



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

**TUESDAY 7 DECEMBER 2021
VIA DIGITAL MEETINGS SYSTEM**

Members Present:

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

Officers Present:

Mr D King
Mr I Gorman
Ms A MacDonald
Mr D Stainbank

Others Present:

Ms M O'Connor, Audit Scotland

Clerk:

Ms F Currie

Apologies:

None

Declarations of Interest:

None

1. MINUTES OF THE EAST Lothian IJB Audit and Risk Committee Meeting of 14 September 2021

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 14th September 2021 were approved.

2. MATTERS ARISING FROM THE MINUTES OF 14 SEPTEMBER

There were no matters arising from the previous minutes.

3. CIPFA - FINANCIAL MANAGEMENT CODE 2021/22

The Interim Chief Finance Officer had submitted a report informing the Committee of the CIPFA FM guidance 21/22 and asking the Committee to recommend adoption of the guidance, in so far as it applies to the operation of the IJB.

David King presented the report referring to his update at the previous meeting in which he had outlined the background to the guidance and the need for the Committee and IJB to consider how its principles and standards would reflect upon the IJB. He recommended that members ask the IJB to formally adopt the guidance in so far as it applied to the IJB. He also suggested that Internal Audit could be responsible for ensuring the IJB's compliance with the guidance.

Duncan Stainbank said he would be happy to include a review of compliance in the Internal Audit Plan and added that some work would be required in advance of the annual governance statement later in the year. He noted that most of the guidance was already operational and that previous recommendations on financial planning and sustainability were already being put in place. He agreed that the IJB should adopt the guidance.

The Chair welcomed the report which she said provided a clear and succinct reference tool for members. She agreed that the IJB should adopt the principles outlined in the document.

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

David Binnie raised a question relating to voting rights and quorums for the Committee and the Clerk agreed to provide written clarification in advance of the next meeting.

Decision

The Committee agreed to recommend the adoption of the CIPFA guidance to the IJB, in so far as it applied to the operations of the IJB.

4. BEST VALUE FRAMEWORK

The Interim Chief Finance Officer presented a report reminding members of the duty to secure best value; and that a Best Value Framework for the East Lothian IJB must provide a basis of demonstrating the IJB has made arrangements to comply with Best Value.

Mr King presented the report referring members to his presentation at the last meeting. He advised members that Audit Scotland would be conducting Best value audits on IJBs in the next couple of years. In the meantime, they had provided 10 Best Value questions for IJBs to consider. Mr King suggested a number of possible formats for this process: discussion at an IJB or Committee meeting, through a workshop or development session or by circulating the questions to all IJB members for their feedback.

Alison MacDonald agreed that the 10 questions were well worth asking and that all were pertinent to integration. She indicated that questions 5 – 8 were considered regularly at their Commissioning Board meetings and the Board could provide feedback to the IJB. In relation to the other questions, there were a number of different groups and processes by which information could be gathered. She proposed that this information should be collated into a report for a future meeting of the Committee and from there to the IJB. This would ensure that the IJB was ready to be examined by Audit Scotland when the Best Value audit took place.

Ms MacDonald responded to a questions from Councillor Shamin Akhtar on whether staff currently had sufficient flexibility to take on this Best Value work and how to answer questions on areas where it was not possible to offer detailed assurance at this time.

Councillor Sue Kempson commended the report for its clarity noting that Best Value had so many variables it was sometimes difficult to define what was being asked for. However, she felt that the proposals in the report were a huge step forward.

The Chair thanked officers for their summary and suggested actions. She also asked if it would be possible to prepare some initial thoughts on how to address each of the 10 questions and bring this to the next Committee meeting for further discussion.

Decision

The Committee agreed to:

- i. Note that the IJB had 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 that continually reviewing the Best Value Framework as a means of demonstrating compliance; and
- iii. Note that the Annual Performance Report had outlined the basis of the IJB's best value assessment since 2019/20 but further development was required.

5. LOTHIAN IJBs/NHS AUDIT AND RISK COMMITTEE

A report was submitted by the Chief Internal Auditor informing and seeking the Committee's approval to the recently agreed 'Principles to Underpin Working Relationships between Lothian NHS and IJBs'. These principles had been developed through discussion between the NHS Lothian and Lothian IJBs' Chief Internal Auditors and Audit & Risk Committee Chairs.

Mr Stainbank presented the report setting out the background and processes that had resulted in the identification of four key principles which were now being brought forward to the Committee for formal approval.

Mr Stainbank responded to questions about the relationship between NHS and IJBs and the role of the Council's audit committee and how instances of conflict would be managed and adjudicated.

The Chair and Councillor Akhtar both welcomed the report and highlighted the importance of positive collaboration and communication.

Mr Stainbank concurred adding that strengthening the links between the committees would provide greater assurance and he wholeheartedly commended the principles document to the Committee.

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

Decision

The Committee approved the 'Principles to Underpin Working relationships between Lothian NHS and IJBs'.

6. AUDIT SCOTLAND REPORTS OF INTEREST

The Interim Chief Finance Officer presented a report highlighting audit reports from Audit Scotland on areas of interest to the Audit & Risk Committee.

Mr King presented the report which summarised recent publications from Audit Scotland with particular relevance to the work of the IJB. As the vaccination programme was and remained a major part of the operational work of the Health & Social Care Partnership, the Audit Scotland report (published in September 2021) was provided in full.

Ms MacDonald responded to questions on the vaccination programme report and acknowledged the significant learning that had taken place during the roll out of the vaccination programme. She also acknowledged the hard work and dedication of staff involved in the delivery of the programme.

Iain Gorman provided an update to progress since September 2021, including the recent discussions to significantly increase capacity to deliver booster jabs within the county.

The Chair agreed that it had been a significant challenge and she welcomed the report and the very helpful summary of other publications provided by Mr King.

Mr King said it was his intention to bring a summary of Audit Scotland reports of interest to the Committee at every second meeting, with the caveat that individual reports could be brought forward in between times if they were felt to be more urgent.

Decision

The Committee agreed to:

- i. Note the publications and the key messages; and
- ii. Consider if any actions arising from these reports should be brought to the attention of the IJB.

7. INTERNAL AUDIT UPDATE OF EAST Lothian COUNCIL AND NHS Lothian 2020/21 AUDIT REPORTS

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit reports relevant to IJB services reported to East Lothian Council's Audit & Governance Committee and the NHS Lothian Audit & Risk Committee.

Mr Stainbank presented the report setting out the background to the work of the audit committees and summarising the findings of two audit reviews reported to recent meetings which were of particular relevance to the work of the IJB: Corporate Appointeeship and Risk Management at a Divisional/HSCP Level.

In reply to a question from the Chair, Ms MacDonald and Mr Stainbank outlined arrangements for the implementation of the recommendations set out in the audit reports.

Decision

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

8. RISK REGISTER UPDATE

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

Mr King presented the register noting that a significant amount of time had been spent in past meetings discussing the risks associated with COVID-19, and that at the last meeting members had discussed and agreed the inclusion of a risk on the impact of National Care Service (NCS) proposals. While acknowledging the concerns around the NCS, he pointed out that there was little the IJB could do about this issue at present and that it should not be distracted from its own responsibilities in delivering its Strategic Plan. He also informed members that he had increased the risk level of 3925 'Operational resources may be insufficient to deliver the Strategic Plan' from medium to high.

The Committee agreed that an increase in this risk level seemed appropriate and discussed the current demands on the workforce and what further mitigations might be identified and reflect in the risk register. Mr Gorman outlined the processes in place for monitoring and mitigating risks identified both as strategic – within the IJB risk register - and operational – from the HSCP risk register.

Mr Binnie observed that where there was more than one risk register it was important that where the risk lay with one party but the mitigation lay with another party, the actions and monitoring were clearly signposted from one risk register to the other.

Mr Stainbank advised that he was planning an audit review of the IJB's risk management processes which would look at these issues and could provide some assistance on improving practices.

Mr Gorman acknowledged Mr Binnie's points and suggested that further discussions might be useful out with the meeting. The Chair asked officers to consider how best to address the issues raised and to report back to the next meeting.

The Chair also asked members if they felt that the risk relating to the impact of the NCS proposals should remain on the register. Mr Gorman said he felt that it should for now as there were potential risks to the IJB around provision of services and delivery of its Strategic Plan.

Mr Binnie asked whether risk 5127 (EU Exit) merited its current risk level and whether it should remain on the register at all. Ms MacDonald said that the impact of 'Brexit' continued to play into the current workforce risk. While it did not necessarily need to remain as a standalone risk, she proposed incorporating risk 5127 into the wider workforce risk (3925). The members agreed with this suggestion.

Decision

The Committee agreed:

- i. to note the current risk register;
- ii. that no further risks should be added to the register but that risk 5127 (EU Exit) should be incorporated into risk 3925.

9. PREPARATION OF AN ACTION LOG FOR THE COMMITTEE

The Interim Chief Finance Officer submitted a report proposing that the Committee maintain an actions log.

Mr King presented the report outlining the background to the proposal and the details which might be included in the actions log.

The Chair agreed that this would be a useful addition to the minutes in providing a record and timeline of actions following each meeting.

Mr Binnie also supported the proposal but suggested that it focus on key actions rather than containing an ever growing list of tasks.

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

Decision

The Committee agreed to the preparation and maintenance of an action log.

10. REVISED INTERNAL AUDIT PLAN 2021/22

A report was submitted by the Chief Internal Auditor informing the Committee of Internal Audit's updated operational plan for 2021/22.

Mr Stainbank presented the report outlining the background to the revised plan and the factors taken into account when identifying audit assignments.

The Chair thanked Mr Stainbank for his work of the revised plan.

Mr Stainbank said he would take on board comments from Mr King and Ms MacDonald in relation to the audit on budget monitoring. He advised that his intention had been to include a review of strategic and financial planning, as well as looking at the challenges relating to the administration and monitoring of COVID funding.

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

Decision

The Committee agreed to approve the revised Audit Plan for 2021/22.

Signed

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