



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

**TUESDAY 24 SEPTEMBER 2024  
VIA DIGITAL MEETINGS SYSTEM**

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**Committee Members Present:**

Dr P Cantley  
Councillor J Findlay  
Ms E Gordon  
Councillor L Jardine (Chair)

**Officers Present:**

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

**Other Attendees:**

Mr I Lochhead

**Clerk:**

Ms F Currie

**Apologies:**

None

**Declarations of Interest:**

None

The Clerk advised that the meeting was being recorded and would be made available as a webcast in order to allow the public access to the democratic process in East Lothian. East Lothian Council and NHS Lothian were the data controllers under the Data Protection Act 2018. Data collected as part of the recording would be retained in accordance with the Council and Health Board's policies on record retention. The webcast of this meeting would be publicly available for up to six months.

The Clerk recorded the attendance of Members by roll call.

### **1. MINUTES OF THE EAST LOTHIAN IJB AUDIT AND RISK COMMITTEE MEETING OF 18 JUNE 2024 (FOR APPROVAL) AND MATTERS ARISING**

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 18 June 2024 were approved.

There were no matters arising.

### **2. UPDATE ON THE AUDIT OF THE 2023/24 ANNUAL ACCOUNTS**

David King gave a brief update on the progress of the audit of the 2023/24 annual accounts. He reminded members that the draft unaudited accounts had been published at the end of June 2024. As a general rule, the audit should take place in August with the accounts presented to the Audit & Risk Committee and IJB in September. However, due to resource challenges within Audit Scotland, the intention now was to conduct the IJB audit alongside the audit for East Lothian Council.

Ian Lochhead, Audit Scotland, confirmed that they would normally be undertaking the audit much earlier in the year, but Audit Scotland was facing challenges similar to many public sector organisations. Their audit of East Lothian Council was about to begin, and they planned to start the IJB audit next month. He advised that there was some flexibility within the timetable, and he would work with officers to agree when the completed audit would be presented to the Committee and to the IJB.

Mr King advised that the next meeting of the Committee was scheduled for 3 December 2024 and the IJB had a scheduled meeting on 19 December.

The Chair indicated that she would prefer to deal with the audit within the business of a scheduled meeting rather than try to arrange an additional date. She was conscious that most members had very busy diaries. Elizabeth Gordon agreed with this proposal.

The Chair asked if Audit Scotland would be likely to meet the target of the December meetings. Mr Lochhead said he was hopeful but could not give a complete guarantee at this time.

Mr King thanked members for their input and agreed to move forward on that basis.

### **3. 2024/25 QUARTER 2 RISK REGISTER**

A report was submitted by the Chief Finance Officer presenting the 2024/25 quarter 2 risk register for the IJB.

Mr King presented the quarterly update report and outlined recent updates to the IJB risk register. He drew attention to the likely increase in risk as a result of the National Care

Service (NCS) which was likely to have a significant impact on the IJB's resources. He confirmed that following previous comments from Councillor Findlay about the HSCP risk register, officers would ensure that all operational risks were included in that register.

Mr King responded to a question from Councillor Findlay expanding on the commentary within the report around the impacts of the NCS on delivery of the IJB's strategic plan. Fiona Wilson acknowledged that there were risks around the delivery of the IJB's other objectives and emphasised the importance of good governance to closely monitor these impacts. She also referred to the discussions with IJB members on finances and delivery of the strategic plan at the recent development session.

Elizabeth Gordon was pleased to see the NCS included. She said that everyone was mindful that even if it didn't increase bureaucracy, the NCS would require a great deal of work to bring it to fruition and that work would take away from tasks in hand.

David Hood replied to a question from the Chair on the drop in the level of the operational resources risk, from very high to medium. He referred to the mitigating actions put in place and that the risk level was a target rather than an absolute. Even with all of the mitigating actions and controls in place, he acknowledged that it would be a challenge to get down to a 'medium' risk. Mr King said he would review the wording in the register to ensure it was clear when talking about a comparison between what the risk was and what officers would want it to be.

The Chair noted these remarks and that while the risk was currently 'very high' the mitigation measure would help to reduce it, even if it did not get as far as the preferred level of 'medium'.

The Chair also said that Ms Gordon's comments around the NCS were extremely pertinent, and she hoped that members had all had the opportunity to contribute to the IJB's response to the Scottish Government's consultation. She said that she had added her views to the Council's response, and she hoped that a pragmatic approach would be adopted going forward.

## **Decision**

The Committee:

- i. Noted the updates made to the register since the last meeting; and
- ii. Agreed to consider if any additional risks should be added to the register.

## **4. AUDIT COMMISSION – INTEGRATION JOINT BOARDS, FINANCE AND PERFORMANCE 2024**

A report was submitted by the Interim Chief Finance Officer presenting to the Committee the Audit Commission's report – Integration Joint Boards, Finance and Performance 2024

Mr King presented the report drawing members' attention to the seven key points and 5 recommendations contained in the Audit Commission report, and to the summary of how East Lothian IJB was performing against each of the recommendations which he had included in his covering report. He said that he was presenting this report to the Committee and later to the IJB to ensure that members had the opportunity to review and discuss the findings.

Mr King, Mr Hood and Ms Wilson responded to questions from Councillor Findlay and the Chair on the IJB's progress with shifting the balance of care. They indicated that in an operational context, the IJB compared favourably against national indicators relating to the number of patients who go into hospital against those in the community. Delayed discharges were sitting in the lower quartile across Scotland and, while there was more to do regarding radical service re-design, East Lothian was performing well. They pointed out that while they were reviewing budgets and extending work around some services, it was not just a financial issue but also about a cultural change and this was why it was important to adopt a whole system approach. There had been real change over the last couple of years, but further work was required. The dynamic was changing and there were now opportunities for the IJB to influence change in areas such as unscheduled care.

Patricia Cantley commended this response saying that it was reassuring that IJBs were not competitive and that by working together they would have a better chance of achieving these goals.

Replying to further questions from the Chair and Ms Gordon, Ms Wilson advised that there was work being done through the Lothian Strategic Development Framework (LSDF), although it was not clear whether this was driving forward change in the same way that Directions would. It was more about doing things collaboratively rather than just giving a direction, but it was an approach that needed further testing. She also provided more detail of the impacts expected from bed modelling exercise being undertaken by NHS Lothian and the importance of taking account of the growth in the population. Mr Hood advised that the work had identified that with demographic changes there would be a shortfall in acute service beds over the next 10 -15 years. The thinking was that the current model was not the most optimal model for patients and there was a need to look at shifting the balance of care at an earlier stage.

Dr Cantley agreed that the change needed to be cultural. She believed that some of this was already being done within East Lothian but that there may be an issue with communicating changes to people in the county and making them aware of the availability of care closer to home. She added that shifting the balance of care was not simply about replicating the same care in a community setting but about ensuring that care was more tailored, and ensuring people that they would not be losing out by having care closer to home.

Mr King and Ms Wilson replied to further questions from members on the turnover of IJB Chief Officers, the possibility of multi-year budget settlements and the impact on the IJB's financial planning and pay disparity between entry level NHS and social care staff.

Ms Wilson offered a final comment on the report noting that it was based on previous year data and was therefore already out of date. However, it encouraged members to consider how to improve performance in the next report and to mitigate against future challenges. The Chair agreed that there would be a need to keep these elements in mind when making future budget decisions and to ensure that the IJB remained on track.

The Chair moved to the roll call vote on the recommendation, which was approved unanimously.

## **Decision**

The Committee agreed to:

- i. Note the Audit Commission's report; and

- ii. Request a report laying out the Audit Commission's report be presented to a business meeting of the IJB.

## **5. INTERNAL AUDIT UPDATE OF NHS Lothian INTERNAL 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.

Duncan Stainbank presented the report. He reminded members of his intention to regularly bring forward audit reports from the two partners. At the Committee's last meeting he had presented reports from the Council's internal audit team, and this time he was presenting two reports from NHS Lothian. He referred members to the summaries of the audit reports as set out in the appendices to his report. The first audit report related to IJB Directions – NHS Lothian Processes. The outcome of the audit work had provided a rating of 'limited assurance' and one recommendation from the action plan remained to be implemented. The second report related to Financial Sustainability. The audit here had provided a rating of 'significant assurance' and Mr Stainbank quoted from the findings. He also reflected that while NHS Lothian was in a relatively good position compared with some other health boards, it was still challenging.

Mr Stainbank responded to questions from Councillor Findlay and the Chair. He provided further detail of the finding with the Directions report relating to insufficient documentation being provided by IJBs and the processes put in place to resolve this. He advised that the lack of documentation meant that it was more difficult to prove that Directions were being implemented but the changes put in place would make this easier. There was no suggestion that IJBs were not acting on their Directions but rather that the audit trail was not sufficiently clear.

The Chair asked if members could be confident that the recommendations had been implemented. Mr Stainbank said he would request more information from the NHS Lothian audit team to ensure all recommendations had been implemented and would provide an update to the Committee at its next meeting.

The Chair said that it was useful for the Committee to see pertinent NHS Lothian reports and it was good to see that the recommendations were being followed through.

### **Decision**

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

Signed: .....

Councillor Lyn Jardine  
Chair of the East Lothian IJB Audit and Risk Committee