



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

**TUESDAY 5 DECEMBER 2023  
VIA DIGITAL MEETINGS SYSTEM**

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**Committee Members Present:**

Ms E Gordon  
Ms F Ireland (Chair)  
Councillor J Findlay (\*sub)  
Councillor L Jardine  
Mr D Binnie (NV)

**Other IJB Member Attendees:**

Councillor C McFarlane

**Officers Present:**

Mr D Hood  
Mr D King  
Mr D Stainbank  
Ms F Wilson

**Other Attendees:**

Mr J Boyd, Audit Scotland  
Ms R Browne, Audit Scotland

**Clerk:**

Ms F Currie

**Apologies:**

Councillor L Bruce\*

**Declarations of Interest:**

Item 8 – In the interests of transparency, Fiona Ireland advised that she was Co-Chair of a Change Board.

Item 9 – Also in the interests of transparency, Ms Ireland advised members that she was Deputy Director of Nursing and had responsibility for the Complaints function within NHS Lothian.

## **1. MINUTES OF THE EAST Lothian IJB AUDIT AND RISK COMMITTEE MEETING OF 19 SEPTEMBER 2023**

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 19 September 2023 were approved.

## **2. MATTERS ARISING FROM THE MINUTES OF 19 SEPTEMBER**

There were no matters arising.

## **3. INDEPENDENT AUDITOR'S REVIEW OF THE ANNUAL ACCOUNTS:**

### **A. AUDIT SCOTLAND LETTER TO THE COMMITTEE**

### **B. IJB 2022/23 DRAFT ANNUAL AUDIT REPORT**

John Boyd presented Audit Scotland's draft annual audit report for 2022/23. He informed members that the report would be published on the Audit Scotland website, once finalised. The report covered the audit of financial statements for 2022/23, along with wider areas of audit focus including financial management and sustainability, vision, leadership and governance, and the use of resources to improve outcomes. He outlined the key aspects of the audit work and confirmed that he intended to offer an unmodified opinion on the financial statements. He said the report highlighted that financial sustainability remained a key risk for the IJB and that inflationary pressures continued to create challenges for the IJB, as the commissioning body for services provided by the partners. He also reported on aspects of governance, financial performance and compliance with best value duties.

In response to a question from the Chair on scenario planning, Fiona Wilson advised that discussions were beginning to take place on future plans and a development session was planned for IJB members in January.

Councillor Jardine asked about balancing best value with scenario planning. David King agreed that best value should form a key part of any future plans and intended to provide further information to the Committee in due course. Ms Wilson also acknowledged the importance of best value and referred to some examples already identified within recent provisioning work.

## **Decision**

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

## **4. 2022/23 AUDITED ANNUAL ACCOUNTS**

A report was submitted by the Interim Chief Finance Officer presenting the IJB's annual accounts for 2022/23.

Mr King presented the report outlining the process for the preparation, auditing, and review of the accounts in preparation for their approval by the IJB. Mr Boyd advised that an independent auditor's opinion would be included within the annual accounts, once approved and signed.

The Chair noted that the draft accounts had previously been presented to the Committee for consideration. There were no questions from members.

The Chair moved to a roll call vote and the recommendations were approved unanimously.

## **Decision**

The Committee agreed to:

- i. Note the independent auditor's review of the IJB's annual accounts; and
- ii. Recommend the approval of the annual accounts to the IJB.

## **5. AUDIT & RISK COMMITTEE – SKILLS AND KNOWLEDGE ASSESSMENT**

Duncan Stainbank thanked members for returning their skills and knowledge assessment questionnaires. After initial assessment, it appeared that there were four main areas in which members felt that they would like to increase their knowledge. These were: counter fraud; governance (particularly the annual governance statement); best value; and partnerships and collaborations.

He also noted that some members had still to return the CIPFA audit and governance statement assessments and this would be reported to the Committee's March meeting.

Mr Stainbank suggested some actions to address the identified knowledge gaps:

- a briefing session for Committee members on counter fraud, with particular focus on the work of the Counter Fraud Teams within the Council and NHS Lothian;
- review of the annual governance statement which formed part of the annual accounts. He also suggested that this could come forward as a separate report in future years, to allow the Committee to consider it in more detail.
- a private meeting with Committee members and the internal and external auditors which could include discussion around best value; and
- seeking further views from members on what further understanding was required around partnerships and collaborations, e.g., the relationship between the IJB and its partners.

Elizabeth Gordon welcomed the suggested actions. As a member of the Edinburgh IJB's Audit & Risk Committee, she had attended a meeting with internal and external auditors and had found it extremely helpful. She added that she would like a better understanding of the financial decision-making processes within the Council and how these impacted on the IJB. As an NHS Lothian Board member, she had a better understanding of NHS Lothian financial processes.

The Chair noted that the reverse was likely to be true for Council representatives and that further information on NHS Lothian financial decision-making would also be beneficial.

Mr Stainbank suggested that Committee members might find it useful to have more detailed briefings during the budget setting process.

Councillor Findlay said, as a new member of the Committee and the IJB, he would welcome further information on the relationship between the Council and NHS Lothian to get a broader understanding of the issues before focusing on the detail.

Councillor Jardine said she would also welcome further information on all of the areas identified by Mr Stainbank, particularly around relationships, decision making and budget setting.

The Chair suggested that, going forward, a development session should be added to each of the four Committee meetings during 2024. This proposal was welcomed by members and Mr Stainbank agreed to discuss further with Mr King and draw up a plan for the next few meetings.

## **6. IJB RISK REGISTER**

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

Mr King presented the quarterly update report reminding members that only risks rated '12' or above were reported to the Committee. He highlighted the increase in the risk rating for 'financial sustainability' which reflected the huge challenges in the current and future financial years, and that this was the most significant risk to the IJB and to the partners' ability to provide the resources to deliver the Strategic Plan.

The Chair noted that this report had presented the full risk register rather than just the 'high' and 'very high' risks that were usually brought forward.

Ms Gordon asked about risk 5486 – financial resources – and whether the appointment of a new principal accountant had led to improvements in reporting frequency. Ms Wilson advised that while the Council's Finance Team was still in business continuity, monthly reporting had been reinstated and the staff had been extremely helpful in providing information. Mr King agreed, adding that the information was also now being presented in a clearer format.

Councillor Findlay asked about the timescale for action on Care at Home services. Ms Wilson said she would get an update from the Change Board and respond to Councillor Findlay.

In response to a question from the Chair, Ms Wilson confirmed that, despite recent improvements in financial reporting, it was appropriate to hold the financial resources risk at 'very high', to reflect the continuing pressures on the Council and the risk to the IJB.

The Chair noted that the impact of the National Care Service proposals was still enough of an unknown not to merit any change in the rating; similarly, the 'operational resources' risk remained unchanged.

### **Decision**

The Committee:

- i. Noted the risks on the current risk register; and
- ii. Considered that no further risks should be added to the register.

## **7. OPERATIONAL HEALTH & SOCIAL CARE PARTNERSHIP (HSCP) RISK REGISTER**

A report was submitted by the Chief Officer presenting the HSCP's operational risk register.

The Chair noted that the presentation of this risk register was to make members aware of the operational risks associated with the Health & Social Care Partnership.

Mr King presented the risk register for members' information noting that this was their opportunity to see the risks facing the Partnership and consider if any other issues should be included in the register.

Councillor Jardine asked about net zero/sustainability issues and where this would sit within the register. Ms Wilson advised that this issue was considered in the wider consideration of infrastructure and provisioning work and also in relation to the risk of capital funding not coming forward. She acknowledged that it might be worth considering including this within the register as it had implications for a wide range of issues.

### **Decision**

The Committee considered the HSCP risk register and satisfied themselves that there were no operational risks on this register that could become strategic risks to the IJB.

## **8. INTERNAL AUDIT REPORT – CHANGE BOARD GOVERNANCE**

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit report on Change Board Governance.

Mr Stainbank presented the report, noting that it supported the findings of the Structure and Governance Review of Change Boards presented to the Strategic Planning Group in October 2023. The internal report also made 3 recommendations as part of the audit review. He outlined the recommendations and confirmed that these had been accepted by Management.

In response to a comment from the Chair, Mr Stainbank confirmed that the Committee received an annual report updating them the implementation of the recommendations contained in the internal audit reports presented throughout the year. The next annual report would be presented to the Committee in June 2024.

### **Decision**

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

## **9. INTERNAL AUDIT UPDATE OF NHS Lothian 2023/24 Audit Reports**

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit reports relevant to IJB Governance, Internal Control and Risk Management processes submitted to the NHS Lothian Audit & Risk Committee.

Mr Stainbank presented the report which included NHS Lothian internal audit reports of relevance to the Committee and wider IJB. He summarised the findings of the Review of Complaints Handling within NHS Lothian, prepared in August 2023, drawing attention to the findings including an overall assessment of 'limited assurance' and an assessment of 'no assurance' relating to the lack of a feedback loop and that learning from complaints was not shared across the wider organisation where relevant. However, in June 2023, the NHS implemented a new complaints process which has addressed the issues raised in the report and regular reporting is now in place.

The Chair confirmed that a new process was put in place in 2023 but she felt that more work needed to be done around closing the loop.

Ms Gordon expressed concern about the lack of assurance regarding lessons being learned from complaints and asked whether any progress had been made.

Mr Stainbank understood that some progress had been made but that there was further work to be done. The issues of 'no assurance' was one reason why he felt it was appropriate to bring this report to the Committee's attention.

Councillor Findlay asked if complaints from staff and public were dealt with under the same process and whether the assessment of 'no assurance' related to both groups.

Mr Stainbank said his understanding was that this report related predominantly to complaints from patients rather than staff and the assessment of 'no assurance' related to that process. He added that the implementation of all of the recommendations contained in the report would sit operational within the NHS, however, areas where there was an assessment of 'no assurance' may have impacts for IJB.

The Chair agreed that no assurance regarding the feedback loop was a concern. The issue was that no record of the action plan prepared as result of a complaint was held within the system. There may well have been actions taken as a result of a complaint, but these had not been written down and were not currently shared across service areas. Going forward, the requirement to log a written action plan would be assigned to person handling the complaint, and the issue of sharing learning would be dealt with via the development of a shared learning forum for use across all service areas.

The Chair advised that this report related to complaints from patients and/or their family or advocates. Complaints from employees were dealt with under a different process.

The Chair confirmed that there was a robust plan to report back to the NHS Lothian Audit & Risk Committee. It might also be worth bringing an update to this Committee in six months' time on the implementation of the recommendations.

**Decision**

The Committee agreed to note the contents of the audit report and considered any risk management implications.

Signed .....

Fiona Ireland  
Chair of the East Lothian IJB Audit and Risk Committee