



**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 NCS 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