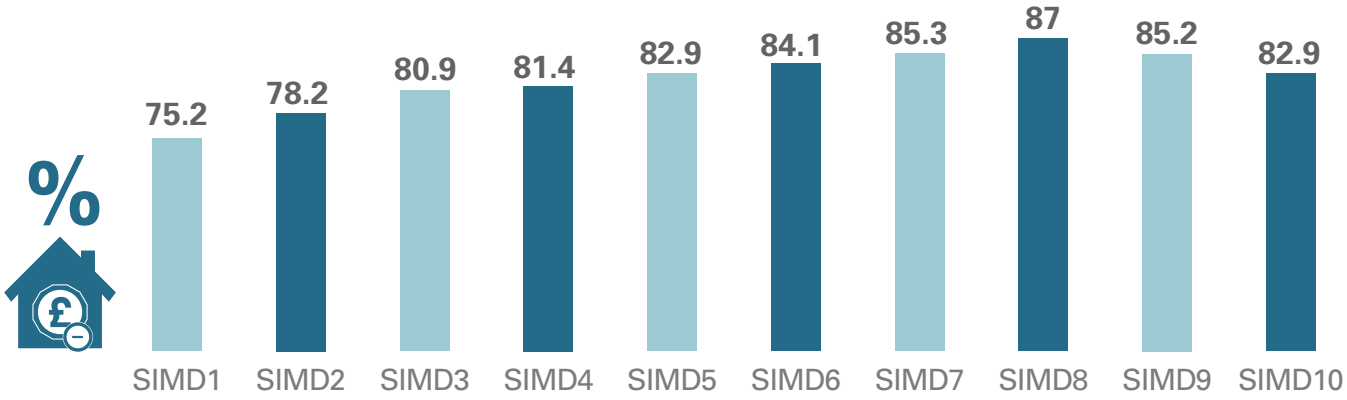
35. Despite high uptake of Covid-19 vaccines overall, there is variation in uptake between different groups of the population. A smaller proportion of younger people, those living in the most deprived areas and people from some ethnic groups have been vaccinated (Exhibit 4). These trends are also evident in other parts of the UK.

Exhibit 4

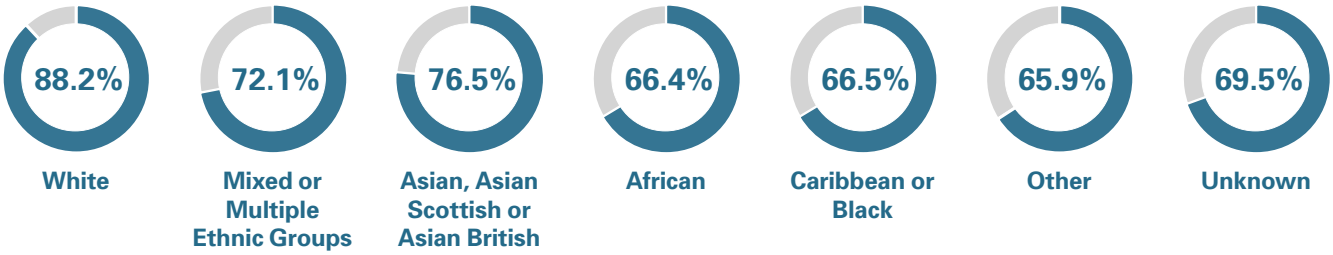
The rate of Covid-19 vaccination uptake varies

Age – At 20 September 2021, the uptake of first doses for adults aged 18 years and over was 91.7 per cent. **Uptake was lowest in younger age groups.**

Deprivation – At 24 August 2021, uptake was lowest among people living in the most deprived areas.



Ethnic group – At 24 August 2021, uptake was highest in the white ethnic group at 88.2 per cent.



Notes:
1. The Scottish Index of Multiple Deprivation (SIMD) is a relative measure of deprivation across small areas known as data zones, from the most deprived – SIMD1 to the least deprived – SIMD10. If an area is identified as deprived, this can relate to people having low incomes, but it can also relate to people with fewer resources or opportunities.
2. Denominator populations for age groups and area breakdowns are sourced from National Records of Scotland mid-2020 estimates.

Source: Public Health Scotland

The Scottish Government and NHS boards are taking action to improve uptake of Covid-19 vaccinations

36. The Scottish Government and NHS Scotland recognised that there would be challenges in vaccinating the entire adult population with a new vaccine, and that some groups would be more reluctant or less able to engage with the programme.

37. In November 2020, PHS led a health inequalities impact assessment (HIIA) for an extended flu and Covid-19 vaccination programme.[12] This identified potential barriers to the uptake of flu and Covid-19 vaccines across different population groups, such as those from minority ethnic backgrounds and people living in deprived areas. The HIIA identified recommendations for the Scottish Government and NHS boards to consider when planning the vaccination programme. It was shared with the Scottish Government, NHS NSS and local NHS boards to inform planning and help them to develop their own equality impact assessments. PHS should publish the HIIA to share the findings more widely.

38. Throughout the vaccine programme, the Scottish Government and NHS boards have worked with partners to increase uptake and reduce vaccine hesitancy through a variety of methods, such as:

- improving data collection – to better understand trends by collecting data on uptake by characteristics such as ethnicity and deprivation
- working with organisations, such as Young Scot and the Minority Ethnic Health Inclusion Service, to tailor messaging for young people and those from ethnic minority backgrounds
- improving accessibility of information – for example, NHS Inform has published vaccine information in more than 30 different languages[13]
- a national inclusive steering group has been established to encourage vaccine uptake and reduce barriers to engagement with the programme. It has engaged with groups including African and Polish communities, where uptake has been low[14]
- outreach work – has targeted groups that may be less likely to come forward for vaccinations, such as Gypsy/Travellers, asylum seekers, those experiencing homelessness and seasonal migrant workers.

Next steps

The Scottish Government and NHS Scotland are preparing for future stages of the vaccination programme

39. Tranche One of the vaccine programme has been effective in reducing the number of people getting severely ill and dying from Covid-19. It met its target to have offered both doses to the remaining adult population by mid-September 2021.

40. The next stages of the vaccine programme bring further challenges. The Scottish Government has committed to continuing to follow advice from the JCVI in prioritising vaccine deployment beyond September 2021. In recent months, the JCVI has published a range of guidance on the next steps that the Scottish Government and NHS Scotland have needed to operationalise quickly, including:

- 30 June 2021 – interim advice on a potential Covid-19 booster programme starting in the autumn for vulnerable and older adults; final advice was issued in September 2021
- 19 July 2021 – advice that children aged 12-15 years at increased risk from Covid-19, and those aged 12-17 years living with someone who is immunosuppressed, should be offered the Pfizer-BioNTech vaccine
- 4 August 2021 – advice that all 16 and 17 year-olds should be offered a first dose of the Pfizer-BioNTech vaccine
- 1 September 2021 – advice that a third dose should be offered to people aged 12 and over who were severely immunosuppressed at the time of their first or second doses
- 14 September 2021 – advice that people in priority groups 1-9 should be offered a booster vaccine dose, no earlier than six months after having received their second dose of the vaccine.

41. The Scottish Government has responded quickly to JCVI advice, with vaccines for eligible groups being offered within days of the advice being published. In many instances, the Scottish Government and NHS boards have had to plan for future stages of the vaccine programme with formal clinical advice from the JCVI yet to be confirmed.

42. Final advice from the JCVI on the booster programme was issued in September following the results of clinical trials. This made planning particularly challenging, as it is the same month that the JCVI suggested in its interim guidance that a booster programme should begin.

43. In advance of final JCVI advice, the Scottish Government started planning to provide booster vaccines from September 2021. It established a programme board for Tranche Two: the flu vaccine and Covid-19 booster programme. This board is intended to increase focus and the pace of planning and delivery of Covid-19 booster and flu vaccinations that is taking place over autumn and winter 2021/22. It has been meeting fortnightly since the end of June 2021.

44. The Scottish Government developed a central planning scenario, informed by the JCVI's interim advice and by discussions at the Tranche Two programme board. The Scottish Government has asked NHS boards to develop delivery plans for the flu vaccine and Covid-19 booster programme based on this planning scenario. There was a risk that changes would need to be made at short notice, once the JCVI issued its final advice. Some elements of the central planning scenario that were subject to that final advice included:

- eligibility for booster vaccines and how boosters would be prioritised
- whether flu vaccinations and Covid-19 booster jabs could be administered at the same time – this has a particular impact on the staff and infrastructure needed to deliver the vaccines
- the dosage and type of vaccines that would be used for Covid-19 boosters, including whether the vaccine should be the same as that given for the first two doses, a different vaccine, or if either case could apply.

45. The Scottish Government has also started planning for the longer-term, business-as-usual approach to providing vaccinations in future across Scotland: Tranche Three of the Covid-19 vaccination programme. It plans to establish a new National Vaccinations Partnership portfolio board to provide oversight and direction across all three tranches of the vaccination programme, but its primary focus will be on Tranche Three. This board will link with existing groups, such as the Scottish Immunisation Programme and the Vaccine Transformation Programme, to ensure that the strategies and directions of the groups are aligned.

Endnotes

1 The Medicines and Healthcare Products Regulatory Agency is an executive agency sponsored by the UK Department of Health and Social Care. It regulates medicines, medical devices, and blood components for transfusion in the UK.

2 The Joint Committee on Vaccination and Immunisation advises UK health departments on immunisation programmes.

3 The Barnett formula is used to allocate resources to Scotland, Wales and Northern Ireland when the UK Government spends money in areas that are devolved to the relevant administrations, such as health or local government. The funds received by devolved administrations are known as Barnett consequentials.

4 Coronavirus (COVID-19): vaccine deployment plan, Scottish Government, January 2021.

5 Coronavirus (COVID-19): vaccine deployment plan, Scottish Government, March 2021.

6 Coronavirus (COVID-19): vaccine deployment plan, Scottish Government, July 2021.

7 10k vaccines delivered from SAS mobile vaccine clinics, Scottish Ambulance Service, July 2021.

8 Coronavirus (COVID-19): vaccine deployment plan, Scottish Government, July 2021.

9 NHS Covid-19 funding increased, Scottish Government, July 2021.

10 Daily trend of total vaccinations in Scotland, Public Health Scotland, September 2021.

11 Coronavirus (COVID-19): vaccine deployment plan, Scottish Government, July 2021.

12 Extended flu and COVID-19 vaccination health inequalities impact assessment (HIIA) Engagement and consultation report, Public Health Scotland, November 2020.

13 NHS Inform is Scotland's national health information service. It provides information to the public on health services, national health campaigns and other topics to help them make informed decisions about their health.

14 Vaccination Strategy: inclusive programme board papers, June 2021.

Appendix

JCVI Priority Groups 1–9

1. Residents in care homes for older adults and their carers
2. All those 80 years of age and over and frontline health and social care workers
3. All those 75 years of age and over
4. All those 70 years of age and over and clinically extremely vulnerable individuals
5. All those 65 years of age and over
6. All individuals aged 16 years to 64 years with underlying health conditions which put them at higher risk of serious disease and mortality, and unpaid carers
7. All those 60 years of age and over
8. All those 55 years of age and over
9. All those 50 years of age and over

Covid-19

Vaccination Programme

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ISBN 978 1 913287 61 0

East Lothian
Integration Joint Board

REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 7 December 2021

BY: Chief Internal Auditor

SUBJECT: Internal Audit Update of East Lothian Council and NHS Lothian 2020/21 Audit Reports

7

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1 PURPOSE

1.1 To inform the Audit and Risk Committee of the recently issued audit reports relevant to IJB services reported to the East Lothian Council Audit & Governance Committee and the NHS Lothian Audit & Risk Committee.

2 RECOMMENDATION

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

3 BACKGROUND

3.1 The East Lothian Council Internal Audit service reports key audit findings, conclusions and recommendations to the East Lothian Council Audit & Governance Committee. This includes audit reviews on the Health and Social Care Partnership (HSCP). The NHS Lothian Internal Audit team reports key audit findings, conclusions and recommendations to the NHS Lothian Audit & Risk Committee. Some of this internal audit work covers areas of interest to the East Lothian IJB.

3.2 All audit reports are available publicly for review at the following links; for East Lothian Council at Audit & Governance Committee | East Lothian Council and for NHS Lothian at Audits (nhslothian.scot).

3.3 Two audit reviews reported to the most recent meetings of the East Lothian Council Audit & Governance Committee and the NHS Lothian Audit & Risk Committee respectively are summarised in Appendices 1 and 2. These reports are:

- Corporate Appointeeship (Appendix 1)
- Risk Management at a Divisional/HSCP Level (Appendix 2)

4 ENGAGEMENT

4.1 Engagement with management will have been undertaken in accordance with the procedures in place for the relevant Internal Audit teams.

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

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DATE	27 November 2021

Appendix 1: Executive Summary: Corporate Appointeeship

Conclusion: Reasonable Assurance

The HSCP has set up an in-house Corporate Appointeeship service and we found that clear and appropriate procedures and guidance documents are in place; comprehensive records and a clear audit trail of all actions taken are maintained; appropriate processes are in place for setting up client bank accounts and transferring responsibility for Corporate Appointeeship to the HSCP; and key financial controls are in place for client budgeting and for the creation, authorisation and recording of payments. Areas which will require focus going forward include the arrangements for ensuring that clients are receiving all the benefits to which they are entitled and the processes for identifying, and taking appropriate action, where clients have surplus funds.

Background

A Corporate Appointee is where an organisation has been appointed by the DWP to manage and look after a client's welfare benefits, to make sure they are receiving all the benefits to which they are entitled and to support clients who have no other means of accessing/managing their finances. Corporate Appointeeship and financial management services for clients in East Lothian have in recent years been provided by an external provider. Although staff and service user opinion of the external provider was generally very positive, there was uncertainty as to the external provider's ability to continue to provide the service going forward. An option appraisal was carried out, the outcome of which was a decision to bring the Corporate Appointeeship service in-house. The Council does not currently charge clients for providing a Corporate Appointeeship service.

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by Management**:

- Monthly bank reconciliations require to be reviewed by a second member of staff independent of the preparer. *Management have confirmed that a sample of monthly bank reconciliations will be spot checked by the Senior Business Support Administrator and this is now **in place**.*
- Arrangements should be made to enable designated staff within the HSCP to directly communicate with the Bank, to assist them in addressing transaction errors and in following up the non-receipt of key information. *Management have agreed to put arrangements in place **by January 2022**.*
- Appropriate processes are required for ensuring that clients are receiving all the benefits to which they are entitled and for identifying, and taking appropriate action, where clients have surplus funds, which may impact on their entitlement to benefits. *Management have agreed that processes will be put in place and clearly documented **by February 2022**.*
- The procedures for Dealing with Funds on the Death of a Client require to be finalised. *Management have confirmed that the procedures will be finalised as soon as all outstanding legal queries have been clarified **by December 2021.***
- Consideration should be given as to whether it would be appropriate to charge clients for providing a Corporate Appointeeship service. *Management have agreed to consider this when transfers are complete and the overall cost of the in-house service has been reviewed **by September 2022.***

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	8	-	8
Prior Report	N/A	N/A	N/A	N/A*

* This control review is new and no prior report exists for comparison.

Materiality

As at 12 November 2021:

- 159 bank accounts have been applied for and of these 157 have been opened (12 of which have subsequently been closed due to the client's death or no longer being required). The bank accounts opened include both transfer clients and new clients.
- Applications have been sent to the DWP in 102 cases and of these 88 clients are receiving some or all of their benefit payments into their bank accounts.
- 47 clients have been fully transferred and 2 new clients are fully set-up. It is hoped to continue to make progress in closing off 2 to 3 clients per week.

Headlines

Objectives	Conclusion	Comment
1. Clear and appropriate procedures and guidance documents are in place for all aspects of the Corporate Appointeeship process.	Reasonable	A comprehensive guidance document "Corporate Appointeeship and Access to Funds: Procedures for Managing the Finances of Service Users" has been drawn up and is regularly updated, which outlines the key principles and processes relating to Corporate Appointeeship. In addition, detailed individual procedures are in place for the initial set-up, ongoing management and closure/relinquishment of Corporate Appointeeship accounts, however the procedures for Dealing with Funds on the Death of a Client are currently in draft, awaiting clarification of certain legal matters, and require to be finalised.
2. There is clear record keeping and documentation in place for the Corporate Appointeeship process, including a clear audit trail of all actions taken and appropriate arrangements in place for storing information.	Substantial	Appropriate processes are in place for the submission and authorisation of client referrals for a Corporate Appointee service on the Mosaic system, key steps and actions taken are recorded for each client in the Financial Management Activity Log and key documentation is retained. Comprehensive records are maintained by the HSCP Financial Management Service, each client has an individual folder containing details of banking, budgets, correspondence, DWP, invoices and (where relevant) transfer information from ICMS. Detailed spreadsheets are maintained – a Master spreadsheet containing key information for each client, a DWP Status spreadsheet providing details of the benefits each client receives and the status of the transfer process and a Standing Order/Direct Debit spreadsheet.
3. A clear and timely process is in place for the initial set-up of clients' Corporate Appointeeship accounts.	Reasonable	Comprehensive processes are in place for setting up client accounts, however many of the processes have taken longer than expected to complete due to the time taken to set-up bank accounts, delays experienced with the internal processes of the DWP when processing applications and issues with setting up direct debits with utility providers.
4. Appropriate processes are in place for the creation, authorisation and recording of all payments, including the setting up and authorisation of standing orders and direct debits.	Reasonable	Appropriate processes and segregation of duties are in place for the creation, authorisation and recording of payments from individual client's Corporate Appointeeship bank accounts. All payments are created on the online banking system by a Senior Business Support Assistant and are authorised on the online system by a more senior member of staff, while payments above £500 require authorisation by a manager. Regular payments are set up by Standing Order, which require to be authorised by two members of staff. The Corporate Appointeeship bank accounts are set up under the Council's banking services contract, which went out of contract on 30 September 2021, but has been formally extended for a further year, and bank charges to client accounts require review.
5. Appropriate processes are in place for client budgeting and for undertaking monthly reconciliations of each individual client's bank account.	Reasonable	For all Corporate Appointeeship clients, an individual Budget Plan is prepared on a standard template, which includes details of the date the Budget Plan was last reviewed, the reviewing officer, monthly income and monthly outgoings. Bank reconciliations are carried out on a monthly basis – for each individual client's account the budget figures for total monthly income and total monthly expenses are directly linked to the reconciliations and details of any adjustments or variations are clearly recorded.
6. Appropriate processes are in place for ensuring clients receive all the benefits to which they are entitled and for liaising with the DWP.	Limited	The responsibilities of a Corporate Appointee include claiming benefits, completing and signing any claim forms and reporting any changes in circumstances to the DWP. In respect of surplus funds, these require to be monitored to ensure funds do not exceed levels, which may impact on clients' entitlement to benefits. These areas will require future focus to ensure that all responsibilities are fully discharged.

Areas where expected controls are met/good practice

No	Areas of Positive Assurance
1.	A comprehensive guidance document is in place which clearly outlines the key principles and processes relating to Corporate Appointeeship and includes sections on Determining the Correct Financial Intervention; Responsibilities of an Appointee; Staff involved in Corporate Appointeeship; Recording Financial Management Activity on Mosaic; Applying for Corporate Appointeeship; Creating a Budget Plan; Managing a Corporate Appointee Account; Changes to Disbursements of Funds; Requests for Additional Funds by the Client; Changes to DWP Benefit Payments; Client Surplus Funds; Changes in Circumstances and the Access to Funds Scheme. In addition, to supplement the main guidance, detailed individual procedures have been drawn up covering the initial set-up, ongoing management and closure/relinquishment of Corporate Appointeeship accounts.
2.	Appropriate processes are in place for the submission and authorisation of client referrals for a Corporate Appointeeship service on the Mosaic system, key steps and actions taken are recorded for each client on the Financial Management Activity Log and copies of key documentation are retained on the system. The HSCP Financial Management Service maintain comprehensive records for all key areas of the Corporate Appointeeship process which are regularly updated, with each client having an individual folder containing details of banking, budgets, correspondence, DWP, invoices and (where relevant) transfer information from ICMS. Detailed spreadsheets are also maintained – a Master spreadsheet containing key information for each client, a DWP Status spreadsheet providing details of the benefits each client receives and the status of the DWP transfer process and a Standing Order/Direct Debit spreadsheet, which tracks progression on setting up Standing Orders and Direct Debits for each client.
3.	Appropriate processes are in place for the initial set-up of client accounts. Detailed procedures and processes are in place covering both transfer (from ICMS) and non-transfer clients, and for each client a detailed Financial Management Activity Log is maintained, which records key information including client folder set-up on activity log, client budget sent to Community Care Worker for approval, client added to Master Spreadsheet, receipt of information from ICMS, client bank account set-up online and Corporate Appointee application paperwork sent to DWP. In addition, clear processes are in place for the completion of the banking information required to provide Corporate Banking with the appropriate details requested by the Bank to open a new bank account. A detailed process is in place for informing the DWP of the HSCP taking on Corporate Appointeeship responsibility for the client and for requesting that funds are paid into the client's new Corporate Appointee bank account.
4.	Appropriate processes and controls are in place for all payments made from individual client's Corporate Appointeeship bank accounts, including clear segregation of duties between the creation and authorisation of payments – payments are created on the online banking system by a Senior Business Support Assistant and are authorised by a second member of staff who is independent of the preparer. Regular payments are set-up by Standing Order, which require to be authorised by two members of staff, while one-off payments are recorded in the client's log of Unplanned Income and Spending within the budget spreadsheet. Appropriate supporting documentation is retained for all payments made.
5.	Appropriate client budgeting and reconciliation processes are in place. All clients have an individual Budget Plan in place and as part of the process for transferring Corporate Appointeeship clients, the documentation provided by ICMS includes a copy of the client's budget summary, which is reviewed and approved by the Community Care Worker, while for new clients HSCP staff work with the client in drawing up the budget. On a monthly basis a bank reconciliation is carried out of each client's bank account. The Budget Plan figures for Total Monthly Income and Total Monthly Expenses are directly linked to the bank reconciliations, unplanned income and unplanned spending (i.e. not included in the budget) is clearly recorded and details provided in the log of Unplanned Income and Spending, and details of any adjustments or variations are clearly recorded.

Recommendation Grading/Overall opinion definitions

Recommendation	Definition
High	Recommendations relating to factors fundamental to the success of the control objectives of the system. The weaknesses may give rise to significant financial loss/misstatement or failure of business processes.
Medium	Recommendations which will improve the efficiency and effectiveness of the existing controls.
Low	Recommendations concerning minor issues that are not critical, but which may prevent attainment of best practice and/or operational efficiency.

Levels of Assurance	Definition
Substantial Assurance	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met.
Reasonable Assurance	Whilst there is a sound system of internal control, there are minor weaknesses, which may put some of the objectives at risk or there is evidence of non-compliance with some of the controls, which may put some of the objectives at risk.
Limited Assurance	Weaknesses in the system of internal control are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No Assurance	Control is generally weak leaving the system open to error or abuse, or there is significant non-compliance with basic controls, which leaves the system open to error or abuse.

Internal Audit

Risk Management at a Divisional/HSCP level

May 2021

Internal Audit Assurance assessment:

Control Objective 1	Control Objective 2	Control Objective 3
Moderate Assurance	Moderate Assurance	Moderate Assurance

Timetable

Date closing meeting held: 13th May 2021

Date draft report issued: 20th May 2021

Date management comments received: Various (all before 8th June 2021)

Date Final report issued: 8th June 2021

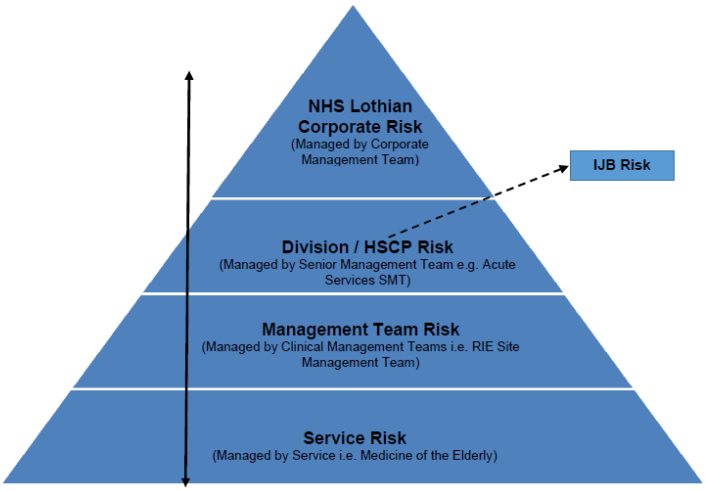
Date presented to Audit and Risk Committee: 21st June 2021

Contents

1. Introduction

1.1 Under Public Sector Internal Audit Standards (PSIAS) we are required to consider certain aspects of NHS Lothian's risk management arrangements on an annual basis. NHS Lothian have an established Risk Management Policy with a supporting Risk Management Operational Procedure to aid the implementation of the policy and ensure consistency of approach in operational risk management.

1.2 The process outlines the Risk Register Hierarchy (see diagram below), including what risks should be managed at what level. including their escalation up or down. This recognises that some risks can be managed at an operational level or lower level if they do not have an impact across the whole system.



1.3 The Quality Team has already identified areas to strengthen the risk management process at the corporate risk register level, including how risks should be accepted on to the risk register, plans to mitigate the risk, looking at risk gradings and how senior management oversight should be provided. Therefore, our review has not focused on NHS Lothian Corporate risks, but instead considered how risks are managed lower down the hierarchy, specifically at a Division/HSCP level.

Scope:

1.4 Our review has sought to support the work of the Quality Team. We have focused on the controls in place (design and operation) to ensure risks are managed at an operational level at the Division level on the hierarchy. We have considered how this is managed within each Division/HSCP. We considered the controls in place (design and operation) to ensure risks are captured, ensuring risks are not duplicated and how this links to the corporate risk register, including appropriate escalation and de-escalation of risks, focusing on how risks are escalated to a corporate risk level.

Acknowledgements

1.5 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 risks and the adequacy and effectiveness of the controls in place to meet each of the risk areas agreed for this audit. Definitions of the ratings applied to each action are set out in **Appendix 4**.

No.	Control Objectives	Assurance Level	Number of Findings			
			Critical	High	Medium	Low
1	Risks at a Divisional/HSCP level are being captured and considered by the right teams on a regular basis	Moderate Assurance	-	-	2	-
2	Risks are being addressed and are given appropriate attention to reduce their impact or likelihood, with appropriate senior management oversight	Moderate Assurance	-	-	2	-
3	Significant risks recorded at the Divisional/HSCP level are escalated to the corporate risk register if appropriate and in a timely manner	Moderate Assurance	-	-	1	-
Total			-	-	5	-

Conclusion

2.2 Through discussions with the Divisions/HSCPs, each were clear on their responsibilities in relation to risk, why risk management is important and how risks should be identified and documented. This could be articulated through the management of risks during the COVID-19 pandemic, requiring services to respond quickly, and risks be managed in an agile manner. Additionally, the Divisions/HSCPs were comfortable with how they could escalate risks if they could not be managed at the Divisional level and how to do this appropriately. However, it was also recognised that DATIX (the risk management system) was not always updated to reflect the risk management processes being undertaken on a day-to-day basis and areas for improvement were required.

2.3 A good culture around risk management within the Divisions/HSCPs was noted through our discussions, with all being aware of their responsibilities in relation to risk and examples provided to demonstrate how risks have been managed during the COVID-19

pandemic. Additionally, there was a good understanding of what risks should be managed at what level and where escalation may be required. However, there is in some places a lack of formalisation of processes and documentation behind the understanding demonstrated. This has been recognised throughout the Divisions, with East Lothian HSCP implementing a quarterly Risk Management Group, Edinburgh HSCP setting up a Risk Management Forum and Committee and REAS looking to formalise processes to make risk management business as usual as we emerge from the COVID-19 pandemic.

2.4 Areas for improvement identified through our review included:

- Formalising the risk management procedures in place within each Division/HSCP to clearly articulate how risks are managed, through which groups and how often, to ensure responsibilities in relation to risk management are clearly documented.
- Performing an overall review of the risks captured in DATIX and ensuring they are updated accordingly, as the risks were outdated in a lot of cases.
- Ensuring all senior management teams at the Divisions/HSCP are considering risks as a standing agenda item and ensuring general managers and service line managers are considering risks as part of their formal meetings too.
- Considering within the Divisions/HSCP how formalised reporting of progress against actions for high and very high rated risks could be incorporated into their risk management procedures to provide assurance over the actions being taken.
- Reconsidering how Divisional/HSCP high or very high risks could be reported into NHS Lothian, given the refreshed role of the CMT. There is also an opportunity to create a more formalised escalation route for risks to NHS Lothian via this route. Any changes made to the reporting and flow of risks should be updated in NHS Lothian's Risk Management procedures.

Methodology and Approach

2.5 We conducted interviews with staff from all Divisions/HSCPs to gain an understanding of the risk management processes in place at each. In addition, we reviewed their risk registers and supporting documents to assess how risks were being captured and considered on DATIX. Where possible, we obtained evidence of senior management team meeting minutes or minutes/agendas from other groups to corroborate the processes described by management.

2.6 It should be noted that we reviewed the controls in place over the capturing and recording of risks, linked to senior management oversight and escalation, however, we have not reviewed the legitimacy or accuracy of the risks identified as part of this review.

2.7 A complete listing of staff involved, and documents reviewed can be seen at **Appendix 3**.

3. Management Action Plan

Control objective 1: Risks at a Divisional/HSCP level are being captured and considered by the right teams on a regular basis	
Finding 1.1 – Not all divisions have defined risk management procedures in place	**Medium**
There is notable variation in how risks are managed across the Divisions/HSCPs. This is expected given the differing governance structures and functions each has. The risk management processes currently used or recently implemented by each has been summarised within Appendix 1. However, not all risk management processes within the Divisions/HSCPs are formalised, either via a procedural document or flow chart. Paragraph 4.23 of the NHS Lothian Risk Management procedure states that all senior management teams should have an explicit process in place for managing risks within their own area. Whilst the processes in place for risk management could be described by all, there is a risk that without a formalised document describing these processes that all relevant parties, including service level managers, lack clarity in responsibilities in relation to risks. Additionally, there were instances where meetings relating to risks were not minuted, such as the quarterly risk management meeting at East Lothian HSCP, and there would be benefit in doing so in order to provide robust evidence of the system in control in place relating to risk and for clear documentation of how decisions have been made.	
Recommendation All Divisions/HSCPs should ensure they have documented procedures, aligning to the NHS Lothian risk management framework, which clearly articulate their risk management processes. Additionally, risk management meetings should be formally minuted, documenting discussion of risks and how key decisions relating to risks have been made.	
Management Response, Action, Responsibility and Target Date Management responses, actions and target dates have been received from each of the Divisions/HSCPs for this recommendation. These have been included at Appendix 2 for each. When writing this report, we were aware not all actions applied to each of the Divisions/HSCPs and we asked management to consider each finding in relation to their own procedures and reflect on improvements which could be made. We are satisfied where management have stated that they already comply with the recommendation that we agree and that no action is required.	

Control objective 1: Risks at a Divisional/HSCP level are being captured and considered by the right teams on a regular basis	
Finding 1.2 – Datix is not up to date for all Divisions/HSCPs with areas for improvement noted	**Medium**

Through interviews with Divisions/HSCPs it was acknowledged that DATIX (the risk management system) is not always kept up to date. This is partly reflective of the COVID-19 pandemic where risks have been managed on a much more agile basis, and the discipline of updating DATIX has not been a high priority. This has occurred to varying degrees at each Division/HSCP.

This was corroborated through review of each Divisions/HSCPs risk register where the following areas for improvement were noted:

- Review of risks are not always being performed in a timely manner, with many reviews past their due dates. Multiple occasions of this happening could be seen in each Division/HSCP risk register (with the exception of Midlothian HSCP). For example, some risks are listed on DATIX as requiring review in 2017, yet this has not been updated since. In addition, reviews were overdue where controls were deemed to be inadequate, and therefore we would expect these to be being considered in a more urgent manner.
- Poor articulation of risks and their associated action plans. This was noted throughout all risk registers where the action plan included refence to a specific group but did not always outline what that group was expected to achieve in relation to management of the risk. In addition, the adequacy of controls is not always documented beside the action plan. This occurred in REAS, Acute, East Lothian, West Lothian and Edinburgh HSCP's risk register.
- Potentially outdated risk ratings or no risk rating associated with identified risks. For example, within REAS, Acute and Edinburgh HSCP's risk register there were a number of High rated risks, where the adequacy of controls was noted as satisfactory which could indicate that the risk had been managed to a lower level and a reduction in rating required. In addition, there were 3 risks within the Acute risk register with no grading, and 4 within Edinburgh HSCP with no grading.
- Duplication of risks within risk registers. For example, within Edinburgh HSCP there were multiple risks relating to lone working/violence and aggression with very similar action plans associated. In addition, this is a risk on the corporate risk register, and should be reviewed in conjunction with this to ensure each risk register only includes actions relating to each. Additionally, REAS includes risks on self-harm and ligature, which are directly linked and could be amalgamated into one risk.
- Duplication of risks to the corporate risk registers. For example, on the REAS risk register risk 2386 relates to Traffic Management. This is not articulated as to how REAS would specifically manage the risk, and therefore, this would be more appropriate to be solely on the corporate risk register. In addition, Acute has two risks relating to Access to Treatment which are also held on the corporate risk register.

However, the differentiation of how the risk is being managed at each level is not currently clear, with actions overlapping.

Whilst examples have been pulled out from specific risk registers above, the same themes for improvement appeared across most risk registers. Additionally, it should be noted that outdated DATIX entries was a known area for improvement identified through all interviews undertaken, and work is underway within each Division/HSCP to update these.

Recommendation

Each Division/HSCP should perform a review over their senior management team risk register to ensure risks are appropriately documented on the risk management system. This should consider, but is not limited to the following:

- can risks be managed at an operational level (i.e. do they actually need to be on the divisional risk register)
- does the risk description articulate the residual risk not being managed by the service level
- who owns the risk and associated controls and do the controls set out clear lines of accountability
- is there a plan in place to manage higher level risks which will be appraised by senior management
- does the risk rating reflect the residual risk taking into account the plans in place
- is there any overlap/duplication of risk.

Going forwards, Divisions/HSCP should look to update DATIX on a more regular basis, the process for which could be documented in the procedures developed from Finding 1.1.

Management Response, Action, Responsibility and Target Date

Management responses, actions and target dates have been received from each of the Divisions/HSCPs for this recommendation. These have been included at Appendix 2 for each.

When writing this report, we were aware not all actions applied to each of the Divisions/HSCPs and we asked management to consider each finding in relation to their own procedures and reflect on improvements which could be made. We are satisfied where management have stated that they already comply with the recommendation that we agree and that no action is required.

Control Objective 2: Risks are being addressed and are given appropriate attention to reduce their impact or likelihood, with appropriate senior management oversight	
Finding 2.1 – Not all Divisional/HSCP Senior Management Teams or service delivery teams have risk as a standing agenda item at their monthly meetings.	**Medium**

It is expected that senior management teams of each Division/HSCP will have oversight of the risk management processes within their service, and that risks should be considered as part of the senior management team meetings. Additionally, risks should be considered by management teams and service level teams below their level – and evidence of this happening could not always be provided. It was noted through interviews at the time of the audit that the following practices were occurring:

- Acute risks are managed at the Clinical Management Group level, with these risks being escalated directly to NHS Lothian Executive Team via the Healthcare Governance Committee, if necessary. These risks are not going through the Acute Senior Management prior to escalation as should be the process. In addition, as the Clinical Management Group focus on clinical risks, there is currently no formal forum to consider wider risks facing the service.
- REAS risks are considered at each senior management team meeting, but not as a standing agenda point or in relation to the risk register. Additionally, it was noted that risk is not currently a standing agenda point on general managers meetings.
- East Lothian and Edinburgh HSCP have recently implemented a governance structure for the management of risks. However, these structures do not feed directly into their senior management teams to provide oversight to them. Whilst it is recognised that members of the senior management team (including the Chief Officer) will be on the risk committees, it would still be prudent to report risks or activity of the risk management groups to the senior management teams. Additionally, the frequency these groups plan to meet may not allow for timely consideration of risks. For example, very high risks should be being considered on a monthly basis – and it may be better to consider these at the senior management team meetings than wait for the quarterly risk reporting groups.
- East Lothian, West Lothian and Edinburgh HSCP noted that risks would be escalated to a senior management level via general managers if necessary. However, it was not evidenced that general managers consider risks as a standing agenda item or on a regular basis.

It should be recognised that improvements have been made since the time of the audit, with REAS, for example, including risk as a standing item on their Performance Management Agenda.

Recommendation

All Divisions/HSCPs should ensure risk is a standing agenda item on the senior management team agenda. This should be done even where risks are being managed through another committee (such as East Lothian and Edinburgh HSCP) to ensure the whole senior

management team have oversight of the risks and the process for managing risks. The review of risks should be minuted as part of the monthly meetings to document the oversight provided by the senior management teams. Additionally, each Division/HSCP should ensure that management teams and service levels below them are considering risks on a regular basis. This could be done by ensuring team meetings consider risk as a standing agenda point, or through other committees, such as at Midlothian HSCP where all general managers attend the Business Governance Group and discuss their individual risk registers. This would provide assurance to the senior management team that risks are being considered at this level.
Management Response, Action, Responsibility and Target Date Management responses, actions and target dates have been received from each of the Divisions/HSCPs for this recommendation. These have been included at Appendix 2 for each. When writing this report, we were aware not all actions applied to each of the Divisions/HSCPs and we asked management to consider each finding in relation to their own procedures and reflect on improvements which could be made. We are satisfied where management have stated that they already comply with the recommendation that we agree and that no action is required.

Control Objective 2: Risks are being addressed and are given appropriate attention to reduce their impact or likelihood, with appropriate senior management oversight	
Finding 2.2 – Formalised review of risks at a senior management team level should be introduced for higher level risks	**Medium**
NHS Lothian's Risk Management process recommends that a review of the risk register should be carried out at least every 3 months at the appropriate level, although individual risks, depending on their risk rating, may be reviewed more frequently. It is also recommended that risks should be reported to an appropriate forum/committee within the Divisions/HSCPs to consider progress against actions. For very high risks, this could be done once monthly and for high risks every three months by the senior management team. With medium and low level risks considered on a less frequent basis and can be via management teams, rather than the senior management teams. Through discussions with the Divisions/HSCPs, risks, including very high and high level risks are being managed by risk handlers on an ongoing basis and discussed with risk owners on a one-to-one basis but there is not necessarily formalised compliance reporting of progress against actions to a forum such as the senior management team. There is a risk that without formalised reporting of risks against action plans, that actions are not addressed in a timely manner or actions do not reflect the risk as it changes. Again, it is recognised that the risk rating of some risks may be higher than required, as per Finding 1.2 and reporting against all high level risks may not be required once a review of DATIX has been performed.	
<u>Recommendation</u> There is an opportunity for the Divisions/HSCPs to consider how to incorporate compliance checks of high and very high level risks to their risk management processes, reporting progress against action plans to the relevant senior management teams or risk forums at an appropriate frequency. These should go as papers to the relevant committees with discussions minuted accordingly. The agreed process should be incorporated into the formalised procedures, as per Finding 1.1. This process should be considered following a review of DATIX and the risk ratings, as per Finding 1.2 to ensure risk ratings are appropriate and do not result in over-reporting.	
<u>Management Response, Action, Responsibility and Target Date</u> Management responses, actions and target dates have been received from each of the Divisions/HSCPs for this recommendation. These have been included at Appendix 2 for each. When writing this report, we were aware not all actions applied to each of the Divisions/HSCPs and we asked management to consider each finding in relation to their own procedures and reflect on improvements which could be made. We are satisfied where management have stated that they already comply with the recommendation that we agree and that no action is required.	

Control Objective 3: Significant risks recorded at the Divisional/HSCP level are escalated to the corporate risk register if appropriate and in a timely manner	
Finding 3.1 – There is an opportunity to consider the process for reporting and escalating risks, incorporating the refreshed role of the CMT in relation to risk.	**Medium**

The NHS Lothian Risk Management procedure includes an escalation flowchart. Within this it states that where risks are unable to be managed at a Divisional/HSCP level then the Risk Owner should present the risk to an appropriate Executive Director prior to discussion at CMT to ensure all efforts to mitigate the risks are appraised.

Through interviews with the Divisions/HSCPs it was noted that known escalation routes did include discussing the risk with their relevant executive director, as well as taking the risks through the Healthcare Governance Committee. However, it was unclear what the process was once a risk had been flagged to an Executive Director or the Healthcare Governance Committee. Additionally, the Healthcare Governance Committee's role in relation to risk is around assurance over the actions taken to mitigate risks and not necessarily to escalate risks to the corporate risk register level, therefore, not an appropriate medium to escalate risks.

Additionally, as stated at paragraph 6.1 of the NHS Lothian Risk Management procedure, every 6 months Divisional High/ Very High risks are reported to the Audit and Risk Committee. On review of Audit and Risk Committee meeting minutes from April 2019 to April 2021, this has not been taking place. On reflection, however, it should be considered whether the Audit and Risk Committee is the best forum for these risks to be reported to given their focus on the corporate risk register and supporting the Board in their assurances over risk.

It is recognised, that the corporate management team (CMT) are taking a more formal role in relation to risk management, where the corporate risk register is going to be discussed every 2 months. It would be appropriate to consider how this forum can be used to formalise the process for the escalation of risks as well as the reporting of risks from the Divisional/HSCP level. It would still be appropriate to report very high or high divisional risks to provide oversight of risks which could impact NHS Lothian or which may require to be escalated on to the corporate risk register.

<u>Recommendation</u>

There is an opportunity for NHS Lothian to consider how risks from a Divisional/HSCP level should be reported going forwards, with the NHS Lothian risk management framework being updated accordingly. Now a more formalised process, the review of the corporate risk register by the CMT could include the review of Divisional high and very high risks (shifting this responsibility away from the Audit and Risk Committee). In addition, this could include consideration of any risks at a Divisional/HSCP level which have been escalated which may need to be included on the corporate risk register.

NHS Lothian's risk management procedures should be updated to incorporate the refreshed role of the CMT and reporting which will be reviewed as part of their remit. These changes should be communicated to the Divisions/HSCPs.

<table>
<tr><td colspan="2">Management Response

• The CMT will consider twice a year high and very high risks at an Acute and HSCP level to assess risks that may require escalation onto the CRR.
• The CMT Risk paper will ask that the CMT consider any operational risks that require escalation for potential inclusion on the CRR.
• The review of NHSL Risk Policy and Procedure (2018) will incorporate audit findings and response including the role of the CMT.

Management Action

• The first consideration of high and very high risk from across the system will take place in September 2021.
• The CMT paper will have within it a standard section asking the CMT to consider strategic and operational risks for potential escalation on to the CRR from June 2021.
• The NHSL Risk Policy and Procedure is due for review which will be completed by October 2021 and will incorporate internal audit findings and actions.</td></tr>
<tr><td>Responsibility:

Associate Director for Quality Improvement & Safety</td><td>Target Date:

As outlined above for the 3 actions to be taken (June 2021, September 2021, October 2021)</td></tr>
</table>

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.

4. Appendix 1 – Risk Management Processes

Below outlines the high level processes described to us by each of the Divisions/HSCPs during the interviews undertaken. Where possible, we have corroborated these processes.

West Lothian HSCP
West Lothian HSCP Senior Management Team (SMT) meet formally once a month. Risk is on the agenda of each SMT meeting, and a formal review of the risk register is performed at SMT every quarter. Monitoring of risks will be done on a one-to-one basis between the Risk Handler and Risk Owner, and this is not currently minuted or evidenced.
East Lothian HSCP
East Lothian HSCP over the last 6 months, have implemented quarterly risk management meetings specifically for risks where a review of the risk register is performed. However, these meetings are not currently minuted. Monitoring of risks is through these meetings, however, again this review is not currently minuted or evidenced.
Midlothian HSCP
Midlothian HSCP Senior Management Team meet every 2 weeks and risk is a standing agenda item. The Senior Management Team is supported by 4 committees (Business Governance Group, Finance and Performance, Staff Governance and Clinical Care and Governance) each of which have risk as a standing agenda item. Service level risks are considered monthly via the Business Governance Group. Monitoring of risks is through these forums. This process is supported by Midlothian's HSCP Risk Reporting Structure.
Edinburgh HSCP
Edinburgh HSCP have recently introduced a Partnership Risk Committee and Partnership Risk Forum to manage risks. The Forum will meet every 2 months and feed into the Committee which will meet every quarter. Given this is a new process, minutes of these meetings could not be provided at the time of the audit. Monitoring of risks is planned to be via the forum and committee going forwards. This process is supported by Edinburgh HSCP Risk Management Guidance.
REAS
Recognising the change in the senior management team in REAS just prior to and during the COVID-19 pandemic, risk management procedures have not yet become business as usual. The senior management team meets formally once a month where pertinent and emerging risks are discussed and monitored. However, risks or the review of the risk register is currently not a standing agenda item on the senior management team meetings. Since initial discussions with internal audit, this has been improved with the risk register forming a standing item on the monthly performance meetings agenda.
Acute Services
Risks relating to service areas are discussed through the Acute Services Clinical Management Group and is a standing agenda item. Risks identified at this group are reported to the Healthcare Governance Committee. However, there is not a formal process in place to review risks at a Senior Management Team level. Monitoring of risks is currently through the Clinical Management Group.

5. Appendix 2 - Management Responses, Actions, Responsibility and Target Dates

	Management Response	Management Action	Responsibility &Target Date
REAS Responses			
Finding 1.1	REAS has introduced a monthly performance meeting - the first meeting was on 5th May and risk register was on agenda and will be discussed routinely going forward.	Ensure Risk register is on agenda for REAS monthly performance meetings going forwards.	Responsibility: REAS Services Director Target Date: Now complete (following initial discussions with internal audit)
Finding 1.2	Risk Registers will be reviewed through performance meeting discussions and ensure that the mitigations are appropriate to the risk and the residual risk rating is commensurate. Business Manager, when appointed, will have responsibility for updating the risk register quarterly on portfolio.	Maintain performance meeting. Appoint Business Manager.	Responsibility: REAS Services Director Target Date: 31.08.2021 to allow appointment process
Finding 2.1	New Performance meeting introduced - the first meeting was 5th May 2021. This will be monthly going forward and risk register will be a standing item	Ensure performance meetings happen	Responsibility: REAS Services Director Target Date: Now complete (following initial discussions with internal audit)
Finding 2.2	New Business Manager will have responsibility of working with senior managers to ensure action plans to mitigate risks are progressed and reported to performance meeting.	Continue performance meeting. Appoint Business Manager.	Responsibility: REAS Services Director Target Date: 20.05.2021
Midlothian HSCP Responses			
Finding 1.1	Midlothian Health and Social Care Partnership meets this recommendation. We have well documented procedures in place which align to the NHS Lothian Risk Management framework. Risk is reviewed routinely at governance meetings with minutes and action logs to ensure accurate recording of risk and allows for ongoing monitoring.	Midlothian Health and Social Care Partnership will continue our work to ensure risk is accurately recorded and well monitored. Ensuring that the importance of risk management is well communicated to all staff and those identified as risk owners/handlers are clear on their responsibilities and accountabilities.	N/A
Finding 1.2	Midlothian Health and Social Care Partnership already has strong processes in place to ensure we are complaint with this requirement. Each Service has a local risk register which is reviewed at Business Governance meetings, if escalation is required, risks are taken to HSCP		N/A

	SMT for discussion, where appropriate and agreed, they are added to HSCP SMT risk register which is maintained by the Risk Management lead (Roxanne King – Business Manager). All risks are assigned an appropriate owner and handler and have clear and effective mitigation in place to control. Minor level of overlap/duplication due to the nature of our structure but impact is kept to a minimum by having a clear structure in place. No action required	
Finding 2.1	As detailed within the recommendation, Midlothian Health and Social care ensures that risk is a standing agenda item on all governance meetings as well as a standing agenda item on the Senior Management Team two weekly meeting. No action required	N/A
Finding 2.2	Midlothian Health and Social Care Partnership carries out compliance checks of high or very high risks as part of an additional quarterly review of risk management at the Senior Management Team meeting. This is to ensure that controls in place are mitigating the risk and the risk is either stabilised or decreasing in likelihood/impact. Updates are added onto the HSCP SMT risk register on Datix with next review date added. High severity risks are monitored every 2 weeks during Senior Management team (as indicated on Datix). No action required	N/A
Acute Services Responses		
Finding 1.1	Risk management processes embedded in site and services Directorates. Signed off through Site and Service Hospital Management Groups (HMG/Directorate SMT). Acute Risk Register formally discussed and signed off at Acute Senior Management Team (SMT) 3 monthly or by risk review date:- • New risks will be identified via a proforma monthly and recorded with rationale of why added to Acute Risk Register also recorded. • Existing risks will be reviewed and risk mitigations discussed and recorded.	Responsibility: Chief Officer for Acute Services Target Date: At Acute SMT Jun 24th 2021, and monthly thereafter.
Finding 1.2	Full review of Acute Risk Register at SMT on 24 June 2021 3 monthly review of risks at SMT thereafter, or in line with risk review date. Datix updated after each SMT. • Risks for escalation or review monthly agenda item. Datix updated after each SMT. • Site and Service Directorates and Acute Division Risk Registers on DATIX.	Responsibility: Chief Officer for Acute Services Target Date: By/ at Acute SMT – 24th Jun 2021
Finding 2.1	Site and service teams have risk register as a standing agenda item on their monthly management team meetings. Risk Workshops to be supported at local site and directorate level by Acute Business Manager.	Responsibility: Triumvirate (Chief Officer for Acute Services, Medical & Nursing

	Clinical risks standing agenda item on acute Clinical Management Group (CMG). Monthly review of Clinical risks takes place at CMG. Chaired by Acute Nurse Director and Acute Medical Director. Minuted discussion. New risks and risks for review standing agenda item on Acute SMT from June 2021 incl. onwards and following discussion DATIX will be updated. Review of risks on Acute SMT Agenda 3 monthly or by risk review date. Monthly review through CMG and Acute SMT.		Directors & Acute service business manager) Target Date: SMT - Jun 24th 2021 and monthly thereafter
Finding 2.2	As above. Process already embedded for CMG Acute SMT 3 monthly or by risk review date for all including High or Very High risks - with progress against action plans recorded.		Responsibility: Triumvirate (Medical & Nursing Directors & Acute service business manager) Target Date: June 2021 – Acute SMT
West Lothian HSCP			
Finding 1.1	Whilst there are arrangements in place for identifying risks across the organisation, it is accepted that there could be clearer processes in place and documented procedures which explain the partnership's approach to risk management. Whilst risk management is discussed in a range of forums, it is again accepted that there is no written process which outlines expectations or defines responsibilities around this across the organisation. Risk management is discussed on a regular basis at the partnership's senior management team and in the NHS management senior management team meeting but we need to review how risks are escalated and put a formal arrangement in place for recording discussions and assessing risk.	A full review will be undertaken by the senior management team of the governance routes for risk management including where risks are discussed and documented having regard to the Lothian Risk Management Procedure as recommended. The review will be complete and revised processes and procedures put in place by 30th June 2021 to give time for a comprehensive review to be undertaken and revised arrangements put in place. Arrangements have already been put in place for discussion about risk to be minuted and will become a standing item on the agenda for meetings.	Responsibility: West Lothian HSCP Head of Health Target Date: 30 June 2021
Finding 1.2	A review of the risk register is already underway and with the risk register being a standing item on the agenda for management team meetings, it should give the required assurance over risks being current and subject to review.	Review of risk register to be completed by 30 June 2021.	Responsibility: West Lothian HSCP Head of Health Target Date: 30 June 2021
Finding 2.1	Discussion does take place regarding risks and risks escalated by General Managers where appropriate, but it is accepted that this is not always documented in	Risk management is now included as a standing item on the agenda for management team meetings. General managers will be expected	Responsibility: West Lothian HSCP Head of Health Target Date:

	the way it should be. Further action has been taken recently on training for Senior Managers across the Partnership to ensure that we are consistent in our assessment of risk.	to report on risk in their area as a matter of course in those meetings.	30 June 2021
Finding 2.2	A degree of consistency is required in the partnership on compliance checks details of which will be included in revised documentation.	Details of the frequency of compliance checks will be incorporated into the review of risk management and incorporated into written processes for the partnership.	Responsibility: West Lothian HSCP Head of Health Target Date: 30 June 2021
Edinburgh HSCP			
Finding 1.1	The Edinburgh Health and Social Care Partnership recognise that they are on a journey in relation to their risk management approach and have developed an integrated approach to risk management that aligned to the approaches taken my partners.	• Roll out its risk management approach across the Partnership which includes guidance on how to identify risks, monitor, escalate and review risks. • Ensure Risk Committees and Forums will be minuted.	Responsibility: Edinburgh HSCP Chief Officer and Operations Manager Target Date: June 2022
Finding 1.2	The Partnership Executive Management Team recognise that they have further work to embed their new integrated approach to risk management which includes an approach for ensuring risks are managed at the right level within the organisation and a mechanism to escalate risks whether appropriate and that the.	• Review and agree the Executive Team risk register. • Work with the Wider Leadership Team through the Risk Forum and their management teams to develop divisional and team risk registers • Embed the escalation process from team to risk forum to ensure risk is managed at the correct level • Review risks across the Partnership for any overlap / duplication or areas where a risk is consistently being raised and make recommendations to the Risk Committee. • Agree the most appropriate risk management recording tool.	Responsibility: Edinburgh HSCP Operations Manager Target Date: June 2021
Finding 2.1	The Partnership recognises that risk needs to continue to be a focus within all teams with the Partnership and as part of the rollout of the risk management guidance, teams will be involved in developing their risk registers and looking at mechanisms in place to	• Development of a process note on where risks will be discussed for each team and what frequency this will be undertaken. Risk registers should also go via the Operational and Strategic Management Teams to	Responsibility: Edinburgh HSCP Operations Manager Target Date: June 2022

	ensure risks are regular discussed through focussed discussions at management teams or team risk committees set up.	provide a divisional overview of common risks. • Scrutiny of team risk registers as a role of the Risk Forum • Risk activity report to be submitted to the risk forum and an update report from the Forum on to the Committee • Clear communication how to escalate risks to the Risk Forum	
Finding 2.2	The Partnership recognise the importance of robust risk management procedures and the rollout and embedding of the risk management guidance should ensure that there is appropriate scrutiny of very high and high risks, and these should be adequately monitored through DATIX.	• All high or very high risks (and associated actions plans) will be scrutinised at the Risk Forum on a bi-monthly basis. Where the risk rating cannot be reduced, they will be escalated to the Partnership Risk Committee.	Responsibility: Edinburgh HSCP Operations Manager Target Date: June 2022
East Lothian HSCP			
Finding 1.1	Risks are discussed and registers updated quarterly the risk register is a live document however, no minute of this meeting is kept.	Quarterly risk meeting to be minuted.	Responsibility: East Lothian HSCP Chief Officer Target Date: 30th September 2021
Finding 1.2	East Lothian consider that DATIX is updated on at least a quarterly basis however will review the commentary around responsibility for actions.	Review commentary on responsible officers and actions.	Responsibility: East Lothian HSCP Chief Officer Target Date: 30th September 2021
Finding 2.1	Risks are discussed in an individual basis and escalated to the risk management meetings but will be added to the senior manager meetings as a standing agenda item	Add Risk Management to agenda for management team meeting.	Responsibility: East Lothian HSCP Chief Officer Target Date: 30th September 2021
Finding 2.2	East Lothian Risk Register is reported to the IJB Audit and Risk Committee on a regular basis. It also is reviewed through East Lothian Council and NHS Lothian processes as required.	Continue to report to relevant governance committees.	Responsibility: East Lothian HSCP Chief Officer Target Date: 30th September 2021

6. Appendix 3 – Staff Involved and documents reviewed

Staff Involved:

- Associate Director for Quality Improvement & Safety
- Quality & Safety Assurance Lead
- Acute Hospital Services Chief Officer
- Acute Nurse Director
- Acute Service Business Manager
- REAS Services Director
- Edinburgh HSCP Director
- Edinburgh HSCP Chief Finance Officer
- Edinburgh HSCP Operations Manager
- Edinburgh HSCP Head of Operations
- East Lothian HSCP Chief Officer
- East Lothian HSCP Head of Operations
- East Lothian HSCP Emergency Planning, Risk and Resilience Officer
- West Lothian HSCP Chief Officer
- West Lothian HSCP Head of Health
- Midlothian HSCP Chief Officer
- Midlothian HSCP Business Manager
- Midlothian HSCP Integration Manager

Documents Reviewed:

- NHS Lothian Risk Management Policy
- NHS Lothian Risk Management Operational Procedure and associated documents
- Corporate Single System Services Risk – 15th March 2021
- Audit and Risk Committee minutes April 2019 - April 2021
- Audit and Risk Committee Corporate Risk Register Paper – 26th April 2021
- NHS Lothian Risk Management Architecture – July 2020
- Chief Officers Meeting (IJBs) – Risk Mapping Paper – 28th October 2019
- Edinburgh HSCP Executive Team Risk Register – 27th April 2021
- Edinburgh HSCP Risk Management Guidance v.04
- Edinburgh HSCP Partnership Risk Committee v.03
- Edinburgh HSCP Partnership Risk Forum v0.3
- Edinburgh HSCP Risk Committee Papers – 6th April 2021
- REAS Risk Register – 28th April 2021
- REAS SMT Minutes – 17th March 2021, 17th February 2021
- REAS Performance Management Agenda – 5th May 2021
- Midlothian HSCP Risk Register – 30th April 2021
- Midlothian HSCP Risk Reporting Structure
- Midlothian HSCP SMT Agenda – 28th April 2021,
- Midlothian HSCP Business Management Committee Agenda – 27th April 2021
- Midlothian HSCP example service level risk register – April 2021
- East Lothian HSCO Risk Register – 12th May 2021

7. Appendix 4 - 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.	This may be used when: • 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. The controls are deficient in some aspects and require management action (for instance one 'high' finding and a number of other lower rated findings)
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.	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". 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)
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.	There is little evidence of system failure and the system appears to be robust and sustainable. 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)

East Lothian
Integration Joint Board

REPORT TO: East Lothian IJB - Audit and Risk Committee

MEETING DATE: 7 December 2021

BY: Interim Chief Finance Officer

8

SUBJECT: Risk Register - update

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1 PURPOSE

1.1 This paper lays out the IJB's risk register (attached as an appendix).

2 RECOMMENDATIONS

2.1 The Committee is asked to:

i. Note the current risk register

ii. 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 Following on from discussions at the committee's last meeting a new risk has been added to the register – 5279, 'Impact of National Care Service Proposals'. Of course, the IJB has no control over this risk nor are there any mitigation actions within its gift. That said, the risk here is not that this event will happen nor its impact on the IJB, the risk is that

these proposals will distract the IJB for continuing to deliver its objectives. The action is therefore, to ensure that this event does not distract the IJB in so far as this is practicable.

3.4 Risk – 3925 'Operational Resources may be insufficient to deliver the Strategic Plan' has been moved from medium to high. Operational management's ability to deliver some services is currently severely constrained, especially social care services within the Care at Home and Care Home areas. This is caused by staff shortages being experienced by the external social care providers and management are currently working with them to manage this challenge. Within health services demand for beds is currently challenging the ability of the HSCP to provide staff for these beds and this adds to the overall operational pressures. It's important to note that this issue is driven by the lack of human resources and not by any shortage of financial resources.

4 ENGAGEMENT

4.1 The Committee meets in public and makes its papers available on the Council's website.

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	1 December 2021

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Date Risk Reviewed	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	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.	11/05/2020	31/03/2022	
5220	Demographic Pressures	There is a risk that because the population of East Lothian has increased over the past few years, the projections predict a further increase. Because of this the pressure is further compounded by the percentage of that population over the age of 65 will also increase from the current position. This will lead to increased demand for the health and social care services in East Lothian that have been delegated to the IJB.	This will be managed through the IJB's Strategic Planning processes	High (16)	Medium (9)	Macdonald, Alison X	Macdonald, Alison X	20/08/2021			Included in first IJB Strategic plan and will be part of currently being developed second plan. Consideration will be given as to how this can be addresses as part of the budget setting dialogue with the partners for 22/23. This will be part of the discussions at the Januray 2022 IJB workshop which will be devoted to financial matters.			
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		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 issued arise, so these can be acted on. Future meetings will be arranged as required.	04/03/2021	31/12/2021	
	Financial resources may	There is a risk that the financial challenges faced by the NHS and East Lothian Council will result in	1. Financial assurance process carried out by IJB 2. Engagement of IJB Officers and members in NHS and Council budget setting processes 3. Regular financial monitoring reports to IJB 4. Scheme of Integration risk sharing and dispute resolution processes 5. IJB Chief Finance Officer in post 6. Strategic Planning Group in place 7. Efficiency and recovery plans are developed in year by operational teams to							Creation of appropriate financial planning processes	Meetings have taken place regularly. IJB financial plan policy agreed by IJB and drafts presented to IJB	17/06/2016	30/09/2016	30/03/2017
										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
										IJB and Policy Decisions	This action has now become a control	01/04/2017		16/05/2019
										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	

3924	Financial resources may be insufficient to sustain the Strategic Plan	allocations to the IJB that do not allow the Strategic Plan to be delivered leading to the failure to achieve outcomes and targets.	developed in year by operational teams to "break even". 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 9. The IJB take a lead role in policy decisions to support the Financial Plan. 10. Developed a longer term rolling financial plan for the IJB. 11. IJB now holds a general reserve.	High (12)	Medium (9)	Macdonald, Alison X	Flanagan, Claire	26/02/2016	01/06/2021	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 t 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	
5279	Impact of National Care Service Proposals	There is a risk that the NCS consultation could have a significant impact on the IJB, indeed the IJB could be replaced by a new body.		High (16)	High (12)	Macdonald, Alison X	Macdonald, Alison X	29/11/2021						
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	1. Involvement of IJB membership in the Partners' decision making process including voting menbers 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 (12)	Medium (9)	Macdonald, Alison X	Macdonald, Alison X	17/06/2016	26/02/2021	Clarity and monitoring of directions	Action extended to cover the period April 2017to March 2018. 16/05/19 directions for 2019-2020 currently in review. 23/12/19: Directions agreed at IJB on 31/10/19 - ongoing action. 7/1/20: Directions being finalised for publication. 25/02/20: Directions (including links) will be taken to the Core and Extended CMT on 18th March. 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.	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.	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	Involvement in a Collaborative Approach with all 4 IJB's	25/02/20: (1) Remits of groups and sub-groups in place (2) Operational delivery groups established and attended appropriately. 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.	07/01/2020	31/12/2020	
						80				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

										Financial investments in additional capacity		17/06/2016	31/01/2018	16/05/2019
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	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 Committee. 7. Care at Home contracts in place. 8. Use of Integrated Care Fund to increase capacity and improve terms and conditions. 9. Use Primary Care Transformation Fund to improve access in west of county. 10. Joint Workforce Plan approved at IJB on 23/5/19.	High	High	Macdonald, Alison X	Macdonald, Alison X	26/02/2016	07/01/2020	Care at Home contracts	Contracts in place	01/04/2017	30/09/2017	16/05/2019
3926	Potential Instability e.g elections / IJB changes	There is a risk that the IJB will be de-stabilised 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	1. Standing orders that control members' behaviour 2. Code of Conduct 3. Scheme of Integtration which icludes 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	IJB Induction Review and IJB Members Annual Discussion	7/1/20: AM will speak to Cllr Fiona O'Donnell and find out if regular meetings are taking place with IJB members. 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. 23/11/20: IJB Standing Orders circulated to IJB members November 2020. IJB now operating virtually due to ongoing COVID-19 pandemic	31/05/2017	31/12/2021	

East Lothian
Integration Joint Board

REPORT TO: East Lothian IJB - Audit and Risk Committee

MEETING DATE: 7 December 2021

BY: Interim Chief Finance Officer

9

SUBJECT: Preparation of an Action Log for the Committee

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1 PURPOSE

1.1 This paper proposes that the committee keeps an actions log.

2 RECOMMENDATIONS

2.1 The Committee is asked to agree the preparation and maintenance of an action log.

3 BACKGROUND

3.1 A discussion took place between the Committee chair, the Interim CFO and the regarding the direction and work of the Committee and considering a mechanism to monitor the actions (and the outcome of these actions) that it had agreed.

3.2 Such a log would include:-

- Action Number
- Action Description
- Date action Agreed
- Action owner
- Update on Action
- Date Action Closed

3.3 This log would be updated before every meeting of the Committee and become a standing item on the Committee's agenda.

4 ENGAGEMENT

4.1 The Committee meets in public and makes its papers available on the Council's website.

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

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DATE	1 December 2021

East Lothian
Integration Joint Board

REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 7 December 2021

BY: Chief Internal Auditor

SUBJECT: Revised Internal Audit Plan 2021/22

10

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1 PURPOSE

1.1 To inform the Audit and Risk Committee of Internal Audit's updated operational plan for 2021/22.

2 RECOMMENDATION

2.1 The Audit and Risk Committee is asked to approve the revised Audit Plan for 2021/22.

3 BACKGROUND

3.1 The annual audit plan has been prepared in accordance with Public Sector Internal Audit Standards (PSIAS).

3.2 In preparing the annual audit plan a range of factors have been taken into account, including:

- The Public Bodies (Joint Working) (Scotland) Act 2014, which sets out the framework for integrated adult health and social care services
- The Integration Scheme
- The IJB Strategic Plan 2019-2022
- The IJB risk register in place
- Changes in service delivery

3.3 Internal Audit will evaluate the adequacy and effectiveness of controls in responding to risks within the IJB's governance, operations and information systems, regarding the:

- Achievement of the IJB's strategic objectives.

- Reliability and integrity of financial and operational information.
- Effectiveness and efficiency of operations and programmes.
- Safeguarding of assets.
- Compliance with laws, regulations, policies, procedures and contracts.

3.4 The provision of the Internal Audit service is on an in-house basis by East Lothian Council's Internal Audit Unit. In addition to the work undertaken by the in-house team, work is also undertaken by the NHS Lothian Internal Audit team – the 2021/22 Audit Plan includes this allocation of time which has recently been agreed with the NHS Lothian audit team.

3.5 Internal Audit will adopt a risk based approach to audit assignments as the principal means of providing assurance on the adequacy, reliability and effectiveness of internal controls. Testing of controls will be carried out on a sample basis.

3.6 For each individual audit, a detailed audit report will be prepared for the IJB Chief Officer and copies of the audit report will be provided to External Audit and to members of the IJB Audit and Risk Committee.

3.7 Audit reports will highlight areas where expected controls have been met and areas where there is scope for improvement. A detailed action plan will be attached to each report listing all recommendations made and recording management responses to the recommendations.

3.8 Follow-up of all recommendations will be carried out, and formal follow-up reviews completed for all reports graded limited or no assurance.

3.9 An Annual Internal Audit Opinion and Report will be prepared at the end of the financial year, outlining:

- A statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that support the statement.
- An opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control together with a summary of the work supporting the opinion.

3.10 The detailed revised Audit Plan for 2021/22 is attached as Appendix A.

4 ENGAGEMENT

4.1 The Audit Plan has been discussed with Management, but does 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

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APPENDIX A **REVISED AUDIT PLAN 2021/22**

AUDITABLE AREAS	SCOPE OF THE AUDIT	INTERNAL AUDIT ASSESSED RISK	WEEKS
Risk Management	Internal Audit will review the risk management processes in place, across all areas of IJB responsibility, to ensure that risks are recognised and reported at an appropriate level.	High	6
Community Hospital Service Delivery	Internal Audit will review how progress towards delivery of planned service at the East Lothian Community Hospital is being reported and monitored within the East Lothian IJB against the directions and approved strategy. This review will be completed with resources provided from the NHS Lothian Internal Audit Team.	Medium	-
Integrated workplace processes	Internal Audit will review the management processes in place from a sample of areas where integrated management structures are now operating, to provide assurance that key risks to delivery of IJB strategic directions are being identified and effectively managed.	Medium	6
Budget Monitoring.	Internal Audit will review the adequacy and effectiveness of the budget monitoring processes in place for 2020/21 and 2021/22 financial years.	Medium	5
Follow-up Audits	Internal Audit will follow-up on previously issued audit reports to ensure that recommendations made have been implemented by Management.	Low	2
Other Audit Work	Time has been allocated for other audit work including the preparation of the audit plan, self-assessment against the Public Sector Internal Audit Standards (PSIAS) and the preparation of the annual internal audit opinion and report.	Low	1