



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 29 June 2022

BY: Chief Internal Auditor

SUBJECT: Internal Audit Report – Risk Management

1

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the recently issued audit report on Risk Management.

2 RECOMMENDATION

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

3 BACKGROUND

- 3.1 An assurance review of Risk Management has been undertaken as part of the Audit Plan for 2021/22.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the arrangements in place for Risk Management within East Lothian IJB.
- 3.3 The main findings from our audit work are outlined in the attached report which has been graded Reasonable Assurance.

4 ENGAGEMENT

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

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

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

7 DIRECTIONS

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

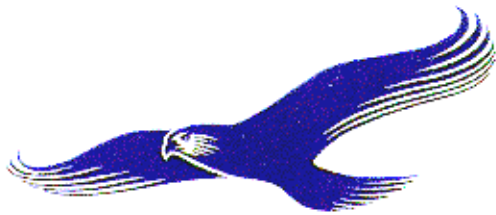
8 RESOURCE IMPLICATIONS

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

9 BACKGROUND PAPERS

- 9.1 None

AUTHOR'S NAME	Duncan Stainbank
DESIGNATION	Chief Internal Auditor
CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	20 June 2022



East Lothian
Integration Joint Board



East Lothian Integration Joint Board Risk Management Audit June 2022

Conclusion

Reasonable Assurance

Contents page

Executive Summary	3
Headlines	4
Areas where expected controls are met/good practice	5
Detailed Recommendations	6
Appendices	
Appendix A – Recommendation Grading/Overall opinion	13
Appendix B – Resource, acknowledgements & distribution list	14

1 Executive Summary: Risk Management

Conclusion: Reasonable Assurance

The internal controls in place for Risk Management are reasonably effective. However the Risk Management Strategy and Policy has not been reviewed in line with the stated timescale. All risk reports have been presented to the Committee by the Chief Finance Officer rather than a risk specialist. By reporting all risks the committee are not necessarily focusing on the highest level risks. Potential high rated risks stemming from the two partners are not being considered at committee meetings.

Background

Section 14 of Appendix 1 to the Integration Scheme states that the Joint Board must have a risk management strategy and that it should have its own risk register. Following the approval of the Risk Management Strategy and Policy a joint risk register was created and has been reviewed at every Audit & Risk Committee since 2017. The Integration Scheme states that the risk management procedure will include:

- a statement of the risk appetite and associated tolerance measures;
- a description of how risk management will work;
- a description of how the system is informed by both NHS Lothian and the Council; and
- an agreement on the resources to be made available to support risk management.

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by the Chief Finance Officer**:

- The risk management strategy and policy should be reviewed every 3 years and have not been reviewed since 2017 and the resultant review in 2020 did not take place as a result of other competing priorities. *Management have agreed to revise the reports by December 2022.*
- IJB risk reporting to the Audit and Risk Committee covers all risks without demonstrably subjecting High and Very High risk to closer scrutiny as indicated in the IJB Risk Strategy. *Management have agreed to alter reports to focus on High and Very High risks by September 2022.*
- To improve the level of insight on IJB risks, Risk Officers from the Council and NHS Lothian should be request to present risk reports at least once a year. *Management have agreed that this will be completed during 2022.*
- The information provided within the risk reports needs to be presented in a consistent format. *Management have agreed to complete this by September 2022.*
- A policy allowing risks from the partners to be escalated to the Joint Board should be put in place. *Management have agreed to complete this by December 2022.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	7	-	7
Prior Report (June 2018)	-	10	-	10

Materiality

As of March 2022 the East Lothian IJB recorded 9 risks on the Risk Register of which the current risks were 1 Very High, 6 High and 3 Medium; the Residual Risk following implementation of planned control measures were 3 High and 6 Medium Risks.

2 Headlines

Objectives	Conclusion	Comment
1. A detailed risk management strategy, policy and procedures have been put in place including clear escalation routes for risks.	Reasonable	A Risk Management Strategy and Policy were approved by the Audit & Risk Committee in 2017 and the strategy stated that it would be reviewed every 3 years. Due to the Covid-19 pandemic the initial review was not carried out, however the strategy and policy should now be reviewed at the earliest possible opportunity. There is also no clear escalation procedures for Operational risks from the partner organisations into the IJB risk register.
2. The risk register is reviewed and updated regularly.	Reasonable	The Risk Register is reviewed by management prior to it being submitted to the Audit & Risk Committee. Historically the Committee receives a full copy of the report but there are concerns that this does not apply an appropriate focus to the High and Very High Risks as indicated in the Risk Strategy for the IJB. Risk reports are currently presented by the Chief Financial Officer and only include IJB and not Partner risks. It is recommended that Risk Officers from the Council and the NHS are requested to present at least once a year to provide additional risk insight for the Audit & Risk Committee.
3. All risks have appropriate mitigating actions recorded to provide a likelihood and impact risk scoring that is considered appropriate by senior management and the appropriate governance bodies.	Reasonable	All identified risks are given a risk level, representing the current risk and also a target risk level. The target risk level should be achievable with the controls that have been put in place. In three cases the controls appeared to have no impact on the risk but as they were all ranked as Medium risks no further action was required.
4. Appropriate review and completion dates have been set for all risks and mitigating actions identified as required to establish an appropriate risk score.	Reasonable	Risk Registers are presented at each Audit & Risk meeting however we found that an inconsistent approach to the layout of the reports could lead to confusion as to the current position by returning imbedded controls to controls that require action to implement. It has been agreed that a consistent approach to reporting will be implemented.
5. Where appropriate risks identified by ELC and the NHS are reflected within the risk register of the IJB when they may impact the ability of the IJB to complete its duties.	Reasonable	Risks identified by the partners that could have an impact on the ability of the IJB to provide services are not being escalated up to the Committee to consider any potential problems. It is recommended that a procedures for escalation of partner risks are created and then implemented.

3 Areas where expected controls are met/good practice.

No.	Areas of Positive Assurance
1.	A detailed risk register is maintained
2.	The risk register is presented to each Audit & Risk Committee for consideration
3.	All risks have been allocated a Risk Level.

4 Detailed Recommendations

Process and Procedures

Objective: 1	Finding & Risk 1	Grade	Recommendation
	<p>East Lothian IJB has been delegated a range of Health and Social Care functions by NHS Lothian and East Lothian Council. Although the responsibility for the delivery of these functions continues to rest with the partners the responsibility for preparing and delivering a Strategic Plan rests with the IJB. The IJB must consider a risk management strategy to identify and manage risks associated with the preparation and delivery of the Strategic Plan. The IJB risk register will not contain operational risks unless these directly impact on its business.</p> <p>We found that a risk Management Strategy and Policy had been approved by the ELIJB – Audit and Risk Committee at its meeting on 12 December 2017. The Strategy states that it should be reviewed at periodic intervals of at least 3 years. We found that this documents had not been reviewed and submitted for approval since that date, however the review date would have been during the pandemic.</p> <p>There is a risk that the underlying strategy & policy are not reviewed on a regular basis.</p>	Medium	1.1 Management should ensure that the Risk Strategy and Policy is reviewed and approved by the IJB.

Management response	Responsible officer & target date
Agreed, the strategy and policy will be reviewed and approved in line with the IJB Strategy.	Chief Finance Officer December 2022

4 Detailed Recommendations

Process and Procedures			
Objective: 1	Finding & Risk 2	Grade	Recommendation
	<p>A Risk Management Policy was approved by the Joint Board at its meeting on 12 December 2017. We found that there were no comments within the Policy with regards to it being reviewed and updated on a regular basis. It is considered best practice that the Risk Management Policy should be reviewed at least in line with the Strategy</p> <p>There is a risk that the Risk Management Policy is not updated at the same time as the Risk Strategy.</p>	Medium	1.2 Management should ensure that in-line with the Strategy the Policy is reviewed on a regular basis and this review timescale is included in the Policy.
Management response		Responsible officer & target date	
<p>Agreed, the risk management policy will be reviewed in line with the strategy and this will be clarified in the policy reviewed wording.</p>		<p>Chief Finance Officer</p> <p>December 2022</p>	

4 Detailed Recommendations

Register Updating

Objective 2	Finding & Risk 1	Grade	Recommendation
	<p>We found that the risk register is a standing agenda item for the IJB Audit & Risk Committee meetings. Over the period January 2019 to December 2021 we found that a total of 10 risks had been listed within the risk register. Of these risks:</p> <ul style="list-style-type: none"> • 1 had been taken off • 4 new risks had been introduced; and • in 4 cases the risk score had been reduced, although in 1 case the risk score was subsequently raised to high <p>At each IJB Audit & Risk meeting the committee a full copy of the Risk Register is submitted for discussion and approval. The IJB Risk Management Strategy states in section 3.5 “High and Very High risk will be subject to closer scrutiny by the Audit and Risk Committee”. Good practice and providing an ability to focus scrutiny and discussion on the High and Very High risks would be to focus risk register reporting to these risks only. Consideration of reporting the full risk register to Audit Committee once a year would also enhance the risk scrutiny provided.</p> <p>There is a risk that the risks with the highest grading do not receive adequate consideration.</p>	Medium	2.1 Management should consider reporting just High and Very High risks to the Audit & Risk Committee regularly with other risks only reported once a year.

Management response	Responsible officer & target date
Agreed, only the very high and high risks will be presented to allow greater consideration of these risks, however annually all risks will be reported to the Audit & Risk Committee.	Chief Finance Officer September 2022

4 Detailed Recommendations

Risk Presentation			
Objective 2	Finding & Risk 2	Grade	Recommendation
	<p>A review of each of the Audit & Risk meetings since 2019 showed that a copy of the Risk Register was submitted to each meeting. In each case the report was presented by the Chief Finance Officer and not a specific Risk Management Officer. It is noted that Midlothian IJB has a Risk Manager present the risk reports. It may enhance the presentation and scrutiny of the Audit and Risk Committee if a Risk Officer was requested to assist in the presentation of the Risk Reports at least twice a year. If a Risk Officer from both East Lothian Council and NHS Lothian were requested to present on an annual basis this would also allow presentation on appropriate Operational risks, such as the Health and Social Care Partnership risk register to the IJB Audit & Risk Committee providing an enhancement to the risk reporting being provided.</p> <p>There is a risk that fully clarity on the breadth of risk information is not always provided to the Audit & Risk Committee.</p>	Medium	2.3 Management should formally request an annual presence from an appropriate risk officer to present risk reports from both East Lothian Council and NHS Lothian.

Management response	Responsible officer & target date
Agreed, consideration is to be given to providing risk responsibilities to a dedicated officer. As required risk officers from the partners will then be requested to attend the IJB Audit & Risk Committee for reporting.	<p>Chief Finance Officer</p> <p>September 2022</p>

4 Detailed Recommendations

Review and Completion Dates

Objective 4	Finding & Risk 1	Grade	Recommendation
	<p>For the sample of 7 risks selected we found that while the register contains adequate detail about the risks and the controls in place the layout of the risk register extract that was presented to each committee meeting varied which meant that it was difficult to identify a full trail of changes. This could lead to confusion on the delivery of the control changes to mitigate risks, for example the January 2020 reported risk register indicated that the action for, Development of a longer term rolling financial plan for the IJB, had been completed and could now be added to the controls that are in place to mitigate the risk. However the June 2021 this same control was indicated as being tracked with a target date of March 2022 despite indicating in the narrative that there was a plan presented to the IJB in October 2020. Whilst it is understood that there was a need to refine the plan due to the impacts of COVID the control elements remained operational.</p> <p>There is a risk that format changes or inconsistency in how risks and controls are reported lead to misunderstandings on how the risk environment is being managed.</p>	Medium	4.1 Management should ensure that the level of information disclosed is consistently applied for every Risk Register Report.

Management response

Agreed, a standardised format for reporting to ensure clarity will be put in place in line with reviewing the policy and strategy.

Responsible officer & target date

Chief Finance Officer
December 2022

4 Detailed Recommendations

Review and Completion Dates

Objective 4	Finding & Risk 2	Grade	Recommendation
	<p>For the sample of risks selected we found that in all bar one case a risk score had been calculated and was displayed within the Risk Register submitted to the Committee. This relates to Risk 3925, Operational resources may be insufficient to deliver the Strategic Plan, as reported to the March 2022 Audit & Risk Committee. Risk score was both a current and a residual risk recorded as high. However on receipt of the full Risk Register we found that scores had been included for the particular risk, which would provide additional evidence on the expected impact of the planned control measures.</p> <p>There is a risk the complete risk information is not included on the risk reports provided for scrutiny by the IJB Audit & Risk Committee.</p>	<p>Medium</p>	<p>4.2 Management should ensure that the Rating for each risk is displayed on the Register submitted to the Committee.</p>

Management response

Agreed, all risks will include the risk score which will allow the precise level of risk to be identified.

Responsible officer & target date

Chief Finance Officer
September 2022

4 Detailed Recommendations

Risk Escalation

Objective 5	Finding & Risk 1	Grade	Recommendation
	<p>A review of the ELC HSCP Risk register we identified two risks that should potentially have been included within the Joint Board Risk Register:</p> <ul style="list-style-type: none"> ➤ Public Protection – this risk reflects the duty of care between the Council and the residents of East Lothian and has a Current and Target Risk Rating of 20. As this has been reviewed by the HSCP staff and they have not been able to identify any controls that would reduce the risk rating it should have been passed up to the Joint Board for consideration as it could have an impact on the strategic plan of the IJB given the level of the risk; and ➤ Failure of Provider – reflects the risk of either a Care at Home or a Care Home provider being unable to provide adequate or no services. The failure of a provider being able to provide a service would have a direct impact on the Joint Board’s ability to meet its Directions. <p>From a review of the IJB Risk Register and the minutes from the meetings we were unable to find evidence that these two risks had at least been formally considered at a Committee meeting.</p> <p>There are no processes in place to ensure that risks identified by either the Council of the NHS are escalated into the Joint Board Risk Register.</p> <p>There is a risk that operational risks impacting on the partners that may impact on the ability of the Joint Board to deliver its Strategic Plan are not adequately identified and scrutinised by the IJB Audit & Risk Committee.</p>	Medium	5.1 Management should implement an escalation process for any risks that remain residually as Very High, or High if they are likely to impact the capability of the IJB to fulfil the strategic plan to be considered for inclusion in the IJB risk register.

Management response

Agreed, processes will be put in place to ensure that where appropriate risks can be escalated up from the partners for consideration by the committee.

Responsible officer & target date

Chief Finance Officer
September 2022

A 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	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 29 June 2022

BY: Chief Internal Auditor

SUBJECT: Internal Audit Report – Budget Monitoring

2

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the recently issued audit report on Budget Monitoring.

2 RECOMMENDATION

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

3 BACKGROUND

- 3.1 An assurance review of Risk Management has been undertaken as part of the Audit Plan for 2021/22.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the arrangements in place for budget monitoring within East Lothian IJB.
- 3.3 The main findings from our audit work are outlined in the attached report which has been graded Reasonable Assurance.

4 ENGAGEMENT

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

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

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

7 DIRECTIONS

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

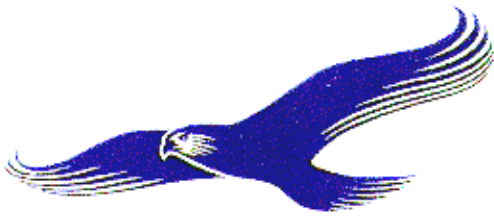
8 RESOURCE IMPLICATIONS

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

9 BACKGROUND PAPERS

- 9.1 None

AUTHOR'S NAME	Duncan Stainbank
DESIGNATION	Chief Internal Auditor
CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	20 June 2022



East Lothian
Integration Joint Board



East Lothian Integration Joint Board Budget Monitoring June 2022

Conclusion

Reasonable Assurance

Contents page

Executive Summary	3
Headlines	4
Areas where expected controls are met/good practice	5
Detailed Recommendations	6
Appendices	
Appendix A – Recommendation Grading/Overall Opinion Definitions	10
Appendix B – Resource, acknowledgements & distribution list	11

1 Executive Summary: Budget Monitoring

Conclusion: Reasonable Assurance

The East Lothian Integration Joint Board has a sound system of internal controls in place for budget monitoring, adequate arrangements are in place for monitoring budgets on a regular basis and the annual budget is correctly built up from the indicative budget offers from both partners. However the audit has identified some improvements that require to be implemented, including preparing a new five year financial plan, a review of the approach adopted for reporting financial out-turns for both partners to the East Lothian Integration Joint Board and the lack of a clear directive for allocating surplus funds to specific strategic objectives.

Background

The East Lothian Integration Joint Board is a strategic body not an operational body, which sets the strategic direction for the delivery of health and social care services in East Lothian – it is responsible for the planning, resourcing and governance of health and social care services.

The East Lothian Integration Joint Board outlined its overall Financial Strategy in February 2018 – the strategy is a series of principles which underpins the redesign of the service delivery of the Board’s functions to both manage down the costs and provide capacity to manage further demand. The East Lothian Integration Joint Board is required to prepare a multi-year financial plan which lays out how it will resource the delivery of its strategic plan and provides details of the resources that will be used to deliver the functions that have been delegated to the Board.

We note that regular in-year reporting and forecasting is in place to ensure that the East Lothian Integration Joint Board are updated on the operational budgets, however it is the responsibility of NHS Lothian and the Council to take detailed corrective action where appropriate.

Summary of findings & recommendations

The following key findings and recommendations are highlighted, which have all been **agreed by the Chief Finance Officer**:

- The East Lothian Integration Joint Board had not prepared a multi-year financial plan based on the final budget offers from the financial partners, laying out how it will resource the delivery of its strategic plan. *Management have agreed to prepare a new five year financial plan by December 2022.*
- The arrangements currently in place for reporting projected financial out-turns to the East Lothian Integration Joint Board require review to ensure that a breakdown of the annual budgets and forecasted expenditure are provided for both partners. *Management have agreed to review the approach adopted by September 2022.*
- The East Lothian Integration Joint Board had a projected underspend for financial year 2021/22, however there was a lack of a clear directive for allocating surplus funds to specific strategic objectives. *Management have agreed to create a new Direction for allocating the surplus by December 2022.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	4	-	4
Prior Report (May 2019)	-	2	-	2

Materiality

The East Lothian Integration Joint Board had a budget of £161.7 million in 2020/21 and an annual budget of £165.8 million in 2021/22. The East Lothian Integration Joint Board receives approximately two thirds of its funding from NHS Lothian and one third from East Lothian Council.

2 Headlines

Objectives	Conclusion	Comment
1. The annual budget is built up from the indicative budget offers from both partners in line with Scottish Government guidance.	Reasonable	The East Lothian Integration Joint Board is required to prepare a multi-year financial plan which lays out how it will resource the delivery of its strategic plan. We found that the report presented to the East Lothian Integration Joint Board on 22 April 2021 requested that the final budget offers from East Lothian Council and NHS Lothian be formally approved and a combined budget for 2021/22 was also presented to the Board at this meeting. We checked to ensure that an appropriate medium term financial plan was in place based on the indicative budget offers from both partners, however we found that a five year financial plan had not been prepared and formally approved for the period from 2021/22 to 2025/26.
2. Adequate arrangements are in place for monitoring budgets on a regular basis.	Reasonable	We sought to establish if appropriate budget monitoring arrangements are in place for the East Lothian Integration Joint Board. From our review, we found that regular in-year reporting and forecasting is in place to ensure that the East Lothian Integration Joint Board are updated on the operational budgets – for each of the financial years’ reviewed (2020/21 and 2021/22), we found that regular financial updates had been presented to the Board detailing the updated projected out-turn for each year.
3. Adequate arrangements are in place for reporting projected variances and for providing appropriate details of any corrective action to be taken.	Reasonable	We selected a sample of three financial updates presented to the East Lothian Integration Joint Board in 2020/21 and 2021/22 and checked to ensure that the projected out-turns had been correctly reported and that appropriate details had been provided on any corrective action to be taken. In one case, we found that a breakdown of the annual budgets and forecasted expenditure had been provided for both partners, together with the revised forecasted out-turn, and a comparison was made to the figures reported in the previous financial update. For the remaining two cases however there was a lack of detailed analysis provided, in one case for NHS Lothian and in both cases for East Lothian Council – in one case, the forecast overspend did not agree to the figures reported in East Lothian Council’s financial statement (period 6 in 2021/22) and we were informed that manual adjustments had been made to the figure based on projections for additional funding. In the other case the financial update stated that an overspend in the delegated social care services budget was forecast, however details had not been provided of the actual amount of the overspend.
4. Appropriate arrangements are in place for monitoring the impact of significant variances on the delivery of strategic priorities.	Reasonable	The East Lothian Integration Joint Board’s financial plan incorporates the financial plans of both East Lothian Council and NHS Lothian. From our review of the financial monitoring for 2021/22, we note that an underspend was projected for both partners – NHS Lothian and East Lothian Council, however there was a lack of a clear directive for allocating surplus funds to specific strategic objectives. We were advised that a proposed new Direction seeks to promote the delivery of the strategic priorities with specific funding sources, these earmarked funding streams should be planned and utilised accordingly. This would be managed by the Chief Officer and reported back to the East Lothian Integration Joint Board.

3 Areas where expected controls are met/good practice

No.	Areas of Positive Assurance
1.	The annual budget for the East Lothian Integration Joint Board is built up from the indicative budget offers from both partners in line with Scottish Government guidance.
2.	Appropriate arrangements are in place for monitoring the financial budgets – regular in-year reporting and forecasting is in place to ensure that the East Lothian Integration Joint Board are updated on the operational budgets.

4 Detailed Recommendations

Annual Budgets

Objective: 1	Findings & Risk 1	Grade	Recommendation
	<p>The East Lothian Integration Joint Board is required to prepare a multi-year financial plan which lays out how it will resource the delivery of its strategic plan. We found that the report presented to the East Lothian Integration Joint Board on 22 April 2021 requested that the final budget offers from East Lothian Council and NHS Lothian be formally approved and a combined budget for 2021/22 was also presented to the Board at this meeting.</p> <p>We checked to ensure that an appropriate medium term financial plan was in place based on the indicative budget offers from both partners, however we found that a five year financial plan had not been prepared and formally approved for the period from 2021/22 to 2025/26.</p>	Medium	1.1 Management should ensure that a new five year financial plan is prepared and formally approved by the East Lothian Integration Joint Board.

Management Response

Responsible Officer & Target Date

1.1 Agreed – although future years’ projections have been reported and noted by the East Lothian Integration Joint Board, a standalone financial plan has not been reported. A new five year financial plan will be produced later in the year.

**1.1 Chief Finance Officer
December 2022**

4 Detailed Recommendations

Financial Updates			
Objective 3	Findings & Risk 1	Grade	Recommendations
	<p>We selected a sample of three financial updates presented to the East Lothian Integration Joint Board in 2020/21 and 2021/22 and checked to ensure that the projected financial out-turns had been correctly reported and details had been provided on any corrective action to be taken. From our review, the following points were noted:</p> <ul style="list-style-type: none"> ➤ In one case, we found that a breakdown of the annual budgets and forecasted expenditure had been provided for both partners, together with the revised forecasted out-turns, and a comparison was made to the figures reported in the previous financial update. The report outlined that the improvement in the forecast position was due to further Covid-19 funding being provided by the Scottish Government, which had been included in the projections. ➤ In one case, new projected variances had been provided for the core, hosted and set aside services in the NHS Lothian budget, however comparisons between the annual budgets and the revised forecasts had not been detailed. In addition, a projected overspend of £600k had been reported for East Lothian Council without any supporting analysis of the figures and the forecast overspend did not agree to the figures reported in East Lothian Council's financial statement (period 6 in 2021/22) and we were informed that manual adjustments had been made to the figure based on projections for additional funding. ➤ In one case, we found that detailed analysis had been provided for NHS Lothian comparing the annual budgets for the core, hosted and set aside services with the YTD (Year To Date) budgets and YTD actuals, and a revised forecast underspend of £208k had been projected. However a similar analysis had not been provided for East Lothian Council and the financial update stated that an overspend in the delegated social care services budget was forecast, however details had not been provided of the actual amount of the overspend. The report further stated that after taking into account the additional winter funding, the position should be an underspend. 	Medium	<p>3.1 Consideration should be given to reviewing the approach currently adopted for reporting projected out-turns in the financial updates to ensure that a breakdown is provided of the annual budgets and revised forecast expenditure.</p> <p>3.2 Management should ensure that a clear audit trail exists for the projected out-turn for each partner – appropriate evidence should be maintained on file to support the figures reported.</p>
Management Response		Responsible Officer & Target Date	
<p>3.1 Agreed – reporting has not always been consistent due to a change in the Chief Finance Officer position and the impact of the Coronavirus pandemic. The standard method of reporting prior to the changes will be resumed.</p>		<p>3.1 Chief Finance Officer September 2022</p>	

4 Detailed Recommendations

Financial Updates

Objective 3	Findings & Risk 1 (cont)	Grade	Recommendations
Management Response		Responsible Officer & Target Date	
3.2 Agreed – during 2021/22 financial information was fast moving both locally and nationally and the reports were looking to provide the most up to date financial information to the East Lothian Integration Joint Board. We concur that this doesn't always support a clear audit trail and we will look to present this more clearly in the future.		3.2 Chief Finance Officer September 2022	

4 Detailed Recommendations

Variances

Objective 4	Findings & Risk 1	Grade	Recommendation
	The East Lothian Integration Joint Board’s financial plan incorporates the financial plans of both East Lothian Council and NHS Lothian. From our review of the financial monitoring for 2021/22, we note that an underspend was projected for both partners – NHS Lothian and East Lothian Council, however there was a lack of a clear directive for allocating surplus funds to specific strategic objectives. We were advised that a proposed new Direction seeks to promote the delivery of the strategic priorities with specific funding sources, these earmarked funding streams should be planned and utilised accordingly. This would be managed by the Chief Officer and reported back to the East Lothian Integration Joint Board.	Medium	4.1 Management should ensure that there is a clear directive for allocating surplus funds to specific strategic objectives.

Management Response

4.1 Agreed – this will be covered by a new Direction that seeks to promote the delivery of the strategic priorities with specific funding sources.

Responsible Officer & Target Date

**4.1 Chief Finance Officer
December 2022**

A 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	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 29 June 2022
BY: Chief Internal Auditor
SUBJECT: Internal Audit Report – Community Hospital Re-provisioning

3

1 PURPOSE

- 1.1 To inform the Audit and Risk Committee of the recently issued audit report on Community Hospital Re-provisioning.

2 RECOMMENDATION

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

3 BACKGROUND

- 3.1 An assurance review of Risk Management has been undertaken as part of the Audit Plan for 2021/22.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the arrangements in place for monitoring the Community Hospital Re-provisioning within East Lothian IJB.
- 3.3 The main findings from our audit work are outlined in the attached report which has been graded Reasonable Assurance.

4 ENGAGEMENT

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

5 POLICY IMPLICATIONS

- 5.1 None

6 INTEGRATED IMPACT ASSESSMENT

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

7 DIRECTIONS

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

8 RESOURCE IMPLICATIONS

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

9 BACKGROUND PAPERS

- 9.1 None

AUTHOR'S NAME	Duncan Stainbank
DESIGNATION	Chief Internal Auditor
CONTACT INFO	dstainbank@eastlothian.gov.uk
DATE	20 June 2022

East Lothian
Integration Joint Board



East Lothian IJB
Community Hospital Reprovisioning
June 2022

Conclusion

Reasonable Assurance

Contents page

Executive Summary	3
Headlines	4
Areas where expected controls are met/good practice	6
Detailed Recommendations	7
Appendices	
Appendix A – Recommendation Grading/Overall Opinion Definitions	10
Appendix B – Resource, acknowledgements & distribution list	11

1 Executive Summary: Community Hospital Reprovisioning

Conclusion: Reasonable Assurance

The internal framework of control around Community Hospital provision is reasonably effective. However, it cannot be assured that performance is routinely measured against agreed service provision targets, or that the operation of the East Lothian Community Hospital continues to function against key deliverables identified in the Business Case for the reprovision.

Background

The strategic objectives developed for the 2019-2022 strategic plan were developed to support all aspects of the partnership's ambitions and delivery of its priorities, to support all people in East Lothian to live the lives they want as well as possible, achieving their potential to live independently and exercising choice over the services they use. The strategic objectives as set out in the Strategic Plan 2019-22 are:

- To make health and social care services more sustainable and proportionate to need and to develop our communities.
- To explore new models of community provision which involve local communities and encourage less reliance on health and social care services.
- To improve prevention and early intervention.
- To reduce unscheduled care and delayed discharges.
- To provide care closer to home.
- To deliver services within an Integrated Care Model.
- To enable people to have more choice and control.
- To reduce health inequalities.
- To build and support partnership working.
- To support change and improvement across our services.

The ambition to deliver more and better health services in the community is not new. Community hospitals are defined by the Scottish Association of Community Hospitals as “a local hospital, unit or centre providing an appropriate range and format of accessible health care facilities and resources”.

Community hospitals aim to:

- Provide more comprehensive service locally, supporting/strengthening local capacity to manage people with long term/ambulatory care sensitive conditions in the community.
- Facilitate better joint working across health and social care.
- Plan services locally based on patient demand as projected with changing clinical strategies/rising demographics.
- Provide suitable accommodation, improving health outcomes and complying with modern health care standards.

1 Executive Summary: Community Hospital Reprovisioning (cont)

Summary of findings & recommendations

The operation of the East Lothian Community Hospital (ELCH) is subject to regular monitoring and review by a number of governance groups, providing a means to raise and discuss specific service pressures with relevant personnel. Stakeholder involvement in the provision of and future direction of Community Hospitals has been noted, with strategic oversight also in place and provided by the Shifting the Balance of Care and Community Hospital and Care Home Provision Change Boards, which in turn report into the East Lothian IJB Strategic Planning Group.

The following key findings and recommendations are highlighted, which have all been **agreed by the Chief Officer, East Lothian H&SCP**:

- There is no process for monitoring and reporting against service provision targets, identified through the Benefits Realisation Register/Plan or through agreement of other local and service specific measures of success. *Management have agreed to identify a suite of key performance indicators and report against them **by September 2022**.*
- Stage 3 and 4 evaluation exercises, recorded in the Business Case for the ELCH have not been scheduled. Consequently there has been no formal assessment of the service outcomes from the commissioning of the Hospital in October 2020. *Management have agreed to reschedule the evaluation exercise and link the reporting of the output to an appropriate ELIJB Change board **by September 2022**.*
- Reporting to the East Lothian IJB Change Boards does not include comparison with the expected performance as detailed within the ELCH Business Case and the anticipated benefits of the ELCH. *Management have agreed to implement a schedule for reporting performance information to the appropriate ELIJB Change Board **by September 2022**.*

Recommendation Summary

Recommendations Grade	High	Medium	Low	Total
Current Report	-	4	-	4
Prior Report	N/A	N/A	N/A	N/A*

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

Materiality

The overall capital cost for the construction of the East Lothian Community Hospital amounted to £73.3 million, with the new facility having a floor area of 22,000 square metres and capacity to provide outpatient and chemotherapy treatment to 66,000 patients, alongside 112 inpatient beds across a number of clinical services. Running costs are forecast to be approximately £3.7 million per annum.

2 Headlines

Objectives	Conclusion	Comment
1. Service provision targets for community hospitals / meaningful local measures of success that incorporate patient and service user perspectives have been identified and are monitored against.	Limited	Utilisation of inpatient areas, and endoscopy and day services treatment within the ELCH are reported to the Clinical Care Governance Committee for the ELHSP on a quarterly basis, and we can confirm that the services identified in the Strategic Case for the ELCH are now being delivered in the ELCH. However there is no process for monitoring and reporting against service provision targets, identified through the Benefits Realisation Register/Plan or through agreement of other local and service specific measures of success.
2. Community health and service provision is monitored against a formal planning document. As such there is assurance that those services which should be provided/reinstated have been provided on a timely basis and that unintended services are not being provided or retained when not in accordance with the strategic objectives.	Substantial	NHS Lothian's Remobilisation Plan 4 (covering April 2021 to March 2022) reported the progress to date in the reinstatement of East Lothian Community Health services, with good progress noted against a number of key deliverables for the EL HSCP. These include: <ul style="list-style-type: none"> • Remobilisation of Day Centres for Older People. • Increase from current care home capacity to previous levels to meet patient and service needs. • Re-establishment of provision and stabilisation of Care at Home services. • Adoption of 'Home First' principles within the ELCH discharge avoidance and planning arrangements. Furthermore, the weekly EL HSCP General Managers meetings include the East Lothian Community Hospital as a standing agenda item. This supports the ongoing review and reporting of the services provided from the hospital. It is also noted that, to some extent, all services in place at the ELCH prior to Covid-19 have now been reinstated.
3. A formal planning document outlines intended outcomes and when these will be realised.	Limited	The events of the last two years has meant that the stage 3 and 4 evaluation exercises, recorded in the Business Case for the ELCH have not been scheduled, while service provision and delivery have been impacted by Covid-19, and areas of the hospital utilised as part of the vaccination programme. Consequently there has been no formal assessment of the service outcomes from the commissioning of the hospital in October 2020.
4. There is a clear vision of how the community hospitals need to change in order to meet the future needs of the population.	Substantial	A detailed needs analysis and capacity planning exercise was undertaken in 2013. This identified current services provided for East Lothian residents and set out population growth projections to 2017, 2022, and 2032. The ELCH has been constructed to support the capacity demands anticipated from this exercise. A Change Board has been established in May 2021 to revisit and oversee the IJB Direction 12d on the reprovision of Belhaven and Edington Community Hospitals and Eskgreen and Abbey Care Homes. The Terms of Reference for the group notes that it will consider the Community Hospital and Care Home provision throughout East Lothian.
5. The use of community hospitals is measured or reported on and the Board is aware as to how the services are contributing to the achievement of the strategic objectives.	Reasonable	Review of the output from the Change Board meetings has noted that while there is regular detailed reporting around performance and capacity issues associated with the services operating out of the ELCH, this does not include comparison with the expected performance as detailed within the ELCH Business Case and the anticipated benefits of the ELCH.
6. The East Lothian community is involved in the choice and design of services.	Substantial	The Stakeholder Groups identified and convened to provide wider consultation opportunities during the ELCH reprovision project were comprised of service users, local councillors, and a wide variety of third sector and other providers. A series of user groups supported the development of a robust design brief and the subsequent design solution, and liaised with colleagues within their respective specialties to provide informed feedback on design and functionality of the Hospital.

3 Areas where expected controls are met/good practice

No.	Areas of Positive Assurance
1.	Community health and service provision features predominately in the NHS Lothian Remobilisation Plan and East Lothian HSCP teams continue to remobilise services locally.
2.	Expansion of face-to-face patient attendance at outpatients is happening as circumstances allow. Most clinics still run with one face-to-face appointment and with the majority of follow-up appointments utilising 'Near Me' video.
3.	Current services provided for East Lothian residents out of the East Lothian Community Hospital have been designed to support population growth projections up to 2032.
4.	Strategic oversight is provided through the Shifting the Balance of Care Change Board, which itself feeds into the East Lothian IJB Strategic Change Board.
5.	Stakeholder involvement in service planning is assured through the Reference Group associated with the Shifting the Balance of Care Change Board and through the Community Hospital and Care Home Provision Change Board.

4 Detailed Recommendations

Monitoring			
Objective: 1	Findings and Risk 1	Grade	Recommendation
	<p>The Strategic Case for the East Lothian Community Hospital (ELCH) supports both national and local strategies by improving services in the locality. The ELCH has been designed to support a number of key service requirements, summarised below:</p> <ul style="list-style-type: none"> • 112 inpatient beds – continuing care, mental health, medicine of the elderly and rehabilitation; • Planned Day Care – outpatients, mental health, social care, day surgery, diagnostics, hospital at home care; • Shared therapy facilities – gym, therapy kitchen, multifunctional rooms; • Community Services – carer support, social care, and community facilities; and • Support services. <p>The benefits criteria and beneficiaries of the ELCH are intrinsically linked to the investment objectives set out in the Initial Agreement for the hospital. Baseline measurements, targets and timescales have been identified in a Benefits Realisation Register/Plan. The plan also sets out who is responsible for the delivery of specific benefits and how they will be delivered.</p> <p>However, while It can be positively reported that the services listed in the Strategic Case for the ELCH are in place, facilitating the integration of health and social care services by locating them on one single site, it cannot be reasonably concluded that there is in place a process for monitoring and reporting against service provision targets, identified through the Benefits Realisation Register/Plan or through agreement of other local and service specific measures of success.</p> <p>There is a risk that without an agreed and effective means of monitoring service provision, utilising key performance indicators where appropriate, the perceived success or otherwise of services provided out of the ELCH cannot be assessed. Consequently appropriate corrective actions to improve performance cannot be identified and implemented.</p>	<p>Medium</p>	<p>1.1 Management should identify a suite of key performance indicators associated with the services operating out of the ELCH, these should incorporate the benefits criteria and critical success factors identified in the Business Case for the hospital, alongside patient and service user perspectives.</p> <p>Once done, a method for monitoring and reporting against the KPIs should be agreed and implemented.</p>
Management response		Responsible officer & target date	
<p>Agreed. This will be completed as part of a management action plan currently being developed which will be in place by September 2022.</p>		<p>Service Manager – Out Patients, Endoscopy & Day Unit and Site September 2022</p>	

4 Detailed Recommendations

Post Implementation Review and Evaluation

Objective 3	Findings and Risk 1	Grade	Recommendations
	<p>We sought to confirm that a formal planning document is in place that outlines the intended outcomes and when these will be realised, along with the actions in place to assess the Hospital’s performance against the outcomes.</p> <p>The Business Case for the ELCH has recorded the arrangements for post implementation review and project evaluation reviews. These reviews are intended to determine whether the anticipated benefits identified at the outset have been/are being delivered. Post project evaluation is provided in stages, Stages 1 and 2 relate to procurement and construction.</p> <p>Stage 3 is the initial project evaluation of the service outcomes and should be undertaken 6 to 12 months after the new facility has been commissioned (October 2020). The objective is to determine the success of the commissioning phase and the transfer of services into the new facilities. Stage 4 is a follow-up project evaluation scheduled 2 years into the operational phase and designed to assess the longer term service outcomes and ensure that the project’s objectives continue to be delivered.</p> <p>However, the events of the last two years has meant that the stage 3 and 4 evaluation exercises have not been scheduled while service provision and delivery have been impacted by Covid 19, and areas of the hospital utilised as part of the vaccination programme.</p> <p>Additionally, while an appropriate Change Board has been identified to oversee future Community Hospital reprovisioning, this has not been done for the ELCH and output from the evaluation exercises.</p> <p>There is a risk that without a formal post-project evaluation exercise, the ELCH is not performing against key project deliverables and assurance cannot be provided that the hospital is delivering the strategic outcomes intended.</p>	Medium	<p>3.1 The ELCH stage 3 & 4 evaluation exercises should be rescheduled as part of the recovery programme from COVID.</p> <p>3.2 An East Lothian IJB Change Board should be allocated responsibility for strategically overseeing the evaluation exercises and ensuring that lessons learned are incorporated into future strategic service reprovisioning.</p>

Management response	Responsible officer & target date
<p>Agreed. As part of an action plan that will be in place by September 2022, stage 3 & 4 of the ELCH evaluation exercise will be rescheduled and a link to an appropriate ELIJB Change board will be put in place via the Service Improvement and Strategic Planning Directorate.</p>	<p>Service Manager – Out Patients, Endoscopy & Day Unit and Site September 2022</p>

4 Detailed Recommendations

Training and Awareness

Objective 5	Findings and Risk 1	Grade	Recommendation
	<p>We sought to identify and assess the controls in place to ensure that the use of ELCH is measured and reported on and as such the Board is given assurance as to how the services are contributing to the achievement of the strategic objectives.</p> <p>The Clinical Care Governance Committee for the East Lothian Health and Social Care Partnership receive monthly Group Service Managers Summary Reports at each of its quarterly meetings. Against the Delivery of Service – Performance subject area of each report, service areas are required to provide an update of the current position and any performance or capacity issues occurring. This covers the utilisation of inpatient areas, and endoscopy and day services treatment within the ELCH.</p> <p>Further reporting is also made to the Shifting the Balance of Care Change Board, which has been established by the East Lothian IJB Strategic Planning Group to contribute to the support of the projects and programmes to deliver the East Lothian IJB’s strategic priorities, operational priorities and IJB Directions. Papers from the Shifting the Balance of Care Change Board meetings from the 12 January 2022, 10 February 2022 and 13 April 2022 were reviewed and it is noted that Direction D01h – East Lothian Community Hospital is a standing agenda item, alongside other Directions covering emergency admissions, occupied beds, delayed discharges, and the Hospital to Home and Home Care Services Review, all of which are relevant to the ongoing operation of the ELCH and the services provided therein.</p> <p>Review of the output from the Change Board meetings has noted that while there is regular detailed reporting around performance and capacity issues associated with the services operating out of the ELCH, this does not include comparison with the expected performance as detailed within the ELCH Business Case and the anticipated benefits of the ELCH.</p> <p>Without regular reporting against an agreed suite of performance indicators, the Change Board and subsequently the East Lothian IJB Strategic Planning Group are unable to adequately assess the performance of the ELCH and implement actions or advice to improve specific performance issues.</p>	Medium	5.1 The Shifting the Balance of Care Change Board should request and approve a set of KPI’s that is reported regularly, identifying expected and actual performance of the ELCH.

Management response

Agreed. As part of the exercise to identify and monitor hospital activity against key performance indicators, a schedule for reporting into the appropriate ELIJB Change Board identified will be established.

Responsible officer & target date

**Service Manager – Out Patients, Endoscopy & Day Unit and Site
September 2022**

A 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	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 29 June 2022
BY: Chief Internal Auditor
SUBJECT: Annual Internal Audit Opinion and Report 2021/22

4

1 PURPOSE

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that Internal Audit prepares an annual internal audit opinion and report that can be used by the Integration Joint Board (IJB) to inform its governance statement.
- 1.2 The purpose of this report is to inform the IJB Audit and Risk Committee of the internal audit work undertaken in 2021/22 and to provide an opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control.

2 RECOMMENDATION

- 2.1 The IJB Audit and Risk Committee is asked to note that the Annual Internal Audit Opinion and Report 2021/22 is a formal confirmation of Internal Audit's opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year ended 31 March 2022.

3 BACKGROUND

Sound Internal Controls

- 3.1 The IJB's senior management has responsibility for establishing a sound system of internal control and for monitoring the continuing effectiveness of these controls. The main objectives of internal control systems are:
 - 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.

- 3.2 A sound system of internal control reduces, but cannot eliminate, the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls or the occurrence of unforeseen circumstances. The IJB is continually seeking to improve the effectiveness of its system of internal control.

Quality Assurance and Improvement Programme (QAIP)

- 3.3 The Public Sector Internal Audit Standards (PSIAS) require that the annual report must incorporate a statement on Internal Audit's conformance with the PSIAS and Local Government Application Note and the results of the Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity. Internal Audit is continuously seeking to improve its service and aims to provide a service that remains responsive to the needs of the IJB and maintains consistently high standards. This was achieved in 2021/22 through the following processes:

- Compliance with PSIAS.
- A tailored audit approach using a defined methodology for financial audits.
- A programme of quality control measures which include the supervision of staff conducting audit reviews and the detailed review of working paper files and audit reports.
- The development of personal and training plans – Internal Audit staff undertake a programme of Continuous Professional Development (CPD).

- 3.4 The PSIAS require the development of a Quality Assurance and Improvement Programme (QAIP). The QAIP is designed to enable evaluation of Internal Audit's conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards. The QAIP must include both internal and external assessments. An internal assessment of internal audit practices was carried out against the PSIAS to ensure conformance to the Standards in February 2022. An External Quality Assessment of the Council's Internal Audit service was undertaken in May 2018 by the Chief Internal Auditor of Argyll and Bute Council, a further review is due to be undertaken during 2022/23 by the Chief Internal Auditor of Midlothian Council, providing a high level of assurance on Internal Audit's compliance with PSIAS.

Delivery of the Internal Audit Service

- 3.5 Internal Audit is an independent appraisal function established by the IJB to objectively examine, evaluate and report on the adequacy of governance, risk management and control systems. The provision of the Internal Audit service to the IJB 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, through Principals agreed between Lothian NHS and the Lothian IJBs as reported to the December 2021 Audit and Risk Committee.

- 3.6 Internal Audit reports functionally to the Audit and Risk Committee and has direct access to Senior Management, the Chair of the Audit and Risk Committee and the Chair of the IJB.
- 3.7 In March 2021, the Audit and Risk Committee approved the Internal Audit Plan for 2021/22. The ongoing COVID-19 pandemic and concurrent risks continued to result in changing risks to the operation of the IJB. A revised Internal Audit Plan for 2021/22 was then approved by the Audit and Risk Committee in September 2021 and it is anticipated that a mid-year review of the Internal Audit plan will be required moving forward.
- 3.8 Scheduled audit reviews of Budget Monitoring, Risk Management and East Lothian Community Hospital have been completed. Due to resource constraints the scheduled audit review of integrated workplace processes has not been completed.
- 3.9 The opinion is restricted by the assurance work that has not yet been completed, however a 75% audit plan completion allows a formal assessment to be made on substantial evidence. The assurance work completed by Internal Audit will continue to be adjusted to take account of any altered working arrangements through the 2021/22 financial year as recovery arrangements from the pandemic continue.
- 3.10 Internal Audit findings identifying system weaknesses or non-compliance with expected controls were brought to the attention of the IJB's Chief Officer, Chief Finance Officer, External Auditor and the Audit and Risk Committee. The weaknesses outlined are those that have come to our attention during the course of our normal audit work and are not necessarily all of the weaknesses, which may exist. It is the responsibility of Management to ensure that proper consideration is given to internal audit reports and that appropriate action is taken on audit recommendations.

Conflicts of Interest

- 3.11 There have been no instances during the year which have impacted on our independence and/or lead us to declare any interest.

Assessment of Controls and Governance

- 3.12 Our evaluation of the IJB's control environment is informed by a number of sources including statutory and other compliance:
 - Integration Scheme – an East Lothian Integration Scheme is in place covering 2019-2022 and sets out how the IJB will operate, including the scope of the services to be included within the IJB and the financial arrangements. A revised Integration Scheme has been reviewed and was open to public consultation during May 2022.

- Membership – membership of the IJB is in accordance with the Integration Scheme.
- The IJB has in place approved Standing Orders as amended in March 2020 and Financial Regulations.
- Committees – the IJB has an established Audit and Risk Committee. The terms of reference of the Audit and Risk Committee cover the IJB’s governance, risk and control; internal audit; external audit; financial reporting and accountability arrangements.
- Strategic Plan – the IJB formally adopted a Strategic Plan 2019-2022 in March 2019, and in June 2021 agreed to extend the Strategic Plan until September 2022.
- Officers – appropriate officers (Chief Officer and Chief Finance Officer) with responsibility for maintaining and operating an effective system of internal control were in place during 2021/22.
- Code of Conduct for Members of the IJB, of which an update is being considered for approval at the June 2022 IJB meeting.
- The work undertaken by Internal Audit during 2021/22.

3.13 Operational matters covered by IJB Directions and which are undertaken on behalf of the IJB by either East Lothian Council or NHS Lothian are outwith the scope of the annual audit plan and this audit opinion.

3.14 During 2021/22, areas identified with scope for improvement included the following:

- The Risk Management Policy and Strategy requires to be reviewed and updated, having been originally approved in December 2017 with an expectation that this would be reviewed on a three yearly basis, this did not occur due to other key priorities as a result of the COVID-19 pandemic. The review should ensure that appropriate escalation processes for risks impacting the strategic plan are implemented.
- Financial Reporting to the IJB should be returned to a consistent basis in reporting projected financial outturns. The consistency of reporting has been impacted by the fast changing nature of the COVID-19 additional funding elements for both partners.
- Evaluation structures monitoring against the strategic objectives set for the East Lothian Community Hospital should be reintroduced during the recovery from the COVID-19 pandemic.

3.15 The implementation by Management of agreed actions to address the weaknesses identified should provide assurance that the system of internal control is operating as intended.

Opinion

3.16 It is our opinion, subject to the weaknesses outlined in section 3.14 above, that reasonable assurance can be placed on the overall adequacy and effectiveness of the IJB’s framework of governance, risk management and control for the year to 31 March 2022.

4 ENGAGEMENT

4.1 None

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	20 June 2022



REPORT TO: East Lothian IJB Audit and Risk Committee
MEETING DATE: 29 June 2022
BY: Chief Finance Officer
SUBJECT: 2021/22 Draft Unaudited Annual Accounts

5

1 PURPOSE

- 1.1 This report presents the IJB's draft (unaudited) Annual Accounts for 2021/22

2 RECOMMENDATIONS

- 2.1 The committee is asked to
- Consider the IJB's draft annual accounts
 - Agree that the draft annual accounts can be published and presented for audit.

3 BACKGROUND

- 3.1 The IJB is constituted under section 106 of the local government (Scotland) Act and as such must prepare a set of annual accounts. These accounts must be presented in draft for approval to either the IJB or a committee of governance of the IJB by 30th June whereupon the accounts will be presented for audit by the IJB's auditors.
- 3.2 The annual accounts contain a range of sections but breakdown into three main areas:
- The Management Commentary. This provides a statement of the IJB's purpose and its performance against that purpose in the financial year along with a reflection on the challenges facing the IJB in the next financial year.
 - The Annual Governance Statement – which reflect on the governance of the IJB and notes any governance improvements identified by the CIA's Internal Audit Annual Assurance Report
 - A range of financial statements showing the financial position of the IJB.

3.3 The Audit and Risk Committee is asked to approve the attached annual accounts reflecting on the Management commentary, the Annual Governance Statement and the financial position.

4 ENGAGEMENT

4.1 The annual accounts are published on the web and available in hard copies to the public.

5 POLICY IMPLICATIONS

5.1 There are no further policy implications arising from this paper

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 RESOURCE IMPLICATIONS

7.1 Financial – none

7.2 Personnel – none

7.3 Other – none

8 BACKGROUND PAPERS

8.1 None

AUTHOR'S NAME	Claire Flanagan
DESIGNATION	Chief Finance Officer
CONTACT INFO	Claire.flanagan@nhslothian.scot.nhs.uk
DATE	June 2022



East Lothian Integration Joint Board

Unaudited Annual Accounts 2021/22

CONTENTS

• Management Commentary	3
• Statement of Responsibilities.....	17
• Remuneration Report	19
• Annual Governance Statement.....	22
• Independent Auditor’s Report	26
• Financial Statements	28
• Notes to the Financial Statements	31
1. Significant Accounting Policies	31
2. Critical Judgements and Estimation Uncertainty.....	33
3. Events After the Reporting Period	33
4. Short Term Debtors	34
5. Reserves.....	34
6. Taxation and Non-Specific Grant Income	34
7. Corporate Service	35
8. Related Party Transactions.....	35
9. Agency Transactions	36
10. VAT.....	36

Audit Arrangements

Under arrangements approved by the Accounts Commission of Scotland, the auditor with responsibility for the audit of the accounts of East Lothian Integration Joint Board for the period 1 April 2021 to 31 March 2022 is Audit Scotland, 102 West Port, Edinburgh EH3 9DN.

Management Commentary

Introduction

The management commentary considers the work that the IJB has undertaken during the financial year 2021/22 and then describes the financial performance for the financial year ended 31 March 2022. It further provides an overview of the key messages relating to the role, remit, members, objectives and the strategy of the East Lothian Integration Joint Board (IJB).

Impacts of COVID-19 on Service Outcomes and Integration

2021/22 is the second year of the COVID-19 pandemic and the IJB would like to sincerely thank the staff of NHS Lothian, East Lothian Council, the GP Practices, the independent providers of social care and the voluntary organisations who have continued to deliver the functions that have been delegated to the IJB during a very difficult period.

COVID-19 has continued to disrupt patient journeys and service delivery in health and care settings and is delaying access to secondary care treatment which might otherwise reduce care requirements for individuals. The impact of the pandemic has also continued to constrain the work of the IJB in the delivery of its Strategic Plan. The IJB remains committed to supporting its partners (East Lothian Council and NHS Lothian) during this very difficult time but it is hoped that in 2022/23 that the impacts of the pandemic become more manageable and that the IJB will be able to return to a more 'business as usual' position.

During the financial year, the IJB has expended around £8,141,000 to support the additional costs of health and social care generated by the COVID-19 pandemic and this has been funded through the IJB's COVID-19 reserve along with additional grants from the Scottish Government. In addition, the IJB has continued to support NHS Lothian with its remobilisation plan as part of the overall recovery of Health and Social Care services from the pandemic

These accounts cover the period from 1 April 2021 to 31 March 2022.

The Role and Remit of the IJB

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

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

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

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

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

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

The Strategic Plan

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

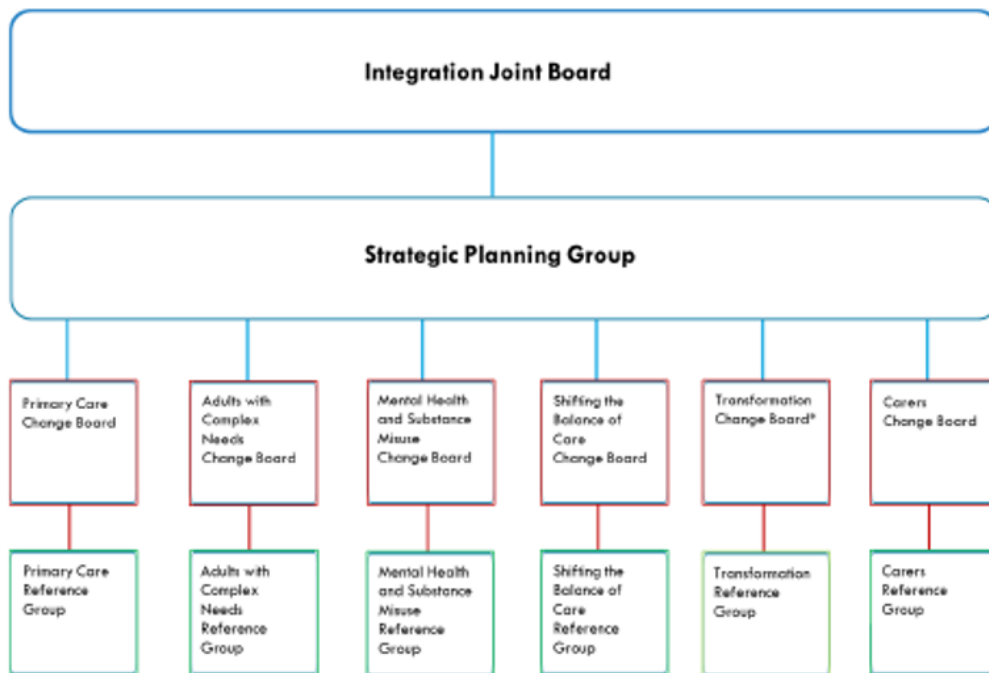
https://www.eastlothian.gov.uk/downloads/file/28278/east_lothian_ijb_strategic_plan_2019-22

The IJB is developing a new Strategic Plan for 2022-2025 and this work is further described below.

The process of monitoring the progress of the Strategic Plan and the development of that plan is managed by the IJB's Strategic Planning Group. This group is supported by six change boards reflecting on the IJB's strategic priority areas for change.

These focus on: primary care, adults with complex needs, transformation, adults affected by mental health and substance misuse issues, shifting care from acute hospitals to the community and support to carers.

This is illustrated in the diagram below



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

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

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

As mentioned above the IJB is preparing a new Strategic Plan to cover the years 2022-2025. This will be presented to the IJB in September 2022.

IJB Membership

The IJB comprises eight voting members, made up of four elected members appointed by East Lothian Council and four NHS Lothian non-executive directors appointed by NHS Lothian. There are a number of non-voting members of the Board, including the

IJB Chief Officer, Chief Finance Officer, medical and nursing professional advisors, representatives for Carers and third party organisations and staffing representatives.

The IJB met virtually 7 times during the financial year 2021/22. The membership of the IJB during 2021/22 was as follows:

Member	Nominated/Appointed by	Role
Peter Murray	Nominated by NHS Lothian	Chair (voting member)
Councillor Shamin Akhtar	Nominated by East Lothian Council	Vice Chair (voting member)
Alison Macdonald (see note below)	Appointed by IJB	Chief Officer (non-voting member)
David King (see note below)	Appointed by IJB	Interim Chief Finance Officer (non-voting member)
Fiona Ireland	Nominated by NHS Lothian	Voting Member
Dr Richard Williams	Nominated by NHS Lothian	Voting Member
Dr Patricia Donald	Nominated by NHS Lothian	Voting Member, Chair of Audit & Risk Committee
Councillor Fiona O'Donnell	Nominated by East Lothian Council	Voting Member
Councillor Neil Gilbert	Nominated by East Lothian Council	Voting Member
Councillor Sue Kempson	Nominated by East Lothian Council	Voting Member
Vacant	Appointed by IJB	Independent sector representative (non-voting member)
Paul White until September 2021 then Maureen Allan	Appointed by IJB	Third sector representative (non-voting member)
David Binnie	Appointed by IJB	Carer representative (non-voting member)
Marilyn McNeill	Appointed by IJB	Service-user representative (non-voting member)
Prof Emma Reynish until August 2021 then Dr. Claire Mackintosh	Nominated by NHS Lothian	Medical Consultant (non-voting member)
Lesley White	Appointed by IJB	ELC Staff Representative (non-voting member)



Member	Nominated/Appointed by	Role
Judith Tait	Nominated by East Lothian Council	Chief Social Work Officer (non-voting member)
Thomas Miller	Appointed by IJB	NHS Staff Representative (non-voting member)
Dr Jon Turvill	Nominated by NHS Lothian	Clinical Director (non-voting member)
Iain Gorman	Appointed by IJB	Head of Operations (non-voting member)
Lorraine Cowan	Nominated by IJB	Chief Nurse (non-voting member)
Dr. Wendy Hale (from February '22)	Appointed by the IJB	Specialist in Substance Abuse (non-voting member)
Philip Conalgen	Appointed by IJB	Public Health (non-voting member)

Note – Claire Flanagan is the IJB’s Chief Finance Officer, however she went on maternity leave from the start of August 2021. From then until the end of the Financial year, David King acted as Chief Finance Officer. Claire Flanagan returned to her post in May 2022. The Chief Officer (Alison MacDonald) has been appointed to the post of NHS Lothian Executive Director of Nursing and AHPs and will be stepping down as Chief Officer in June 2022. Fiona Wilson has been appointed as Chief Officer and will take up post at the end of June 2022.

The IJB’s Operations for the Year

Allowing for the constraints and the operational impact of the COVID-19 pandemic on the IJB’s partners, the IJB has continued to deliver its current strategic plan during the financial year. The Strategic Plan is delivered through the IJB’s directions to the partners (East Lothian Council and NHS Lothian) and the IJB considered the delivery of these directions in detail at its June 2021 and February 2022 meetings. The IJB’s Strategic Planning Group (SPG) has met regularly during the financial year to reflect on and develop the IJB’s Strategic Plan with the SPG being supported by the Change Boards as described above

The IJB categorises its services into three broad areas –

Core Services

These are the local health and social care services within East Lothian and are operationally managed by the Health and Social Care Partnership (The HSCP) which is a joint arrangement between Midlothian Council and NHS Lothian.

Hosted Services.

These being delegated functions that are operationally managed by other parts of NHS Lothian – for example in-patients mental health services provided at the Royal Edinburgh Hospital in Edinburgh

Set Aside Services

These being delegated functions operationally managed by NHS Lothian in its Acute Division. The Appendix to these accounts describe Set Aside in more detail

Within each of these areas the IJB has continued to drive forward its strategic plan. Examples include –

Core Services

The East Lothian HSCP teams continue to remobilise services locally and are:

- Supporting COVID-19 related actions
- Providing high quality and responsive professional oversight and support to care homes and care at home services
- Providing enhanced community support to home care and care homes to avoid hospital admission
- Delivering a suite of rehabilitation and Technology Enabled Care (TEC) Services
- Developing and delivering long-COVID-19 support (and post-COVID-19 rehabilitation) through rehabilitation services
- Developing pain management approaches
- Fully remobilising social care packages

During the year, the East Lothian Community Hospital wards continue to operate at Amber, with one ward available to mobilise to Red if necessary and with the flexible ward layout continuing to provide bed capacity to respond to increased acute sector or community demand. This is part of the system wide management of the pandemic with is indicated at a range of categories – amber and red being the most severe.

The IJB has also supported the expansion of face-to-face patient attendance at Outpatients and this is happening as circumstances allow. Most clinics still run with one face-to-face appointment and with the majority of follow-up appointments utilising ‘Near Me’ video.

Care Homes

The nurse-led care home team continues to support East Lothian Care Homes in maintaining high quality services and appropriate infection prevention control approaches (some of which require significant investment in view of building design limitations) to protect residents and staff, while responding to easing of restrictions. The visiting restrictions and testing requirements continue to place additional stress on Care Home providers and staff.

The team continues to manage activity which might otherwise be directed to GP practices, by responding to acute illness, providing anticipatory care and managing many long-term conditions. In doing so, the team is reducing admissions and supporting discharge from hospital.

All care homes continue to receive tailored education and training input from the Care Home Team.

Care at Home

The Pandemic has seen an increased demand on Care at Home services, resulting from continued restrictions on day support, carers not coping and a reluctance to accept residential respite or care home permanent placements. High levels of demand are being met by an increase in the HSCP's homecare service and Hospital to Home funding and by block contract awards to external providers.

The sector is experiencing significant strain, with all providers struggling to recruit adequate staff and to continue to deliver services while dealing with waves of absence resulting from COVID-19 self-isolation.

Work is underway to improve efficiency in assessments for service support, in application of eligibility criteria and in continuing the drive to ensure efficiency in use of resources.

Community Support

Transformation of community resources for under and over 65s continues, with service redesign focussed on the challenges and costs of delivering a blended model. New opportunities arising from COVID-19 responses are being pursued, focussed on: community support; direct access to community physiotherapy and the possibility of third sector co-ordinated volunteers providing support.

Delivery of adult social work continues, with these conducted by telephone and video conference as indicated by assessment of need. Face-to-face appointments remain focussed on statutory and urgent assessments. Each client is risk assessed on an individual basis.

Primary Care

The IJB's has continued to support its Primary Care Improvement Plan (PCIP) as a key part of the implementation of the new GMS (General Medical Services) contract

The PCIP has:

- Fully established a Community Link Worker service to all GP practices
- Delivered the flu vaccination programme - planning is underway for delivery of all previously GP delivered vaccinations and for existing and new COVID-19 jags
- Provided pharmacotherapy services to all practices, with further increases planned
- Established Community Treatment and Care (CTACs) bases around East Lothian
- Expanded the Care When It Counts same-day, Nurse Practitioner-led primary care service from one GP practice to four (47% of East Lothian population) with high satisfaction among service users
- Provided direct access MSK Services, so driving down waits
- Established a CWIC mental health service - greatly improving access by providing direct access for patients.

East Lothian Rehabilitation Service (ELRS)

ELRS continues to deliver a suite of services to support patients across a growing and aging population, in recovering from illness and injury and in regaining and maintaining independence. All of ELRS services use integrated approaches, delivered where possible in partnership with other teams.

A new BT Cloud-based telephone contact centre, launched on 14th June, provides patients with a single point of contact, giving rapid access to a clinician who can deal with enquiries immediately, book an appointment/allocate for further assessment or place on a waiting list for:

- Musculoskeletal Physiotherapy
- Community Occupational Therapy
- Domiciliary Physiotherapy
- Post-COVID-19 rehabilitation (via Advanced Practice Occupational Therapy and Physiotherapy).

The system also provides ELRS with metrics to understand demand variation, which assists with capacity planning.

MSK (Musculoskeletal) Service

The service provides direct, first point of contact access to specialist MSK physiotherapy assessment and treatment, significantly decreasing routine MSK waits. It delivers a safe, effective, responsive and cost effective MSK physiotherapy model, providing physiotherapy input to patients in a timely manner, with input determined by assessment of individual clinical need. The service while directing activity from primary care, so decreasing GP workload. In house escalation protocols ensure direct referrals to secondary care if indicated

As all of the Advanced Physiotherapy Practitioners are accommodated within the physiotherapy service, there is no pressure on practices to provide rooms or equipment.

Post-COVID-19/Long COVID-19

A short-life working group has developed an evidence-based and multidisciplinary post-COVID-19/long COVID-19 pathway for East Lothian. This provides assessment and rehabilitation responsive to client demographics.

The group is functioning as a post-COVID-19 network and is developing competencies and in-service training framework for staff across all services to ensure equity of knowledge and resources. The Group's post-COVID-19 directory acts as a resource pack for clinicians and patients to draw on.

Digital and Technology Enabled Care Innovation

The Occupational Therapy (OT)/Physiotherapy (PT) teams continue to use a digital monitoring tool to assess patient mobility and function at home, allowing in some cases reduced packages of care.

Remobilisation of Wellwynd Technology Enabled Care (TEC) clinic is allowing recommencement of OT assessments and application of necessary interventions for

patients, alongside the continuation of remote consultations and home visits to explore smart TEC options to support independence. The team is also providing support and advice across East Lothian HSCP teams to support and promote TEC solutions to support clients

The TEC team continues to respond to critical technical service visits and referrals for telecare installations to facilitate hospital discharges and to prevent hospital admissions.

Hosted Services

The IJB has considered and supported phase II of the Royal Edinburgh Hospital (REH) business case, this was considered at its meeting in October 2021. The Royal Edinburgh Hospital is an in-patient facility for Mental Health patients in Edinburgh. NHS Lothian have been working on rebuilding this hospital and providing modern fit-for purpose accommodation and services for patients.

As part of the overall IJB's Mental Health Strategy, the IJB has been successful in reducing the in-patient bed usage at the REH and now requires fewer beds that it used previously. This is recognised in the phase II business case and the IJB was asked to agree to the proposed bed numbers (which it did) noting that financial releases will be available at the end of this development and that these resources can then be reinvested in local mental health services.

Set Aside Services

The COVID-19 pandemic has generated serious pressures on the Acute Hospitals which support East Lothian Patients (the Royal Infirmary of Edinburgh and the Western General Hospital). This has not stopped the IJB's work on reducing its use of acute beds and reducing attendances at the Emergency Department but the IJB recognises the pressure on the Acute system caused by the pandemic and has concentrated on reducing that pressure as much as possible. This work has been delivered by the HSCP who have been developing intermediate care services to reduce admissions and lengths of stay as much as possible.

The IJB's Position at 31 March 2021

For the year ending 31 March 2022, the IJB was underspent. That is, the costs incurred in delivering the IJB's functions by East Lothian Council and NHS Lothian are less than the income that the IJB received from NHS Lothian and East Lothian Council.

This is the second year that the IJB has been underspent. The underspend in 2020/21 was a reflection of the impact of the COVID-19 pandemic on the health and social care system. Although the system was under a huge pressure additional financial resources were made available to cover that pressure but the shortage of staff and the impact on the pandemic on the third party providers of social care meant that some planned programmes couldn't be undertaken and the, in financial terms, the IJB was underspend and carried this money forward in its reserves.

In 2021/22, the underspend has been generated by three main areas

1. Additional funds have been received in year from the Scottish Government to support the COVID-19 pandemic beyond those required in 2021/22. This has been part of a specific policy to allow the IJBs to be able to carry forward into 2022/23 adequate funds to cover the projected costs of supporting the COVID-19 pandemic in that year.
2. Additional support was made available by the Scottish Government in November 2021 to support Winter pressures, in total c. £1,839,000. The IJB has not been able to utilise these funds in year and they have been added to the IJB's earmarked reserves. In addition further investments were made by the Scottish Government through NHS Lothian, again the IJB has not been able to utilise these funds in year.
3. Having taken account of funds to be moved to earmarked reserves, the IJB was left with an operational underspend of £1,149,000. This being, as was the case in 2020/21, largely because of the inability of the IJB to fully utilise its planned programmes through the demands and pressures from the COVID-19 pandemic. These funds have been moved to the IJB's general reserve.

Reserves

The movement in the IJB's reserves and the makeup of that reserve is detailed below. In summary the balance in the IJB's reserves on 31 March 2022 is £23,511,000. This is made up of £9,703,000 for COVID-19 costs, £7,938,000 for earmarked reserves and £5,870,000 of general reserves. It is expected that the COVID-19 reserve will be utilised during 2022/23.

Elements of the reserve are for very specific projects and the IJB will be encouraging the partners to progress these projects, however some elements (for example Additional Capacity in Care at Home) will support broader work and the IJB is committed to ensuring that the earmarked funds which can be appropriately used to develop the IJB's services are used in that way.

The IJB's general reserve is now in excess of the target set by the IJB's Reserves Policy. The IJB is considering how elements of that reserve can be used, albeit non-recurrently, to further develop work that will support the delivery of the Strategic Plan.

Analysis of the Financial Statements

The financial statements are all presented on a net basis.

The table below summarises the income and expenditure for the IJB for 2021/22.

Income and Expenditure

	Budget Health £000's	Budget Social Care £000's	Expenditure Health £000's	Expenditure Social Care £000's	Variance £000's	Note
Direct East Lothian Services						
Community AHPS	6,027		5,927		100	



Community Hospitals	13,307		12,800		507	
District Nursing	2,795		2,671		124	
General Medical Services	18,835		19,049		-215	
Health Visiting	2,030		1,923		107	
Mental Health	6,116		6,049		67	
Other	20,163		10,757		9,407	
Prescribing	20,894		21,378		-485	
Resource Transfer	4,961		4,964		-2	1
Older People		29,394		30,012	-618	
Mental Health		1,867		2,011	-144	
Physical Disabilities		2,496		2,699	-203	
Learning Disabilities		14,943		17,827	-2,884	
Planning and Performance		2,984		2,877	107	
Other		8,303		3,614	4,689	
East Lothian Share of pan Lothian						
Set Aside	23,652		23,825		-174	2
Mental Health	2,721		2,778		-58	
Learning Disabilities	1,699		1,713		-15	
GP Out of Hours	1,580		1,572		7	
Rehabilitation	1,055		949		106	
Sexual Health	836		811		25	
Psychology	1,046		1,113		-67	
Substance Misuse	419		407		12	
Allied Health Professions	1,716		1,597		119	
Oral Health	2,225		2,187		38	
Other	4,197		4,067		130	
Dental	7,026		7,026		0	3
Ophthalmology	2,091		2,091		0	3
Pharmacy	4,555		4,555		0	3
Totals	149,944	59,987	140,211	59,040	10,680	
SCF	6,216	-6,216	6,216	-6,216	0	4
Per accounts	156,160	53,771	146,427	52,824	10,680	

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

Income & Expenditure Notes

1. Resource Transfer are funds for specific purposes which are transferred from health to social care. However, these remain part of the health budget and are reported there.

2. Set Aside is the budget for those functions delegated to the IJB which are managed by the Acute Services management teams within NHS Lothian;
These services are:

- Accident and Emergency
- Cardiology
- Diabetes
- Endocrinology
- Gastroenterology
- General Medicine
- Geriatric Medicine
- Rehabilitation Medicine
- Respiratory Medicine
- Various ancillary support services for the above.

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

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

The charges (shown as expenditure above) made by East Lothian Council to the IJB are the net direct costs incurred in the delivery of social care services in East Lothian. The charges from NHS Lothian are based on the health budget setting model as agreed by the IJB. That is, charges for the core services (those services specifically for and delivered by the East Lothian HSCP) are based on the net direct actual costs incurred in East Lothian. However, charges for hosted and set aside services (those services which are not generally managed by the East Lothian Partnership and are delivered on a pan-Lothian basis) are based on the total actual costs for these services shared across four IJBs per the budget setting model. The IJB share of the total actual costs incurred in 2021/22 for hosted services is 12% and, generally, 12% of the Lothian element of the set aside budgets and the non-cash limited budgets.

Consideration of the 2022/23 Financial Position

The IJB set a balanced budget for 2022/23 at its March 2022 meeting, albeit using an indicative budget offer from NHS Lothian. The 2022/23 Scottish Budget settlement included significant resources for the Integration Authorities to support further capacity and development in social care and these funds along with an appropriate utilisation of the IJB's reserves as discussed above allowed the IJB to set a balanced budget. That said, there are clearly a significant range of financial pressures impacting on the

IJB's partners and the IJB is committed to supporting the partners in so far as the Integration Scheme allows.

Other Issues that impact on the IJB

There have been other further developments during the financial year which will impact on the future role of the IJB although the IJB has no influence over these events.

Review of the IJB's Integration Scheme.

The IJB is constituted through the Integration Scheme drawn up by East Lothian Council and NHS Lothian. This requires revision every five years – although because of the COVID-19 pandemic the scheme had not been revised for six years - and East Lothian Council and NHS Lothian Council drafted a new scheme during the financial year which is currently out for consultation. This new scheme contains no material changes for the old scheme and therefore there should not be any impact on the IJB.

Consultation on the National Care Service

The Scottish Government is undertaking a consultation on their proposal to set up a national care service. It seems that this will mean that the IJB, as it currently exists, will be wound up when new legislation to set up the NCS takes effect. The IJB has formally responded to the consultation and this was presented to the IJB at its October 2021 meeting

Lothian Strategic Development Framework

NHS Lothian has drawn up a strategic development framework which includes a range of functions which have been delegated to the IJBs. NHS Lothian and the Lothian IJBs have committed to work jointly to deliver the ambitions in the IJBs' Strategic Plans

Key Risks and Uncertainties

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

There remain a series of uncertainties:

- The coronavirus pandemic resulted in a disruption for many services and additional funding met by the Scottish Government to mobilise services is a short term solution. The medium and long term impacts of the pandemic remain uncertain and there is little doubt that significant financial challenges lay ahead.
- East Lothian faces increasing demands from this ageing and growing population and we must ensure we have the ability to provide additional GP consultations and provide services locally in appropriate premises. East Lothian has a high level of aging population growth in Scotland. This population growth and the increasing aspiration to deliver more care in the local community results in pressure on GP practices to provide fit-for-purpose premises.
- The increasing population in East Lothian remains a challenge which may exacerbate the staffing and financial pressures above.

- The financial position for the UK and Scotland remains uncertain and this will provide a challenge to the amount of financial resources available to the IJB.
- That said, the Scottish Government have announced a series of investments in Primary Care, Mental Health and Substance misuse and Drugs Related Deaths all of which will be directed to the IJB and these resources will support not only the delivery of the new GMS contract but also the transformation programme that the IJB is managing for these services.
- The current fragility of provider organisations in the home care and care homes sector may require action and investment to secure sustainability in these important services

Peter Murray
Chair

Alison MacDonald
Chief Officer

Claire Flanagan
Chief Finance Officer

Statement of Responsibilities

Responsibilities of the Integration Joint Board

The Integration Joint Board is required to:

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

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

Signed on behalf of East Lothian Integration Joint Board

Peter Murray
Chair

Responsibilities of the Chief Finance Officer

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

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

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

The Chief Finance Officer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the East Lothian Integration Joint Board as at 31 March 2022 and the transactions for the year then ended.

Claire Flanagan
Chief Finance Officer

Remuneration Report

Introduction

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

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

Remuneration: IJB Chair and Vice Chair

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

The IJB does not provide any additional remuneration to the Chair, Vice Chair or any other board members relating to their role on the IJB. The IJB does not reimburse the relevant partner organisations for any voting board member costs borne by the partner. Neither the Chair nor the Vice Chair appointments had any taxable expenses paid by the IJB in 2021/22.

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

NHS Lothian remunerates its non-executive members on a notional day basis. That is they are paid a fixed annual amount which is considered to represent payment for one day a week. Those non-executive members of the NHS Lothian Board, who are also Chairs or Vice Chairs of IJBs, are given an additional day's remuneration per week in recognition of the additional time required to undertake those roles. Peter Murray, as a non-executive member of NHS Lothian Board who was also the Chair of East Lothian IJB, has received an additional day's remuneration specifically for his role as Chair of the IJB in 2021/22. This remuneration is £8,930 per annum.

Remuneration: Officers of the IJB

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

Chief Officer

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

The Chief Officer of the IJB is Alison MacDonald. Alison has a joint role as Director of Health and Social Care for East Lothian Council and the Joint Director of the East

Lothian Partnership. As in previous years it has been agreed, 50% of total remuneration is to be shown in the accounts of the IJB as the remuneration as the Chief Officer of the IJB.

Chief Finance Officer

Although the costs of the Chief Finance Officer are not included in the charges made to the IJB by either partner, given the S95 role of the Chief Finance Officer and in the interests of transparency, the remuneration of the Chief Finance Officer is included below. During 2021/22 the Chief Finance Officer (Claire Flanagan) was on a leave of absence between the start of August 2021 until the end of March 2022. The Chief Finance Officer is employed by NHS Lothian and has three roles – the IJB’s Chief Finance Officer, the Chief Finance Officer of East Lothian IJB and an operational role in the NHS Lothian finance team as a Finance Business Partner. On that basis, one third of the total remuneration for Claire Flanagan is shown below. Between August 2021 and March 2022, the role of Chief Finance Officer was undertaken on an Interim basis by David King. David King is retired but was paid on the NHS Lothian Staff bank (by NHS Lothian) on an ad hoc basis. David King also undertook the role of CFO in Midlothian IJB but did not undertake any duties as a finance business partner. NHS Lothian have provided the total costs of having employed David King during this time and half of these costs will be shown here (the other half shows in Midlothian IJB). David King is not superannuated.

Other Officers

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

Total for 2020/21 £	Senior Employees Salary, Fees & Allowances	Total for 2021/22 £
50,757	Alison MacDonald, Chief Officer	53,692
25,000	Claire Flanagan, Chief Finance Officer	9,644
n/a	David King, Interim Chief Finance Officer	14,047

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

Pension Disclosure

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

	In Year Contribution			Accrued Pension benefits (restated)	
	For year to	For year to		at	at
	31/03/2022 £000	31/03/2021 £000		31/03/2022 £000	31/03/2021 £000
Alison MacDonald	22	21	Pension	17	16
			Lump Sum	13	6
Claire Flanagan	7	16	Pension	17	16
			Lump Sum	27	25

Disclosure by Pay Bands

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

Exit Packages

The IJB did not support nor did it direct to be supported by its partners for any exit packages during 2021/22.

Peter Murray
Chair

Alison MacDonald
Chief Officer

Annual Governance Statement

Purpose

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

Scope of Responsibility

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

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

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

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

- Ensuring Board and Committee members behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the ELIJB;
- Creating the conditions to ensure that all ELIJB members and the ELIJB's partners (East Lothian Council and NHS Lothian) are able to fulfil their responsibilities in accordance with legislative and regulatory requirements;
- Having a clear vision, which is an agreed formal statement of the ELIJB's purpose and intended outcome which provide the basis for the ELIJB's overall strategy, planning and other decisions, the ELIJB Strategic Plan was agreed by the ELIJB in March 2019 to run from April 2019 to March 2022, in June 2021 ELIJB agreed to extend the strategic plan until September 2022;
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources and to ensure best value is achieved, the ELIJB Workforce Plan 2019-2022 was approved by the ELIJB in May 2019;
- Evaluating and monitoring risk management and internal control on a regular basis, which is monitored through the ELIJB Audit and Risk Committee;
- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the ELIJB's Chief Internal Auditor, as monitored through the ELIJB Audit and Risk Committee;

- Ensuring an audit committee, which is independent of the Board and accountable to the IJB, provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon. As demonstrated in the maintenance of all 2021/22 Audit and Risk Committee meetings.
- Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and providing an Annual Report which includes an action plan for improvement and evidence to demonstrate good governance (the annual governance statement); and
- Ensuring that recommendations for corrective action made by the external auditor are acted upon.

ELIJB Audit & Risk Committee approved the ELIJB adoption of the CIPFA FM Code in March 2022. ELIJB's financial management arrangements conform to the requirements of the CIPFA Statement on the role of the Chief Financial Officer in Local Government. The Chief Finance Officer has overall responsibility for the ELIJB's financial arrangements and is professionally qualified and suitably experienced.

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

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

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

Statutory and other Compliance

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

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

its committees, except in clearly defined and limited circumstances. During the 2021/22 year meetings have been held remotely via Teams. Local press representatives have been invited to meetings and the meetings recorded and made available publicly to meet these commitments;

- Strategic Plan - the Board established its Strategic Planning Group as required by legislation, with Terms of Reference approved by the Board covering membership, meetings and meetings procedures. From August 2020 the Strategic Planning Group continued to meet remotely;
- Annual Performance Report – ELIJB produces an Annual Performance Report, with the last report being published in November 2021, incorporating elements of the National Core Suite of National Integration Indicators and a Financial Performance Review.
- Officers - the Board appointed a Chief Officer and a Chief Finance Officer as required by the legislation. A Chief Internal Auditor has been appointed to carry out the Board's internal audit requirements and assist its Audit and Risk Committee;
- Finance - the Board received reports in relation to financial assurance prior to the setting of budgets for the functions delegated by East Lothian Council and NHS Lothian, and adopted Financial Regulations in relation to the conduct of its financial affairs, the maintenance of its accounting and financial records, and its annual accounts and financial statements;
- Code of Conduct - the Board adopted a Code of Conduct based on the existing Model Code for Members of Devolved Public Bodies in Scotland, and members have registered their interests according to that Code. The Scottish Government approved the ELIJB's initial Code of Conduct on 1 June 2016, a revised code of conduct is being submitted to the June ELIJB meeting and an approved updated Code of Conduct will be supplied to the Scottish Government by the end of June 2022.

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

The ELIJB Chief Internal Auditor concluded that based on the work undertaken in 2021/22 reasonable assurance can be placed on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the period to 31 March 2022, but noted areas for further development. These improvements are reflected below.

Action Plan

During 2021/22, areas identified with scope for improvement included the following:

- The Risk Management Policy and Strategy requires to be reviewed and updated, having been originally approved in December 2017 with an expectation that this would be reviewed on a three yearly basis, this did not occur due to other key priorities as a result of the COVID-19 pandemic. The review should ensure that appropriate escalation processes for risks impacting the strategic plan are implemented.
- Financial Reporting to the IJB should be returned to a consistent basis in reporting projected financial outturns. The consistency of reporting has been impacted by the fast changing nature of the COVID-19 additional funding elements for both partners.

- Evaluation structures monitoring against the strategic objectives set for the East Lothian Community Hospital should be reintroduced during recovery from the COVID-19 pandemic.

The implementation of these actions to enhance the governance arrangements in 2022/23 will be driven and monitored by the ELIJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2022/23 is designed to test improvements and compliance in governance and implementation of agreed recommendations. Progress has been made against all actions noted in the 2020/21 annual governance statement and monitoring to completion is undertaken by Internal Audit.

It is our opinion, subject to the weaknesses outlined above, that reasonable assurance can be placed on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the year to 31 March 2022.

Peter Murray
Chair
(March 2022)

Alison MacDonald
Chief Officer



Independent Auditor's Report

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

[Text to be inserted]

Financial Statements

Comprehensive Income and Expenditure Statement

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

2020/21		2021/22
Net Expenditure	Note	Net Expenditure
£000's		£000's
3,993	Community AHPS	5,927
11,608	Community Hospitals	12,800
2,488	District Nursing	2,671
17,928	General Medical Services	19,049
1,740	Health Visiting	1,923
7,888	Mental Health	8,060
13,545	Other	14,371
20,686	Prescribing	21,378
4,738	Resource Transfer	4,964
28,126	Older People	30,012
3,073	Physical Disabilities	2,699
16,325	Learning Disabilities	17,827
2,543	Planning and Performance	2,877
29,144	Share of pan Lothian Health Services	30,867
21,957	Set Aside	23,825
185,781	Cost of Services	199,251
192,991	Taxation and Non-Specific Grant Income	209,931
7,210	Surplus/(Deficit) on Provision of Services	10,680
7,210	Total Comprehensive Income and Expenditure	10,680

Movement in Reserves Statement

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

	2020/21 Total £000's	2021/22 Movement £000's	2021/22 Total £000's
General Reserves			
Surplus on Provision of Service	3,082	1,727	4,809
Earmarked Reserves			
Surplus on Provision of Service	6,526	8,954	15,480
Total Usable reserves	9,608	10,681	20,289

Reserves

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

Useable Reserves

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

Earmarked Reserves	£000's
COVID-19	9,182
Primary Care Improvement Fund	354
Mental Health Strategy	488
Alcohol and Drugs Strategy	1,038
Community Living Change Fund	346
Care at Home Capacity	419
Interim Care	420
Multi-disciplinary Teams	158
Carers fund	79



Locally Committed programmes

2,996

Committed Project Funds

15,479



Balance Sheet

The Balance Sheet shows the value, as at 31 March 2022, of the assets and liabilities recognised by the Board. The net assets of the Board are matched by the reserves held.

2020/21 Total £000's	Notes	2021/22 Total £000's
	Current Assets	
9,608	Short Term Debtors	10,681
	Current Liabilities	
0	Short Term Creditors	0
9,608	Total Assets less current Liabilities	10,681
	Capital and Reserves	
6,526	Earmarked Reserves	15,479
3,083	General Reserves	4,810
9,608	Total Reserves	20,289
	MIRS Note 5	

The unaudited accounts were issued on 30 June 2022

Claire Flanagan
Chief Finance Officer

Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

The Financial Statements summarises the IJB's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022.

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

The Financial Statements are therefore prepared in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, supported by International Financial Reporting Standards (IFRS), unless legislation or statutory guidance requires different treatment.

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

Accruals of Income and Expenditure

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

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

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

Funding

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

Cash and Cash Equivalents

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

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

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

Employee Benefits

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

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

Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

Reserves

The IJB's only Useable Reserve is the General Fund. The balance of the General Fund as at 31 March shows the extent of resources which the IJB can use in later years to support service provision. As noted above, the IJB had reserves of £20,289,000 at 31 March 2022.

Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Lothian and East Lothian Council have responsibility for claims in respect of the services that they are statutorily responsible for and that they provide. The IJB holds separate indemnity insurance through its membership of the CNORIS scheme; the charge for this in 2021/22 was £3,000.

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

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

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

2. Critical Judgements and Estimation Uncertainty

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

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

Provisions

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

3. Events After the Reporting Period

The Annual Accounts were authorised for issue by the IJB's Audit and Risk Committee. Events taking place after this date are not reflected in the financial statements or notes.

Where events taking place before this date provided information about conditions existing at 31 March 2022, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4. Short Term Debtors

The IJBs short term debtors are broken down as follows:

	2020/21	2021/22
	£000's	£000's
Funding due from NHS Lothian	9,049	18,782
Funding due from East Lothian Council	559	1,507
Total	9,608	20,289

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

5. Reserves

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

	2020/21	2021/22
	£000's	£000's
Earmarked Reserves		
COVID-19 Funding	3,623	9,182
Scottish Government Mental Health Strategy - Action 15	53	8
Scottish Government Primary Care Improvement Plan Fund	226	354
Midlothian and East Lothian Drug and Alcohol Partnership	766	1,038
Community Living Change Fund	346	346
Winter - Care at Home Capacity		419
Winter - Interim Care		420
Winter - Multi-Disiplinary teams		158
Carers		79
Locally Committed Programmes	1,512	3,476
	6,526	15,479
General Reserves	3,082	4,810
Total Reserves	9,608	20,289

6. Taxation and Non-Specific Grant Income

2020/21		2021/22
£000		£000
49,385	Contributions from East Lothian Council	53,771
143,606	Contributions from NHS Lothian	156,160
192,991	Total	209,931

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

The funding contribution from the NHS Board shown above includes £23,825k in respect of the set aside resources and £30,867k in respect of East Lothian's share of pan Lothian health services resources.

7. Corporate Service

Included in the above costs are the following corporate services:

2020/21		2021/22
£000		£000
51	Staff (Chief Officer)	55
6	CNORIS	3
27	Audit Fee	27
84	Total	85

8. Related Party Transactions

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

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

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

The change in Resource Transfer in 2021/22 relates to a presentational reclassification exercise within NHS Lothian.

2020/21		2021/22
Net		Net
Expenditure		Expenditure
£000's		£000's
136,829	NHS Lothian	146,427
(4,738)	Resource Transfer	(4,964)
(6,216)	Social Care Fund	(6,216)
125,875	Total	135,247
48,952	East Lothian Council	52,823
4,738	Resource Transfer	4,964
6,216	Social Care Fund	6,216
59,906	Total	64,003

9. Agency Transactions

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

10. VAT

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

Appendix 1 – Set Aside

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

What is a set aside budget?

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

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

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

How is the set aside budget agreed?

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

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



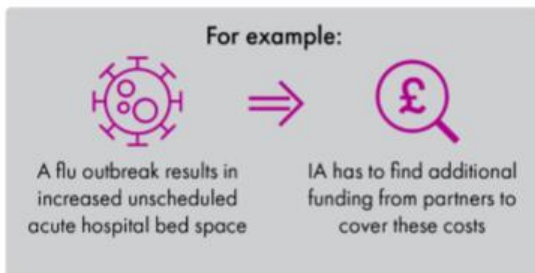
What can change the set aside budget?

In year

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

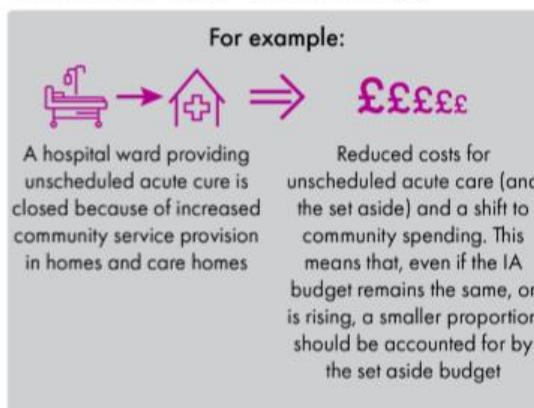
If activity is higher, the IA needs to agree with partners how these additional costs will be met.

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



Longer term

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



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



REPORT TO: East Lothian IJB Audit and Risk Committee
MEETING DATE: 29 June 2022
BY: Chief Finance Officer
SUBJECT: Risk Register: Update

6

1 PURPOSE

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

2 RECOMMENDATIONS

2.1 The Committee is asked to:

- Note the current risk register
- 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.

4 ENGAGEMENT

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

5 POLICY IMPLICATIONS

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

6 INTEGRATED IMPACT ASSESSMENT

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

7 RESOURCE IMPLICATIONS

7.1 Financial – there are none.

7.2 Personnel – there are none.

8 BACKGROUND PAPERS

8.1 None

AUTHOR'S NAME	Claire Flanagan
DESIGNATION	Chief Finance Officer
CONTACT INFO	Claire.flanagan@nhslothian.scot.nhs.uk
DATE	June 2022

ID	Title	Description	Controls in place	Risk level (Current)	Risk level (Target)	Risk Owner	Handler	Date Opened	Description	Progress	Start date	Due 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	Medium	Macdonald, Alison X	Gorman, Iain	11/05/2020	COVID-19 Response	IJB Chief Officer and Head of Operations actively part of East Lothian Council COVID-19 CMT Meeting and NHS Lothian Gold Command Meetings. 01/06/21: These meetings vary depending on the COVID response required. NHS Lothian Gold Command is currently stood down.	11/05/2020	31/03/2023	
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	Medium	Macdonald, Alison X	Macdonald, Alison X	20/08/2021					
5127	EU Exit	There is a risk that the IJB will not be able to deliver against its objectives, its strategic plan and deliver financial balance against its budget due to the impact the EU Exit may have on Partners.	East Lothian HSCP established a local EU Exit Group to assess service-related risks across all functions arising from departure from the EU. This is chaired by Iain Gorman, Head of Operations. In addition, the HSCP provided regular Impact Assessment Report Updates and was represented at the NHS Lothian EU Exit Strategic Group, the remit for which is to manage EU Exit communication strategy and reporting requirements; assess and monitor current, potential and future risks and impact to NHS service. The NHS Lothian Group has paused meetings at times when updates showed no major issues.	Medium	Medium	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 issues arise, so these can be acted on. Future meetings will be arranged as required.	04/03/2021	31/03/2023	
3924	Financial resources may be insufficient to sustain the Strategic Plan	There is a risk that the financial challenges faced by the NHS and East Lothian Council will result in allocations to the IJB that do not allow the Strategic Plan to be delivered leading to the failure to achieve outcomes and targets.	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 "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 takes 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	Medium	Macdonald, Alison X	Flanagan, Claire	26/02/2016	Development of a longer term rolling financial plan for the IJB Annual National and Scottish Budget Allocation	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. 13/06/2022 Through the routine financial monitoring reported to the IJB the future year financial projections and challenges have been shared 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 1 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. 13/06/2022 The IJB set its budget at its March 2022 meeting for financial year 2022/23	16/05/2019	31/03/2022	
5276	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	High	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 members and Officers 2. Involvement in Partners' service reviews 3. Good working relationships and regular formal /informal meetings 4. Participation in MSG self-evaluation to inform improvement actions for better partnership working.	High	Medium	Macdonald, Alison X	Macdonald, Alison X	17/06/2016	Clarity and monitoring of directions	Action extended to cover the period April 2017 to 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.	08/04/2017	26/06/2021	
4947	NHS 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. NHS Project Management support has been recruited. 5. Proactive teams are managing the situation on a daily basis. 6. Contribute to tele-conferencing.	High	High	Macdonald, Alison X	Macdonald, Alison X	19/12/2019	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 NHS 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	
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.	Medium	Medium	Macdonald, Alison X	Macdonald, Alison X	26/02/2016					
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 integration which includes a dispute resolution mechanism 4. Ensuring that membership changes are not all planned at the same time e.g. stakeholder member changes are separate from voting member changes, NHS membership changes on a different cycle from the East Lothian Council membership changes	Medium	Medium	Macdonald, Alison X	Macdonald, Alison X	26/02/2016	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. 13/06/2022 IJB induction for new members being planned and will take place in June 2022	31/05/2017	31/12/2023	



REPORT TO: East Lothian IJB Audit and Risk Committee
MEETING DATE: 29 June 2022
BY: Chief Finance Officer
SUBJECT: Action Log

7

1 PURPOSE

- 1.1 To review the current action log for the committee.

2 RECOMMENDATIONS

- 2.1 The committee is asked to note the current action log and suggest any amendments/updates

3 BACKGROUND

- 3.1 At its December 2021 meeting the committee agreed it would keep and maintain an action log to be presented to the committee.

4 ENGAGEMENT

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

5 POLICY IMPLICATIONS

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

6 INTEGRATED IMPACT ASSESSMENT

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

7 RESOURCE IMPLICATIONS

7.1 Financial – there are none.

7.2 Personnel – there are none.

8 BACKGROUND PAPERS

8.1 None

AUTHOR'S NAME	Claire Flanagan
DESIGNATION	Chief Finance Officer
CONTACT INFO	claire.flangan@nhslothian.scot.nhs.uk
DATE	June 2022

Appendix 1 – East Lothian IJB Audit and Risk Committee, Action Log, June 2022

Action number	Action	Action Description	Date Agreed	Owner	Update
1	CIPFA FM Mgt Code	Agree which elements of this pertain to the IJB and consider the appropriate assurance	March 2021	CFO	Agreed by A&R. To be presented to IJB
2	Best Value	Consider the Audit Scotland Best Value Questionnaire and develop and Best Value Framework	March 2021	CFO/CO	Agreed by A&R. To be presented to IJB
3	Protocol of sharing A&R – Lothian NHS/IJB and Councils	Agree the pan-Lothian A&R sharing protocol	December 2021	CIA	Agreed.
4	Review of IJB Risk register	Undertake a review of the risk register and the risk management process. Review the inter-relationship between the IJB's risk register and those of its partners	March 2022	CO/CFO	Scheduled for September meeting