



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

**TUESDAY 3 DECEMBER 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 J Boyd, Audit Scotland

**Clerk:**

Ms F Currie

**Apologies:**

None

**Declarations of Interest:**

None

The clerk welcomed everyone to the meeting which is being held remotely and would be made available as a webcast via the Council's website in order to allow the public access to the democratic process in East Lothian. East Lothian Council and NHS Lothian were data controllers under the Data Protection Act 2018. Data collected as part of the recording would be retained in accordance with the Council NHS Lothian's policies on record retention, and the webcast of the meeting would be publicly available for up to six months.

The clerk confirmed the attendance of Committee members by roll call.

**1. MINUTES OF THE EAST LOTHIAN IJB AUDIT AND RISK COMMITTEE MEETING OF 24 SEPTEMBER 2024 (FOR APPROVAL) AND MATTERS ARISING**

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 24 September 2024 were approved. There were no matters arising.

**2. ELIJB ANNUAL AUDIT REPORT 2023/24**

John Boyd, Audit Scotland, (the IJB's Appointed Auditor) presented the draft annual audit report for 2023/24. He highlighted the main areas of the audit work, including financial management, financial sustainability, vision, leadership and governance and use of resources to improve outcomes for the year ended 31 March 2024. He also confirmed that he intended to issue an unqualified audit opinion, adding that the draft accounts were of good standard and had required minimal changes. He thanked all finance colleagues for their assistance during the audit work. He said that although the audit work had been completed later than the statutory timeframe required, there were plans in place to bring future audit work back into line with the end September deadline.

Mr Boyd also drew attention to the key challenges facing the IJB as outlined in the report, including financial sustainability and the importance of the IJB working with its two key partners to set the strategic direction for delivery of sustainable services. He noted that while the IJB had performed strongly, aspects of performance reporting could be improved. He was also mindful that the IJB had yet to adopt a Best Value framework, but he recognised that there were plans in place to do so in new future.

Mr Boyd responded to a question from the Chair on outstanding recommendations from the previous year's audit report. He drew attention to the actions set out in the appendix to this year's report which had recognised that while some work was underway, there remained a level of residual risk attached to those areas where actions had yet to be concluded. He provided a couple of examples and indicated that it was for the IJB to decide if it was comfortable with the level of risk and actions taken.

David King acknowledged that there were significant pressures across the system and referred to the report on the NHS in Scotland, published earlier in the day by Audit Scotland, which referred to a number of these challenges. He said that the IJB had worked hard to ensure that it clearly understood these issues.

Fiona Wilson added that continual monitoring and review of risk registers ensured that understood the impacts on its partners, and regular conversations with staff and other management groups in both NHS Lothian and East Lothian Council, and development sessions with IJB members, supported information sharing and development of future plans.

The Chair noted that it was a very complex working environment and that the IJB was not always in control of all of the elements. She thanked Mr Boyd for the report and Mr King for his assistance.

## **Decision**

The Committee agreed to note the contents of the report.

### **3. 2023/24 AUDITED ANNUAL ACCOUNTS**

A report was submitted by the Interim Chief Finance Officer presenting the IJB's annual accounts for 2023/24.

Mr King presented the report. He reminded members of the process for preparing and publishing the draft accounts and submitting for review by the external auditors. He confirmed that all audit recommendations had been accepted by management and that the accounts now included the auditors' report. He explained that he was seeking approval from the Committee today to allow the annual accounts to be formally signed by himself, the Chief Officer and Chair of the IJB, before he left his post on 6 December. He would then prepare a report for the IJB's meeting later in the month informing members of the outcome.

Elizabeth Gordon asked whether the Committee could leave itself open to criticism for taking this decision on behalf of the IJB, and whether the auditors supported this arrangement.

Mr King said he was aware that, similar to Councils, some IJBs had arrangements in place for their audit committees to approve their annual accounts. East Lothian IJB had previously put this arrangement in place at least once, but he had not sought advance agreement from the IJB on this occasion.

Duncan Stainbank confirmed that the remit of scrutiny bodies could include the consideration and approval of financial statements. However, he was not clear if this was the case here.

Mr Boyd confirmed the process for Councils was slightly different to that of health bodies, where the annual accounts would usually go to Board, however, he acknowledged that there was a mix of practice in place.

The Chair asked Mr King or Mr Stainbank to review the Committee's terms of reference and the financial regulations to confirm if the Committee had the delegated authority to approve the accounts today. In the meantime, she would continue to invite questions from members.

Mr King replied to further questions from Councillor Findlay on the references to short term debtors. David Hood responded to questions from the Chair on care pathways, providing further detail of patient feedback arrangements in place for the CWIC service. Ms Wilson provided further information on the impact of the carer's strategy and on gathering information on population health for modelling and financial planning.

In response to the Chair's earlier request Mr Stainbank provided guidance on the Committee's authority to approve the annual accounts. He confirmed that the IJB had previously agreed to delegate authority to the Committee for approval of the accounts, and that without such delegated authority the IJB must approve the annual accounts. He stated that delegated authority had not been sought in this case.

Mr Boyd suggested that a possible solution would be to seek either approval of the accounts or approval to delegate authority to the Committee from the IJB members via e-mail.

A brief discussion followed, and it was agreed that an e-mail would be sent to the IJB members asking them to give delegated authority to the Committee to approve the annual accounts. Effectively, confirming the decision of the Committee to approve the accounts.

The clerk advised that, in light of this, recommendation (ii) of the report would require an amendment to recognise that the Committee's approval of the accounts would be subject to the agreement of the IJB members.

Councillor Findlay proposed the amendment, and this was seconded by Ms Gordon.

The Chair moved to the roll call votes, firstly on the amendment to recommendation (ii), and then on the report recommendations. The amendment was approved unanimously. The Committee then considered the report recommendations, as amended, and these were also approved unanimously.

## **Decision**

The Committee:

- i. Noted the Independent Auditors review of the IJB's Annual Accounts; and
- ii. Approved the IJB's 2023/24 Annual Accounts, subject to the agreement of the IJB members.

*POST MEETING NOTE: The members of the IJB were contacted via e-mail following the meeting and approval was granted unanimously by the voting members.*

## **4. QUARTER 3 RISK REGISTER**

A report was submitted by the Interim Chief Finance Officer presenting the quarter 3 risk register for the IJB.

Mr King presented the quarterly update report and outlined recent updates to the risk register. He drew attention to his imminent departure and that from 7 December the post of Chief Finance Officer (CFO) would be vacant. He advised that detailed conversations had been taking place with the IJB's partners on how to move forward. However, he invited members to consider the potential risks associated with this situation and whether it should be included as a separate risk on the register.

Ms Wilson provided an update to members on the current position confirming that an advert for a full time CFO post for East Lothian IJB had been published. In the meantime, advice had been sought from the partners on the specific section 95 responsibilities and legal requirements of the role and how this might impact on recruitment. A report on the CFO situation would be presented to the IJB at its meeting later in the month.

Both the Chair and Ms Gordon acknowledged that the temporary absence of a CFO was not an ideal situation, however the update on recruitment was a positive step forward. Both agreed that this should be added to the register as a separate risk to reflect the potential seriousness of the post remaining unfilled. The Chair added that Ms Wilson should continue to make the case with the partners for matters to be resolved as soon as possible.

Ms Wilson reported that officers from the Council had suggested pursuing a temporary solution through the use of agency staff. This option would require further exploration but might help to mitigate the risk in the short-term.

Councillor Findlay asked if there would be a time limit around any temporary appointment. Ms Wilson indicated that it would be fixed and probably tied in with the timeframe for recruitment of a permanent appointment. She added that this would be reviewed as things progressed and that any temporary appointee would have to meet the specified requirements of the role.

Mr King said he would update the risk register as agreed. He also invited members to consider whether any changes were required to the risk relating to the National care Service (NCS). Previously, members had agreed that the proposals would have had a considerable impact on the IJB's resources, however, the Scottish Government had recently paused progress with the NCS Bill. He invited members' views on how this should be reflected in the register.

Ms Gordon felt that the risk should remain on the register but should be updated to reflect the uncertainty and potential to disrupt future planning by the IJB. She also questioned whether the risk level should be revised.

The Chair agreed saying that it was the uncertainty around what might happen, rather than the impact of any impending change, that was of greatest concern.

Mr King suggested that the risk remain on the register with the wording amended as discussed, and it would be reviewed again in March 2025.

Mr Hood advised members that the level of the risks relating to financial reporting and resourcing challenges had also been the subject of discussion at the recent quarterly review. He said that the levels reflected the seriousness of the financial challenges. He also referred to previous conversations at the Committee about the accuracy of financial reporting. He said that a huge amount of work had been undertaken on all sides and financial reporting was now in a much better place. Nevertheless, the ongoing financial challenges, along with the imminent departure of the Interim CFO, meant that this remained a live risk. He said that the overall view had been that the risk relating to accurate financial reporting should remain on the register as a 'medium' risk and be reviewed in six months.

Mr King agreed that the quality of financial reporting information had improved significantly but the loss of a CFO meant that the IJB had temporarily lost the ability to fully interpret this information. He agreed that the risk should remain on the register.

Ms Gordon also agreed with this assessment and suggested a change to the wording to reflect that, without a CFO, the IJB lacked the ability to fully interpret financial reporting data. She also queried whether this issue should sit within the financial risk or the CFO risk.

The Chair pointed out that the way that the Council worked, in term of financial reporting and planning, was very different to the way health boards worked, and both were very different from private sector organisations. This could be a challenge for an agency person depending on their experience. She agreed that the principle of having a sufficiently informed CFO was worth investigating.

The Chair invited members to note the contents of the risk register, with the inclusion of a specific risk related to the Chief Finance Officer vacancy.

**Decision**

The Committee:

- i. Noted the updates made to the register since the last meeting; and
- ii. Agreed to add an additional risk to the register regarding the Chief Finance Officer vacancy.

**5. QUARTERLY INTERNAL AUDIT RECOMMENDATIONS FOLLOW-UP**

A report was submitted by the Chief Internal Auditor informing the Committee of the Internal Audit work undertaken during 2024/25 to follow-up on the recommendations made in previous Internal Audit work.

Mr Stainbank presented the report. He drew members' attention to the details of recommendations completed and not yet completed which were set out in the report, along with revised dates for completion. He advised that a further update would be provided in due course.

There were no questions from members.

The Chair thanked Mr Stainbank for the report and said she looked forward to receiving a further update in due course.

**Decision**

The Committee agreed to note the follow-up work undertaken and the revised timescales for the recommendations that have not yet been completed.

Signed: .....

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