



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

**TUESDAY 6 MARCH 2018
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

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Members Present:

Mrs M McKay (Chair)
Councillor S Currie
Ms F Ireland
Mr A Joyce

Officers Present:

Mr D King
Mr D Small
Ms M Garden
Mr S Allan

Others Present:

Ms E Scoburgh, Audit Scotland

Clerk:

Ms F Currie

Apologies:

Councillor F O'Donnell

Declarations of Interest:

None

1. MINUTES OF THE IJB AUDIT AND RISK COMMITTEE MEETING OF 12 DECEMBER 2017

The minutes of the East Lothian IJB Audit and Risk Committee meeting of 12 December 2017 were approved.

2. MATTERS ARISING FROM THE MINUTES OF THE MEETING OF 12 DECEMBER 2017

(Item 4) Directions – in reply to a question from the Chair, David King confirmed that a report would be presented to the IJB.

(Item 5) Risk Management Strategy Workshop – Mr King reported that the workshop had taken place and this would be covered later in the agenda.

(Item 6) Workforce Planning – a copy of the report was circulated to members at the meeting and Fiona Ireland provided a brief summary of the conclusions. In general, the report found that there was significant scope for improvement in the way the NHS approached workforce planning. Ms Ireland referred to work being undertaken on staffing for nursing and midwifery and the use of workforce planning tools. She indicated that this work could in future be extended into social care. She concluded that although some workforce planning had been undertaken by the IJB more needed to be done to reflect the transformation changes required in some services and which could take several years to have an effect.

Ms Ireland also advised that the Scottish Government had produced two of its three workforce plans, for acute care and social care. The third plan, on primary care, had yet to be prepared.

The Chair welcomed the report which she said offered some useful observations in relation to aspects of health and social care which come under the responsibility of the IJB.

Mr King apologised to members for not circulating the report earlier and indicated that David Small would be able to provide an update of IJB workforce planning later in the meeting.

3. EXTERNAL AUDIT – FEE PROPOSITION

A report was submitted by the Chief Finance Officer laying out the proposed audit fee for the IJB for 2017/18.

Mr King presented the report and Esther Scoburgh provided members with some additional context to Audit Scotland's the fee-setting process. She explained that the fee set last year was an estimate based on what were relatively straightforward accounts. However, she said that complexities were now emerging and additional work would be required going forward. This had resulted in fees being set at a more realistic level which was reflective of the amount of work involved, not just in East Lothian but across all IJBs.

Ms Ireland asked for clarification regarding the assertion that fees had reduced overall when the figure which had been quoted was greater than last year. Ms Scoburgh explained that this was a reflection of the reduction in costs overall, not just for IJBs.

The Chair expressed surprise that the fee quoted for the IJB had increased by more than the rate of inflation.

Ms Scoburgh said she would feed these comments back to Audit Scotland.

Decision

The Committee agreed to note the report.

4. EAST LOTHIAN INTEGRATION JOINT BOARD ANNUAL AUDIT PLAN 2017/18

A report was submitted by Audit Scotland setting out the planned scope and timing of their audit work in relation to the IJB.

Ms Scoburgh presented the report outlining the key risks, reporting arrangements, audit scope, timing and the wider audit dimensions. She advised members that a Best Value Assurance Review was being undertaken on East Lothian Council this year which included elements of IJB work. The final report would be published in October 2018.

In response to questions from the Chair, Ms Scoburgh confirmed that there would be substantive testing of the Council's social care expenditure, as it related to delegated functions of the IJB, looking at the flow of expenditure all the way to delivery of the service on the ground. She explained that this work would allow the required assurances to be given to the IJB and would not be a duplication of the work undertaken as part of the Council audit.

Councillor Currie asked whether the auditors intended to widen their discussions to include members of the IJB. He suggested that in the interests of transparency it might be beneficial to obtain the perspectives of members, in addition to those of the chief officers. He added that those involved in scrutiny or those involved in decision-making who were not officers may hold a different point of view.

Ms Scoburgh explained that, on the whole, the auditors did not usually deal with elected members but she acknowledged that the IJB included more lay members and she said that she had had the opportunity to observe discussions and debate at a number of meetings. She also pointed out that she would be meeting with elected members and officers as part of the Best Value audit being carried out within the Council.

Ms Ireland commented that officers would presumably be asked to provide evidence to back up their views.

Ms Scoburgh confirmed that while the work started with a conversation the auditors then looked at the evidence. She said that it would be interesting to see how the Best Value audit conversations progress and whether the perspectives of individual elected members reflected what the auditors had observed at Committee meetings. However, she accepted Councillor Currie's point in relation to the IJB that the auditors could not just accept one person's view.

The Chair said that it would be useful to have a discussion as a future point if there was divergence in relation to the IJB. She also observed that it would be interesting to see if the Council's Best Value audit were to throw up any challenges.

Decision

The Committee agreed to note the report.

5. INTERNAL AUDIT PLAN 2018/19

A report was submitted by the Chief Internal Auditor informing the Committee of Internal audit's operational plan for 2018/19.

Stuart Allan presented the report outlining the factors taken into account when preparing the annual audit plan, the procedures for undertaking reviews and the work undertaken by both the East Lothian Council and NHS Lothian internal audit teams.

Alex Joyce asked if the Council's internal audit team were satisfied by the level of support provided by colleagues in NHS Lothian. He indicated that concerns had been expressed by colleagues in the Edinburgh IJB Audit & Risk Committee.

Mala Garden said that, in her view, she considered the division of work to be fair as NHS Lothian's internal audit team had to provide a service to three IJBs (East Lothian, Midlothian and Edinburgh).

Mr King shared the anxieties expressed by IJB members in Edinburgh. He referred to the Integration Scheme and the requirement that the partners support the IJBs. However, he said he was reassured by Ms Garden's comments.

Ms Garden added that it might be helpful if someone from NHS Lothian internal audit came to the meeting to present their report rather than expecting her to present it to the Committee. Mr King indicated that this may be looked in future.

The Chair asked how the team decided which areas should be audited. Ms Garden explained that they took a risk-based approach and tried to give assurances that risks were managed appropriately. She said that last year the team had looked at the Strategic Plan which had identified areas for further work and some of these were included in the 2018/19 Plan.

Decision

The Committee approved the Audit Plan for 2018/19.

6. RISK MANAGEMENT STRATEGY AND POLICY

A report was submitted by the Chief Finance Officer laying out the IJB's risk management strategy and the IJB's risk policy.

Mr King presented the report inviting members to comment on the risk management policy and strategy before it was presented to the IJB for approval. He explained that, in general, the risks could be put into two categories: risks to IJB's business and delivery of its Strategic Plan; and operational risks for the partners. While the IJB could take action on the strategic risks, there was a limited amount they could do in relation to operational risks. He reminded members of the discussions which took place at the workshop in January 2018 regarding risks to the IJB's business and the need for the IJB to be kept informed of operational risks. In addition to the Strategy and Policy, he also invited members' comments on the templates attached to the report.

The Chair asked members to consider whether they needed to know more about operational risks or whether they were content to rely on officers to bring those to their attention as and when required.

Councillor Currie referred to effective risk management in relation to options appraisals and the how the IJB could build into the process safeguards to ensure that members were aware of all of the options and not just the preferred options. He said that this was essential if the IJB was to be able to defend its decisions.

Ms Ireland said that this was exactly the reason for suggesting that the IJB know about operational risks. She added that members also needed to understand the point at which operational risks become strategic risks: when the IJB began using that information to make decisions on the future direction of services.

Mr King responded that the policy agreed by IJB was that all options needed to be clearly laid out. He also accepted Ms Ireland's point but expressed his concerns about the risk register becoming a huge document that people may find difficult to read through and understand.

Councillor Currie reiterated the importance of the IJB being able to demonstrate that it has gone through the process, even if there is only one option for consideration, and can clearly show the reasons for its decision. He linked this with ensuring that where possible these reports were made public.

Mr King suggested that when presenting the Strategy and Policy to the IJB he include additional information in the covering report recommending that all options are properly reviewed and set out and outlining what this would mean in practice. He also agreed that it was hugely important for the IJB to ensure that it engaged effectively with the public in its decision-making.

Decision

The Committee agreed:

- i) the draft risk management strategy;
- ii) the draft risk management policy; and
- iii) to recommend the strategy and policy to the IJB.

7. RISK REGISTER UPDATE

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

Mr King presented the report indicating that the register had been updated since its last presentation to the Committee. He invited members to consider whether they felt the risks outlined were accurate and whether the mitigation measures were adequate.

The Chair said that members needed to understand what was meant by "adequate but partially effective" when talking about control measures and how these measures could be made more fully effective.

Councillor Currie referred to Risk 3925 and asked about the impact of the National Care Home Contract. He asked if this risk differentiated between care homes owned by the Council and those owned by private providers, as there were different risks associated with each.

Mr King explained that the IJB could only direct the Council to provide a specific number of care home places. It could not dictate how many of those were Council and how many were private sector. That would be an operational decision for the Council.

Councillor Currie argued that if there all of the care home places in a particular area were provided by the private sector, residents would have no choice but to pay more for care and this might not be sustainable in the long-term. This could result in an added financial risk to the Council which could also impact on the operational risk.

Ms Ireland agreed adding that those were the risks which the IJB needed to fully understand as they had the potential to derail its Directions.

The Chair observed that this issue was a concern for many people that if they were not able to afford care home costs how the care would be supplied.

Councillor Currie reiterated the importance of understanding the risks involved in any decision-making process and of ensuring that where risks are rated 'red' appropriate mitigation measures were put in place to reduce to them to 'amber' or 'yellow'.

The Chair agreed to the need to ensure that, when the IJB has proposals for change, the full range of implications are clear.

Ms Ireland added that the IJB would also need to understand how the risks might impact on delivery of the Strategic Plan as this would influence what the IJB's future proposals for the Plan.

Councillor Currie said that, as well as understanding the risks, the IJB needed to know whether control measures were adequate before it could make decisions on key proposals.

Ms Garden advised members that as part of the 2017/18 Audit Plan an audit was being undertaken on the IJB's risk management processes and a report would be presented to the Committee in June. She said she would review the information that had been presented at this meeting and give assurance as to whether the processes were robust and effective.

The Chair thanked Ms Garden and said that the Committee must also decide on how it could ensure the issues discussed were reflected in the information going to the IJB.

Mr King undertook to review the risk register taking account of members' comments and to provide a separate report on significant 'operational' risks for the next Committee meeting in June 2018.

Decision

The Committee agreed:

- i) that no further risks should be added;
- ii) that the risk mitigation actions were adequate; and
- iii) that Mr King would prepare a report on significant 'operational' risks for the next Committee meeting.

8. UPDATE ON ACTIONS FROM THE ANNUAL ACCOUNTS

A report was submitted by the Chief Finance Officer to update the Committee on the actions from the AGS and Annual Accounts paper which was presented to the Committee at its last meeting.

Mr King presented the update explaining that the issues were those identified as part of the governance review and the work by the external auditors. He said that the information contained in the report reflected progress to date.

Mr Small advised that the joint workforce plan, as proposed by the Scottish Government, would be presented to the IJB at its meeting on 22 March 2018.

Decision

The Committee agreed to note the update.

9. REPORTS FROM OTHER BODIES OF INTEREST TO THE IJB

A report was submitted by the Chief Finance Officer to bring to the Committee's attention a letter from the Scottish Government's Health and Sport Committee regarding financial reporting of the IJB's activities to the Scottish Government.

Mr King presented the report outlining the terms of the letter, in particular, the implications for in year reporting by Integration Authorities. While Mr King indicated that he would be inclined to support a request for regular updates, it also raised the possibility of information being released to the Scottish Government which had yet to be reported to the IJB.

Mr King felt it was important to bring this to the attention of the Committee and seek members' views.

Councillor Currie pointed out that under Freedom of Information (FOI) legislation anyone could request information from a local authority. He said the IJB needed to make its own decisions on when and how to report information and his own preference would be to make available any information which could be accessible through an FOI.

Mr King agreed that IJBs should be transparent but reiterated that there may be occasions where information was reported to the Scottish Government which had yet to be reported to the IJB.

Mr Small asked if this would mean advising IJB members of any information reported to the Scottish Government out with the meeting schedule. Mr King suggested that this information could be circulated to IJB members.

Councillor Currie referred to the Council's Members' Library Service which was a central electronic storage area for information of interest to Councillors. He suggested that this type of arrangement may be something to think about.

The Chair welcomed the suggestion of the Members' Library and agreed that this should be explored.

Decision

The Committee agreed to note the report.

10. SCHEDULE OF MEETINGS (JUNE 2018 TO JUNE 2019)

The Committee approved the schedule of meeting dates for 2018/19, as follows:

- Tuesday 5 June 2018, **3.00pm**
- Tuesday 18 September 2018, 2.00pm
- Tuesday 18 December 2018, 2.00pm
- Tuesday 19 March 2019, 2.00pm
- Tuesday 4 June 2019, **3.00pm**

All meetings to take place in the Council Chamber, Town House, Haddington.

DRAFT

Signed

Mrs Margaret McKay
Chair of the East Lothian IJB Audit and Risk Committee



REPORT TO: East Lothian IJB Audit and Risk Committee
MEETING DATE: 28 June 2018
BY: Chief Finance Officer
SUBJECT: Update on Actions from the Annual Accounts

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1 PURPOSE

- 1.1 This report updates the committee on the actions from the AGS and Annual Accounts paper which was presented to the committee at its last meeting.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to note the update.

3 BACKGROUND

- 3.1 At its October 2017 meeting the IJB received a report on the improvement actions that had been laid out both in the IJB's Annual Governance Statement (AGS) and the independent auditors report on the IJB's 2016/17 annual accounts. The IJB asked the committee to ensure that these actions are progressed and the committee chair has asked for an update to be presented at every meeting.
- 3.2 The Chief Internal Auditors Annual report for 2017/18 along with the draft AGS (from which the AGS is derived) is now available and will be discussed at this meeting. It can be seen that there recurring themes (financial balance, performance management etc.) which will take time to resolve but wherein progress continues to be made.
- 3.2 The detail of the actions and the management response was laid out in an appendix to the March '18 paper and this is attached to this report for information.
- 3.3 The update is:-

Actions identified in the AGS	Update
Financial Assurance	The initial financial assurance was presented to the IJB in February 2018 with a final position presented and agreed at the IJB's meeting of May 2018.
Three year financial plan	A draft, outline three year financial plan and an outline financial strategy was presented to the IJB at its February 2018 meeting. This work was developed in detail at the an IJB workshop in January 2018. The IJB supported the plan and the underlying strategy and agreed that this work should be developed further. Further discussion have taken place with the partners to agree the detailed work that will support the continued development of the plan. The IJB now has indicative three year budgets from both partners.
Financial Risk Sharing	The financial risk sharing is laid out in the Integration scheme. The IJB has broken even in 2017/18 albeit with c. £900k of support from the partners.
Support to the IJB from the partners	The partners have continued to provide support to the IJB.
Performance management	Regular reports are now being presented to the IJB. The A&R committee had a workshop at the end of the IJB's January meeting to discuss risk management and the assurance that can be derived from performance data. The IJB's Internal Audit report on performance management was presented to the IJB at its February 2018 meeting and further actions were agreed.
Risk management	Workshop as above and the committee has now agreed the risk management strategy and policy. This will be presented to the IJB at its meeting on 28 June for formal agreement
Use of the Social Care Fund	The 17/18 position was reported to the IJB at its March 2018 meeting along with proposals for 2018/19.
Risk Register	See above
Participation, engagement and the workforce development plan	The IJB is working with the partners to produce a workforce plan

Budget monitoring	Regular updates on the 2017/18 financial position have been and continue to be presented to the IJB. Initial outline of the 18/19 position were provided at the IJB's February 2018 meeting and further at the IJB's June 2018 meeting
Efficiency savings	The efficiency savings proposed in 2017/18 were presented to the IJB at its December meeting. The 2018/19 and future plans were examined in the financial assurance paper to the March IJB

4 ENGAGEMENT

- 4.1 The IJB's Audit and Risk committee is held in public and the papers are openly available in line.

5 POLICY IMPLICATIONS

- 5.1 There are no new policy implication for the IJB in this report

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 Previous reports to the committee and reports to the IJB's February 2018 meeting.

AUTHOR'S NAME	David King
DESIGNATION	Chief Finance Officer
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DATE	20 June 2018

Appendices

1. Action plan for AGS – Annual Accounts 2016/17
2. Extract from independent auditors report on the 2016/17 annual accounts

Appendix 1 - Extract from the 2016/17 annual accounts – AGS action plan

Areas for Improvement identified in 2015/16	Action undertaken 2016/17
<p>Financial Assurance Finalisation of the 2016/17 financial assurance process including a formal offer of financial resources from NHS Lothian</p>	<p>At its March 2016 meeting the IJB accepted the East Lothian Council budgetary offer and an indicative offer from NHS Lothian. NHS Lothian's formal financial allocation offer for 2016/17 was received on 14 June 2016. The final financial assurance for 2016/17 was presented to the IJB at its August meeting. The IJB agreed to the proposed budget.</p>
<p>Three year financial plan The financial plan that underpins the IJB's Strategic Plan should cover a three year period.</p>	<p>Although NHS Lothian have only made an offer for one year, East Lothian Council have made a three year indicative position. The 2017/18 budget is also a one year settlement however this is now being addressed in 2017/18 as part of the future budget setting process.</p>
<p>Financial Risk Sharing Completion of a financial risk sharing agreement between the IJB and its partners.</p>	<p>The 2016/17 financial risk sharing was agreed. NHS Lothian agreed to cover the health elements of the IJB's budget and East Lothian Council made an additional £1.0m available to cover any overspends within the social care element of the IJB's budget.</p>

Areas for Improvement identified in 2015/16	Action undertaken 2016/17
<p>Support to the IJB from the partners Finalisation of the actions requiring to be undertaken by the partners to support the IJB as laid out in the IJB's integration scheme.</p>	<p>A range of matters have been progressed :-</p> <ul style="list-style-type: none"> • Additional staffing to support for the IJB's planning team • Support from NHS Lothian Internal Audit team to the IJB's CIA • Support for the delivery of performance and activity information from NHS Lothian • Support to prepare an IJB risk register • Redesign of the NHS Strategic Planning group and NHS Finance and performance group to reflect the responsibilities of the IJB • Agreement to an whole Lothian system Internal Audit report sharing mechanism – that is all four councils, NHS Lothian and all four IJBs • Representation of the IJB on NHS Lothian's clinical governance committee.
<p>Performance management Further development of the performance management framework for the IJB.</p>	<p>The IJB is continuing to work with its partners to agree and implement a system of performance management (including financial performance). Detailed reports were presented to the IJB at its meetings in August 2016 and February 2017. Further reports will be presented to the IJB in 2017/18.</p>
<p>Risk management Further developments in the risk management system for the IJB.</p>	<p>A draft proposal and risk register was submitted to the IJB's Audit and Risk Committee on 23 March 2016 with a further report along with an updated risk register which was presented to the Audit and Risk Committee on 21 June 2016. The risk register continues to be developed and has been presented to the Audit and Risk Committee at each of its meeting in 2016/17.</p>

Area for Improvement identified in 2016/17	Actions to be undertaken In 2017/18
<p>Use of the Social Care Fund A lack of a clear audit trail to monitor the actual social care fund (£4.37 million) expenditure incurred to date for certain categories of spends.</p>	<p>A range of reports regarding the SCF were made to the IJB in 2016/17 a final report will be made to the IJB meeting of June 2016. This report shows that the expenditure on the SCF was in line with the IJB's agreement with East Lothian Council.</p>
<p>Performance Management The need to ensure that the performance management framework is fully developed and clearly sets out how the IJB will measure performance against the Strategic Plan, identify areas where improvements are required and demonstrate to stakeholders the benefits that are being delivered.</p>	<p>This work continues supported by the IJB's partners and a reporting mechanism has been agreed with further development work in train. Reports were presented to the IJB at its meetings in August 2016 and February 2017.</p>
<p>Risk Register The risk register in place requires review to ensure that it includes all ongoing and emerging risks facing the IJB including these identified as part of the financial assurance process. The register should clearly set out the additional controls and measures to manage the risks identified and meet the desired risk targets.</p>	<p>The IJB's risk register was presented to the meeting of the IJB's Audit and Risk committee in 2016/17. It is being reviewed and updated and work is underway with both NHS Lothian and the other IJBs in the Lothians to ensure that there are all the risk are appropriately covered.</p>
<p>Participation, engagement and the workforce development plan Progress that requires to be made on Participation and Engagement and the Workforce Development and Support Plan, to ensure compliance with the Integration Scheme.</p>	<p>The IJB has continued to engage both its partners and, more importantly the public which its services. Regular updates and briefings are provided on the IJB's website and the IJB has undertaken a second 'big conversation' to engage with the public.</p>

Appendix 1

Action plan 2016/17

2016/17 recommendations for improvement



Para no.	Issue/risk	Recommendation	Agreed management action/timing
28	<p>1. Budget monitoring</p> <p>Quarterly budget monitoring reports were not produced during 2016/17 as per the Integration Scheme.</p> <p>Risk: The absence of adequate budget monitoring arrangements increases the risk that the IJB will fail to identify and remedy with its partners any projected overspends.</p>	<p>For 2017/18, the IJB needs to finalise its financial plan based on offers from the partners and ensure this is reported quarterly to Members.</p>	<p>The IJB is monitoring the 17/18 position closely and has reported the first quarter position and indicative out-turns to the IJB in August 2017. The financial position will be updated on a quarterly basis and the CO and CFO are progressing any required recovery plans with the partners.</p> <p>Action by the CO and the CFO. Quarterly reports.</p>

30	<p>2. Risk sharing framework</p> <p>There is no risk sharing framework in place between the IJB and its partners.</p> <p>NHS Lothian and East Lothian Council were required to provide additional funding in the year in order for the IJB to deliver a break even position.</p> <p>In 2017/18 and future years, in the absence of such funding agreements, the IJB may fail to achieve this break-even position.</p> <p>Risk: In the absence of this framework, and given the funding challenges going forward, there is a risk that lines of accountability for overspends are unclear and go unresolved.</p>	<p>The IJB should put in place a risk sharing framework with its partners to ensure that the lines of accountability regarding overspends are clearly set out.</p>	<p>As above, the IJB will follow the actions to manage overspends as laid out in the Integration Scheme. Having reported the potential for an overspend at to the IJB's August 2017 meeting, the CO and the CFO have requested recovery plans from the partners. The CFO will continue to report this position to the IJB .</p> <p>Action – CFO, updated quarterly.</p>
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48	<p>3. Financial Planning</p> <p>The IJB does not have a medium to long term financial plan in place. Despite the IJB being fully funded by partners</p>	<p>The IJB needs to develop medium to long term financial plans to assist in addressing upcoming and future budget challenges.</p>	<p>The IJB is working with its partners who will provide it with indicative three year allocations. Having considered the resources available to it</p>
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[Appendix 1 Action plan 2016/17 | 21](#)



Para no.	Issue/risk	Recommendation	Agreed management action/timing
	<p>who only receive annual funding allocations from the Scottish Government, this should not prevent the IJB from preparing medium to long term financial plans based on sensitivity analysis and scenario planning for possible budget changes.</p> <p>Risk: Issues relating to financial sustainability and planning in the medium to long term are not identified in a timely matter and this could prevent future delivery of key services.</p>		<p>the IJB will prepare a three year financial plan laying out how it will achieve its Strategic Plan. The partners are committed to supporting the IJB in these actions and the CFO and CO have been discussing and preparing these plans working with both the partners and the IJB's Strategic Planning Group.</p> <p>The proposal is to prepare an outline plan by January 2018.</p> <p>Action CFO</p>

54	4. Efficiency savings <p>For 2017/18 the IJB is required to deliver £3.3 million savings with £500,000 yet to be identified. Robust plans need to be in place as it is unlikely that further funds will be made available by partners to fund any further pressures.</p> <p>Risk: The IJB may not be able to deliver the targeted savings in 2017/18 and will not break-even.</p>	<p>The IJB needs to identify and agree the remaining 2017/18 savings required in order to break-even.</p>	<p>As above, the IJB has approached the partners regarding their efficiency and recovery plans and this will be reported as part of the quarterly financial reporting.</p> <p>Action CFO, updated quarterly.</p>
65	5. Risk management <p>The IJB has not developed its own risk management strategy, and has chosen to rely exclusively on the risk management strategy of its partners in developing its own risk register.</p> <p>Risk: The IJB is not in compliance with the requirements of the Integration Scheme with respect to risk management and could consequently be less effective in capturing and monitoring all of the relevant risks for the IJB.</p>	<p>The IJB should develop its own risk management strategy to ensure it is complying with the Integration Scheme. Further work is still to be done to refine the risk management and review processes within the IJB.</p>	<p>Agreed.</p> <p>This will be developed with the IJB's Audit and Risk committee.</p> <p>Action, CO and CFO, to be completed by the end of the financial year.</p>
73	6. Performance reporting <p>The annual performance report was not submitted in line with the Act during 2016/17.</p>	<p>The IJB needs to ensure that it produces an annual performance report in line with the requirements of the Act and that it is relevant to the</p>	<p>The Annual performance report was submitted to the IJB for approval at its August 2017 meeting. The report has now been published on the IJB's</p>



Para no.	Issue/risk	Recommendation	Agreed management action/timing
	Risk: There is a risk that the failure to routinely monitor and report in-year performance could lead to the IJB failing to meet some or all of the metrics set out by the Act as well as failure to address issues as they become known.	IJBs operations and presented to members by 31 July each year.	website.



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 28 June 2018
BY: Chief Internal Auditor
SUBJECT: Internal Audit Report – Delayed Discharges

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1 PURPOSE

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

2 RECOMMENDATION

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

3 BACKGROUND

- 3.1 The NHS Lothian Internal Audit team recently carried out a review of the internal controls surrounding Delayed Discharges as part of the Audit Plan for 2017/18.
- 3.2 The main objective of the audit was to evaluate the adequacy and effectiveness of key internal controls in place over the management of Delayed Discharges.
- 3.3 The main findings from the audit work are outlined in the attached report.

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 RESOURCE IMPLICATIONS

- 7.1 Financial - None
7.2 Personnel - None
7.3 Other - None

8 BACKGROUND PAPERS

- 8.1 None

AUTHOR'S NAME	Mala Garden
DESIGNATION	Chief Internal Auditor
CONTACT INFO	01620 827326
DATE	19 June 2018

Internal Audit



East Lothian IJB – Delayed Discharges

June 2018

Internal Audit Assurance assessment:

Objective One	Objective Two	Objective Three	Objective Four
Significant Assurance	Significant Assurance	Significant Assurance	Significant Assurance

Timetable

Date closing meeting held: 6 June 2018

Date draft report issued: 7 June 2018

Date management comments received: 8 June 2018

Date Final report issued: 8 June 2018

This report has been prepared for internal use as part of NHS Lothian's and East Lothian Integration Joint Board's internal audit service. No part of this report should be made available, quoted or copied to any external party without Internal Audit's prior consent.

Introduction

The Public Bodies (Joint Working) Scotland Act 2014 aims to provide better connected and co-ordinated services for adults through the integration of health and social care services. Through the Integration Scheme, East Lothian Council and NHS Lothian set up the East Lothian Integration Joint Board (ELIJB) which is responsible for directing the provision of delegated functions within East Lothian.

A delayed discharge occurs when a patient, clinically ready for discharge, is unable to leave hospital because the other necessary care, support or accommodation for them is not readily accessible and / or funding is not available, for example to purchase a care home place. There is healthcare evidence that patients who are delayed in hospital for more than 72 hours have worse health outcomes than those who go home sooner.

This audit reviewed the ELIJB controls established to ensure that delayed discharges are managed effectively.

Scope

The objective of the audit was to evaluate the adequacy and effectiveness of the key internal controls in place over the management of delayed discharges. The audit included a review of the completeness and accuracy of admission dates, discharge dates, reasons provided for delays, the completeness and accuracy of reporting, and how issues are identified and escalated. That included sample testing of delayed discharges during 2017-18.

Acknowledgements

We would like to thank all staff consulted during this review, for their assistance and cooperation.

Executive Summary

Summary of Findings

The table below summarises our assessment of the risks and the adequacy and effectiveness of the controls in place to meet each of the risk areas agreed for this audit. Definitions of the ratings applied to each action are set out in Appendix 1.

No.	Control Objectives	Assurance Level	Number of findings			
			Critical	High	Medium	Low
1	There are comprehensive controls in place to monitor and report delayed discharges, which are operating effectively.	Significant Assurance	-	-	-	-
2	Delayed discharges KPIs have been agreed by the IJB Board and are regularly reported and monitored.	Significant Assurance	-	-	1	-
3	Delayed discharges performance information is complete and accurate, and supplied to the IJB Board in a timely manner.	Significant Assurance	-	-	-	-
4	Specific funding initiatives have been planned, including effective consultation on usage of funding.	Significant Assurance	-	-	-	-
TOTAL			-	-	1	-

Conclusion

The area under review comprised 4 control objectives, of which all 4 received Significant Assurance.

There are good controls in place over delayed discharges within the IJB, including the implementation of key initiatives, and daily meetings to discuss individual patients who

discharges have been delayed. However, we have noted that the IJB Board does not always receive key delayed discharge statistics.

Five key initiatives are in place to manage delayed discharges. The Hospital to Home process is led by Senior Charge Nurses, and involves teams of Band 3 nurses moving patients out of hospital to be cared for at home. Care in the short term is provided by HSCP staff, with a collaborative allocation approach working with independent sector firms to arrange for them to provide care to the patients thereafter.

Hospital at Home is a consultant-led team of Advanced Nurse Practitioners and Allied Health Professionals who work on a virtual ward basis, providing care to patients in their own homes. Referrals to the service are mostly made by GPs, however there is also a role for this team in early supported discharge from hospital.

The Discharge to Assess service is led by physiotherapists, and involves fast-tracking patients out of hospital by providing more focused, intensive treatment and then continuing rehabilitation at the patient's home if required.

The HSCP manages a daily "huddle" at Roodlands Hospital which co-ordinates action on all admissions to acute hospitals and the activities of the three teams above.

Finally the Head of Access and Older People's Services (or deputy) chairs a weekly delayed discharge meeting at which all healthcare and social care delays are managed and resources deployed to minimise delayed discharges.

Main Findings

East Lothian IJB has good controls over the management of delayed discharges. Key initiatives are in place to move patients from hospital to home as quickly and safely as possible, and to provide care at home instead of in a hospital environment. In addition, there are daily meetings where discussions are held about individual patients whose discharges have been delayed. Also, NHS Lothian's electronic system TrakCare is used to record delayed discharge information about individual patients.

We have one finding for improvement during the review:

- a review of the IJB Board minutes for the period June 2017 to April 2018 showed that key delayed discharge statistics were not always provided to the IJB Board. For the 11 months sampled (May 2017 to March 2018) no statistics on the number of patients delayed were reported for 4 (36%) months (August, September, October, and December 2017). Also, only the occupied bed days statistics for the period April to July 2017 were supplied to the IJB Board during the period sampled.

Further details of this finding are set out in the Management Action Plan.

Management Action Plan

<p>Control objective 2.1: Delayed discharges KPIs have been agreed by the IJB Board and are regularly reported and monitored.</p> <p>Associated risk of not achieving the control objective: Delayed discharge KPIs are not always provided to the IJB Board.</p>	<p>Medium</p>
<p><u>Observation and risk</u></p> <p>In January 2017 the Ministerial Strategic Group for Health and Community Care announced the intention to assess the performance of IJBs in 2017-18 for six key areas, one of which was delayed discharges. East Lothian IJB uses two key measures of delayed discharge performance, namely the number of patients at the end of each month whose discharge was delayed, and the total number of occupied bed days for which patients have been delayed.</p> <p>These two performance measures should be reported to each meeting of the IJB Board, so that performance can be discussed and any issues identified. However, a review of the IJB Board minutes for the period June 2017 to April 2018 showed that:</p> <ul style="list-style-type: none"> • Statistics on the number of patients at the end of each month whose discharge was delayed were not always provided to the IJB Board. For the 11 months sampled (May 2017 to March 2018) no statistics were reported for 4 (36%) of them (August, September, October, and December 2017) • The only occupied bed days statistics supplied to the IJB Board during the period sampled were for the months April to July 2017. <p>If key statistics on delayed discharges are not reported regularly to the IJB Board there is an increased risk that performance issues are not quickly noted and resolved.</p>	
<p><u>Recommendation</u></p> <p>Key delayed discharge statistics should be reported in a timely and consistent manner to each meeting of IJB Board, namely the number of patients at the end of each month whose discharge was delayed, and the total number of occupied bed days for which patients have been delayed.</p>	
<p><u>Management Response</u></p> <p>The missing statistics on the number of patients whose discharges were delayed was partly due to the timing of IJB meetings which does not always match the timing of delayed discharge censuses. With regard to the reporting of the occupied bed days statistics, the IJB should receive quarterly performance reports but the validated data usually refers to periods several months before the date of the IJB meeting.</p> <p><u>The Management Action</u></p>	

Management will ensure that at each IJB the validated census number for all previously unreported months is reported. This will ensure that the IJB can have clear sight of every month's census number. The IJB will ensure that the quarterly performance report includes the most up to date validated month date on occupied bed days.

Responsibility:

David Small, Chief Officer, East Lothian IJB

Target date:

Immediate.

Appendix 1 - Definition of Ratings

Findings and management actions ratings

Finding Ratings	Definition
Critical	A fundamental failure or absence in the design or operating effectiveness of controls, which requires immediate attention
High	A key control failure has been identified which could be either due to a failure in the design or operating effectiveness. There are no compensating controls in place, and management should aim to implement controls within a calendar month of the review.
Medium	A control failure has been identified which could be either due to a failure in the design or operating effectiveness. Other controls in place partially mitigate the risk to the organisation, however management should look to implement controls to fully cover the risk identified.
Low	Minor non-compliance has been identified with the operating effectiveness of a control, however the design of the control is effective

Report ratings and overall assurance provided

Report Ratings	Definition	When Internal Audit will award this level
No assurance	The Board cannot take any assurance from the audit findings. There remains a significant amount of residual risk.	The controls are not adequately designed and / or operating effectively and immediate management action is required as there remains a significant amount of residual risk (for instance one Critical finding or a number of High findings)
Limited assurance	The Board can take some assurance from the systems of control in place to achieve the control objective, but there remains a significant amount of residual risk which requires action to be taken.	<p>This may be used when:</p> <ul style="list-style-type: none"> There are known material weaknesses in key control areas. It is known that there will have to be changes that are relevant to the control objective (e.g. due to a change in the law) and the impact has not been assessed and planned for. <p>The controls are deficient in some aspects and require management action (for instance one 'high' finding and a number of other lower rated findings)</p>

<p>Moderate assurance</p>	<p>The Board can take reasonable assurance that controls upon which the organisation relies to achieve the control objective are in the main suitably designed and effectively applied. There remains a moderate amount of residual risk.</p>	<p>In most respects the “purpose” is being achieved. There are some areas where further action is required, and the residual risk is greater than “insignificant”.</p> <p>The controls are largely effective and in most respects achieve their purpose with a limited number of findings which require management action (for instance a mix of ‘medium’ findings and ‘low’ findings)</p>
<p>Significant assurance</p>	<p>The Board can take reasonable assurance that the system(s) of control achieves or will achieve the control objective.</p> <p>There may be an insignificant amount of residual risk or none at all.</p>	<p>There is little evidence of system failure and the system appears to be robust and sustainable.</p> <p>The controls adequately mitigate the risk, or weaknesses are only minor (for instance a low number of findings which are all rated as ‘low’ or no findings)</p>



REPORT TO: East Lothian IJB – Audit and Risk Committee

MEETING DATE: 28 June 2018

BY: Chief Internal Auditor

SUBJECT: Internal Audit Report – Risk Management

4b

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 A review of Risk Management was recently undertaken as part of the Audit Plan for 2017/18.
- 3.2 The main objective of the audit was to review the adequacy and effectiveness of the Risk Management arrangements within the IJB.
- 3.3 The main findings from our audit work are outlined in the attached report.

4 ENGAGEMENT

- 4.1 The findings from our 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 RESOURCE IMPLICATIONS

- 7.1 Financial - None
- 7.2 Personnel - None
- 7.3 Other - None

8 BACKGROUND PAPERS

- 8.1 None

AUTHOR'S NAME	Mala Garden
DESIGNATION	Chief Internal Auditor
CONTACT INFO	01620 827326
DATE	19 June 2018



INTERNAL AUDIT REPORT
ON
RISK MANAGEMENT

Date: June 2018

Ext: 7326

**EAST LoTHIAN IJB – INTERNAL AUDIT
RISK MANAGEMENT**

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EAST LoTHIAN IJB – INTERNAL AUDIT RISK MANAGEMENT

1. INTRODUCTION

- 1.1 As part of the Audit Plan for 2017/18, a review was undertaken of the Risk Management arrangements operating within the East Lothian IJB.
- 1.2 Our main findings, recommendations and action plan from the review, form the basis of this report.

2. OBJECTIVE

- 2.1 The main objective of the audit was to review the adequacy and effectiveness of the risk management arrangements within the IJB.

3. FINDINGS

3.1 Strategy and Policy

- 3.1.1 The East Lothian Integration Scheme requires the IJB to develop and agree its own risk management procedure in relation to the carrying out of integration functions.
- 3.1.2 We sought to establish if adequate risk management arrangements are in place. We note that a draft Risk Management Strategy and a draft Risk Management Policy have been developed outlining the IJB's approach to risk management. The strategy outlines the specific risk management objectives of the IJB as follows:
 - To integrate governance and risk management into the planning and oversight of the operational delivery of the functions delegated to the IJB.
 - To promote practical measures to reduce the IJB's exposure to risk and potential loss.
 - To define clear lines of responsibility for the management of risk.
 - To provide a system for monitoring the effectiveness of the risk management framework.
 - To provide a system for feedback on the management of key risks to the IJB.
 - To comply with legislative requirements.
 - To comply with the requirements of Corporate Governance.
- 3.1.3 We note that the draft Risk Management Strategy and the draft Policy were presented to the IJB Audit and Risk Committee on 6 March 2018 and the Committee agreed to recommend the strategy and the policy to the IJB.
- 3.1.4 At the time of our review, the Risk Management Strategy and Policy had yet to be finalised and presented to the IJB. We are informed that these documents will be submitted to the IJB meeting of 28 June 2018 for approval.

3.2 Risk Register

- 3.2.1 We note that an IJB Risk Register is in place – the register was initially presented to the IJB Audit and Risk Committee on 21 June 2016.

3.2.2 We note that the register sets out clear lines of responsibility for the management of risks.

3.3 Risk Assessment

3.3.1 We sought to ensure that the risk register in place was consistent with the strategy. We note that the draft Risk Management Strategy states that the risk register will include the following:

- Risk identification number
- Risk description (linked to the achievement of business objectives)
- Likelihood/impact rating
- Risk rating
- Controls in place
- Potential residual risk
- Planned actions
- Service or person responsible for planned actions/managing the risk
- Timescale for completion of action
- Evidence of regular review

3.3.2 We found that the risk register did not fully comply with the strategy in respect of the following:

- Likelihood/impact rating – a risk matrix does not currently form part of the risk register or of the draft Risk Management Strategy, to allow risks to be analysed in terms of likelihood of occurrence and potential impact. We were unable to verify the risk ratings used in the risk register or to confirm the basis by which risks were categorised as high, medium or low risk.
- Planned actions – we note that a key objective of risk management is to identify measures to reduce the IJB's exposure to risk and potential loss. We found that planned actions are identified for each risk on the risk register, however no updates are being provided to the Audit and Risk Committee to confirm that planned actions have been completed in respect of specific risks.
- Evidence of regular review – we found that the risk register does not currently record details of when risks were last reviewed or the outcome of the review. For example, the current risk rating for risk No. 3927 reduced from 16 to 12 and then subsequently to 9, however no details were recorded on the register of the review carried out or of the reasons for the reduction in risk rating.

We are informed that relevant information is contained in the risk management system used for maintaining the risk register, but that difficulties had been encountered in extracting information for reporting purposes.

3.3.3 We note that for each risk on the risk register, the adequacy of controls column currently states "Adequate but partially effective; control is properly designed but not being implemented properly", however no details are recorded to explain why specific controls are not being implemented properly. We are informed that this wording is one of the options available on the risk management system, although it may not accurately reflect the assessment of the control environment.

3.4 Monitoring and Reporting

- 3.4.1 We note that the strategy states that there will be routine reporting of risk information to the Audit and Risk Committee with appropriate escalation to the IJB as required. It further states that there will be periodic reassessment of individual risks, proportionate to the significance of risks (i.e. low and medium risks fully reassessed every two years and high and very high risks annually) including routine audit of robustness of measures implemented to control risks.
- 3.4.2 We note that the risk register is presented to the Audit and Risk Committee on a regular basis, however we found that:
- the version of the risk register presented to the Audit and Risk Committee meeting of 6 March 2018 did not include the risk owner, planned action, completion dates or updates on outstanding actions;
 - the register had not been updated to reflect new and emerging risks – we are informed that since 2016, no new risks have been identified which may impact on the business of the IJB.
- 3.4.3 We note that the Risk Management Strategy states that operational risks identified that are sufficiently significant to impact upon the business of the IJB can be entered on the IJB's risk register, however the risks will continue to be managed by the appropriate partner(s) and the IJB will require the partner(s) assurance around the management of the risk. At present, no formal mechanisms are in place to ensure that significant risks of partner organisations that may impact upon the IJB's ability to deliver the strategic plan are identified and included in the IJB's risk register.
- 3.4.4 The strategy further states that the IJB will receive a report from the Audit and Risk Committee annually laying out the risk register, the risks and the management actions to mitigate them and confirmation that this process is providing an appropriate level of assurance. We note that although the risk register is regularly presented to the Audit and Risk Committee, there was a lack of evidence of annual reports being presented to the IJB.

4. CONCLUSIONS

Our review has found that risk management arrangements are in place within the IJB, however some areas with scope for improvement were identified, including the monitoring and reporting arrangements and the assessment of risks. Detailed recommendations are contained in our attached action plan.

Weaknesses identified during the course of our audit have been brought to the attention of management. The weaknesses identified are those, which have come to our attention during the course of our normal audit work and are not necessarily all of the weaknesses, which may exist. Although we include a number of recommendations, it is the responsibility of management to determine the extent of the internal control systems appropriate to risk management.

The content of this report has been discussed with the Chief Finance Officer to confirm factual accuracy.

5. ACTION PLAN

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
5.1	Management should ensure that the draft Risk Management Strategy and Policy is finalised and submitted to the IJB for approval.	Medium	Chief Finance Officer	To be presented to the IJB for agreement at its June 2018 meeting		June 2018
5.2	Management should ensure that clear guidance is available to Members on the categorisation of risks – a risk matrix should be appended to the risk register.	Medium	Chief Finance Officer	Risk workshop to be prepared for the September A&R meeting – lay out risk matrix		September 2018
5.3	Management should ensure that all risks detailed on the risk register record both the likelihood and impact rating.	Medium	Chief Finance Officer	Risk report to be amended		June 2018
5.4	Management should ensure that the status of all planned actions is included in the risk register, together with details of completed actions.	Medium	Chief Finance Officer	Risk report to be amended		June 2018
5.5	Management should ensure that the outcome of the periodic reassessment of risks is recorded on the risk register.	Medium	Chief Finance Officer	Risk report to be amended		September 2018

PARA REF	RECOMMENDATION	GRADE	RESPONSIBLE OFFICER	AGREED ACTION	RISK ACCEPTED/ MANAGED	AGREED DATE OF COMPLETION
5.6	Management should review the column headed 'adequacy of controls' in the risk register – where system options are limited, consideration should be given to inserting relevant comments in respect of each control.	Medium	Chief Finance Officer	'Adequacy of controls' will be reviewed		September 2018
5.7	Management should ensure that the Audit and Risk Committee and the IJB are provided with the complete risk register.	Medium	Chief Finance Officer	Risk report to be amended		June 2018
5.8	Management should ensure that the risk register in place is regularly reviewed and updated to include all new and emerging risks, which may impact upon the business of the IJB.	Medium	Chief Finance Officer	Risk register will be reviewed before every A&R meeting		September 2018
5.9	Formal mechanisms should be put in place to ensure that significant risks of partner organisations, which may impact upon the business of the IJB are identified and reflected in the IJB risk register.	Medium	Chief Finance Officer	Report to be prepared for the September A&R meeting		September 2018
5.10	Management should ensure that the risk register is submitted to the IJB on an annual basis.	Medium	Chief Finance Officer	Risk register to be submitted to October IJB		October 2018

6. Grading of Recommendations

In order to assist Management in using our reports, we categorise our recommendations according to their level of priority as follows:

Level	Definition
High	Recommendations which are fundamental to the system and upon which Management should take immediate action.
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.



REPORT TO: East Lothian IJB – Audit and Risk Committee
MEETING DATE: 28 June 2018
BY: Chief Internal Auditor
SUBJECT: Annual Internal Audit Opinion and Report 2017/18

5

1 PURPOSE

- 1.1 The Public Sector Internal Audit Standards (PSIAS) require that the Chief Internal Auditor 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 Audit and Risk Committee of the internal audit work undertaken in 2017/18 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 Audit and Risk Committee is asked to note that the Annual Internal Audit Opinion and Report 2017/18 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 2018.

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 the results of the Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity.

Internal Audit is continually 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 2017/18 through the following processes:

- Compliance with PSIAS.
- 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 members are required to undertake a programme of Continuous Professional Development (CPD).

- 3.4 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. In 2017/18, an external quality assessment of Internal Audit was carried out against the PSIAS to ensure conformance to the Standards.

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 which is comprised of the Chief Internal Auditor, three Senior Auditors and one Senior Audit Assistant.
- 3.6 The PSIAS state that internal auditors must possess the knowledge, skills and competencies needed to perform their individual responsibilities and encourages auditors to demonstrate their proficiency by obtaining appropriate professional certifications and qualifications. The Chief Internal Auditor and the three Senior Auditors are CCAB qualified. The Senior Audit Assistant is part qualified.

- 3.7 The Chief Internal Auditor 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.
- 3.8 In October 2017, the Audit and Risk Committee approved the Internal Audit Plan for 2017/18. Our audit plan was scoped to address the key risks and objectives of the IJB. In 2017/18, Internal Audit reports were issued on the IJB Strategic Plan, Risk Management and Delayed Discharges.
- 3.9 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

- 3.10 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

- 3.11 My 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 and sets out how the IJB will operate, including the scope of the services to be included within the IJB and the financial arrangements.
 - Membership – membership of the IJB is in accordance with the Integration Scheme.
 - The IJB has in place approved Standing Orders and Financial Regulations.
 - Committees – the IJB has established an 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 has formally adopted a Strategic Plan.
 - 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 2017/18.
 - Code of Conduct for Members of the IJB.
 - The work undertaken by Internal Audit during 2017/18.

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.

3.12 During 2017/18, areas identified with scope for improvement included the following:

- Monitoring and reporting of progress being made in implementing the priorities outlined in the Strategic Plan Implementation Programme.
- Strategic planning arrangements for ensuring that roles and remits, accountability structures and governance are operating in accordance with the Strategic Planning Framework.
- Ongoing work in developing the Risk Register, to ensure compliance with the Risk Management Strategy and Policy.
- Monitoring and reporting of performance targets.
- Ongoing work on the Participation and Engagement Strategy and the Workforce Development and Support Plan, to ensure compliance with the Integration Scheme.
- Reporting key statistics on delayed discharges in a timely and consistent manner.

3.13 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

3.14 It is my opinion, subject to the weaknesses outlined in section 3.12 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 2018.

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 RESOURCE IMPLICATIONS

7.1 Financial - None

7.2 Personnel - None

7.3 Other - None

8 BACKGROUND PAPERS

8.1 None

AUTHOR'S NAME	Mala Garden
DESIGNATION	Chief Internal Auditor
CONTACT INFO	01620 827326
DATE	19 June 2018



REPORT TO: East Lothian IJB - Audit and Risk Committee
MEETING DATE: 28 June 2018
BY: Chief Finance Officer
SUBJECT: 2017/18 Annual Accounts

6

1 PURPOSE

- 1.1 This report presents the IJB's draft (unaudited) Annual Accounts for 2017/18.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to:
- i. Consider the IJB's draft annual accounts; and
 - ii. Recommend to the IJB that it agrees the draft annual accounts for publication and 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. The IJB received a paper at its meeting on 24th May 2018 laying out the financial position.

3.4 The Audit and Risk Committee is asked to approve the attached annual accounts reflecting on the Management commentary, the AGS 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	David King
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DATE	20 June 2018



East Lothian Integration Joint Board

Draft Annual Accounts 2017/18

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Audit Arrangements

Under arrangement approved by the Accounts Commission of Local Authority Accounts in Scotland, the auditor with responsibility for the audit of the accounts of East Lothian Integration Joint Board for the period 1st April 2017 to 31st March 2018 is Audit Scotland, 102 West Port, Edinburgh EH3 9DN

Management Commentary

Introduction

The management commentary provides an overview of the key messages relating to the role, remit, members, objectives and the strategy of the East Lothian Integration Joint Board (the IJB). It describes the financial performance for the financial year ended 31 March 2018 and considers those issues and risks which may impact upon the IJB's financial position in the future.

The Role and Remit of the IJB

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 is governed by the Local Government Scotland Act (1973) along with the 2014 regulations and these accounts are prepared on that basis.

These accounts cover the period from 1st April 2017 to 31st March 2018.

The IJB's role and responsibility is to plan for the delivery of the functions that have been delegated to the IJB by East Lothian Council and NHS Lothian. These functions are :-

- 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 at Howden)

The IJB assumed formal responsibility for these functions in April 2016 including the budgets for the delivery of these functions. The IJB published its Strategic Plan for

these functions covering the period from April 2016 to March 2019 in November 2015.

The IJB issued directions to its partners for the financial year 2017/18 in March 2017. This in line with the processes set out in the Public Bodies (Joint Working) (Scotland) Act 2014.

The IJB met 7 times during the financial year 2017/18. There have been a number of changes to the membership of the IJB since the accounts for 2016/17 were published, both as a result of the local elections in May 2017 and other changes and the members of the IJB in March 2018 were as follows:-

Member	Nominated/Appointed by	Role
Peter Murray	Nominated by NHS Lothian	Voting Member, Chair
Fiona O'Donnell	Nominated by East Lothian Council	Voting member, Vice Chair
Shamin Akhtar	Nominated by East Lothian Council	Voting Member
Susan Kempson	Nominated by East Lothian Council	Voting Member
Stuart Currie	Nominated by East Lothian Council	Voting Member,
Alex Joyce	Nominated by NHS Lothian	Voting Member
Moira Whyte	Nominated by NHS Lothian	Voting Member
Fiona Ireland	Nominated by NHS Lothian	Voting Member
David Small	Appointed by the IJB	Chief Officer
David King	Appointed by the IJB	Chief Finance Officer
Fiona Duncan	Nominated by East Lothian Council	Chief Social Worker
Alison MacDonald	Nominated by NHS Lothian	Chief Nurse/Head of Older People and Access
Andrew Flapan	Nominated by NHS Lothian	Medical Consultant
Jon Turvill	Nominated by NHS Lothian	Clinical Director
Richard Fairclough	Appointed by the IJB	General Practitioner
Thomas Miller	Appointed by the IJB	NHS Staff Representative
Penny Dutton	Appointed by the IJB	ELC Staff Side Representative
Margaret McKay	Appointed by the IJB	User/Carer representative, Chair of the Audit and Risk Committee
Elaine Johnston	Appointed by the IJB	Voluntary Sector Representative
Judith Tait	Appointed by the IJB	Head of Adult and Children's Services
Marilyn McNeill	Appointed by the IJB	User representative

Note – all members, except those indicated above as voting members, are non-voting members

David Small, the Chief Officer of the IJB stepped down from that role on 1 July 2018. Alison MacDonald will take up the role of Chief Officer on an Interim Basis from that date.

The IJB's Operations for the Year

2017/18 was the second year of the IJB's operations and the IJB continued to deliver against its Strategic Plan.

One of the key areas of delivery within the health functions of the IJB is further development of the primary care services which will support both health and social care in the community and further the balance of care.

Developments include :-

- **Collaborative Working for Immediate Care (CWIC)**

The Collaborative Working for Immediate Care (CWIC) team was established in Musselburgh Primary Care Centre using Primary Care Transformation Funds in order to test approaches to meet same day demand through a non-medical team. This has allowed the HSCP to assess the role of Nurse Practitioners and Advanced Nurse Practitioners and Advanced Scope Physiotherapists in delivering primary care services. In doing so, this has directed appropriate activity from GPs, one of the desired outcome of the new General Medical Services (GMS) contract. In parallel to CWIC, the HSCP has developed, in partnership with NHS 24 a new primary care telephone triage service. Both CWIC and the NHS 24 service are being assessed for their suitability for roll-out to other GP practices across the county.

- **ELSIE (East Lothian Service for Integrated Care for the Elderly)**

The ELSIE service has continued to support patients in avoiding admission and where admission has been clinically necessary, has supported patients in returning home. This service has contributed to East Lothian's improved delayed discharge performance.

- **East Lothian Care Home Team**

The Care Home Team has continued to provide nursing and care staff of care homes in the Musselburgh and Gullane areas with advice on the clinical and nursing management of individual patients.

The Team schedules regular visits to care homes they cover in order to provide all registered patients with access to Advanced Nurse Practitioners or Nurse Practitioners for the management of acute and long term conditions.

The IJB's Position at 31st March 2018

For the year ending 31st March 2017, the IJB has broken even. That is, the costs incurred in delivering the IJB’s functions by East Lothian Council and NHS Lothian are equal to the income that the IJB received from NHS Lothian and East Lothian Council. However that position has been achieved by both partners making additional resources available.

Before any year-end adjustments, the Health element of the IJB’s budget was underspent whilst the social care element was overspent. Having transferred the health underspend to support the social care overspend, the partners gave the IJB further non-recurrent support to allow the IJB to break-even.

The year-end position being arrived at as follows :-

Values are underspends /(overspends)	Health £000's	Social Care £000's	Total
Initial out-turn position	250	-936	-686
Addition Resources			
NHSiL		75	75
ELC		611	611
Underspend/(overspend)	250	-250	0

The IJB directed the underspend in its health ‘arm’ to be moved so support the initial overspend in social care – this is in line with the Integration Scheme – and thereafter the partners provided additional support. This support is non-recurrent

Analysis of the Financial Statements

The financial statements are all presented on a net basis.

Income and Expenditure

The table below summarises the income and expenditure for the IJB for 2017/18.

	Budget	Budget	Expenditure	Expenditure	Variance	Note
	Health	Social	Health	Social Care		
	£000's	Care	£000's	£000's	£000's	
Direct East Lothian Services						
Community AHPS	1,398		1,376		22	
Community Hospitals	9,274		8,855		419	
District Nursing	2,297		2,215		82	
General Medical Services	14,380		14,610		(231)	
Health Visiting	1,464		1,453		11	
Mental Health	4,215		4,517		(302)	
Other	4,672		4,262		410	
Prescribing	21,227		21,305		(78)	
Resource Transfer	3,227		3,226		1	1
Older People		24,687		24,687	0	
Learning Disabilities		15,375		15,375	0	
Mental Health		1,804		1,804	0	
Physical Disabilities		2,877		2,877	0	
Planning and Performance		2,598		2,598	0	
Other		3,489		3,489	0	
East Lothian Share of pan Lothian						
Set Aside	21,141		21,636		(495)	2
Mental Health	2,166		2,145		21	
Learning Disabilities	1,804		1,929		(125)	
GP Out of Hours	1,214		1,214		0	
Rehabilitation	534		487		46	
Sexual Health	662		661		1	
Psychology	825		805		20	
Substance Misuse	954		984		(30)	
Allied Health Professions	1,305		1,278		27	
Oral Health	1,941		1,873		67	
Other	3,349		3,216		133	
Dental	5,618		5,618		0	3
Ophthalmology	1,948		1,948		0	3
Pharmacy	2,881		2,881		0	3
Totals	108,494	50,829	108,494	50,829	0	
SCF	6,240	-6,240	6,240	-6,240		4
Per accounts	114,734	44,589	114,734	44,589		

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 are the budgets 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 is 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 is a resource which the Scottish Government has directed to the IJB through NHS Lothian and are 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 partnership) 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 service shared across four IJBs per the budget setting model. The IJB share of the total actual costs incurred in 2017/18 for hosted services is 12% and, generally, 12% of the Lothian element of the set aside budgets and the non-cash limited budgets.

Overview of the 2017/18 position.

From the above table, it can be seen that there were a range of financial pressures identified.

Direct East Lothian Services

Within the health budgets although there were operational overspends within mental Health Services and GMS these were offset by underspends in community hospitals and slippage (that is some programmes starting later in the year than planned and thus generating an underspend) within the system.

Within the social care budgets the pressures lay within increased demand for care services, particularly external care for elderly clients and clients with learning and physical disabilities as well as increased transport costs. The social care service also had an ambitious efficiency programme which was not fully delivered in year. As was discussed above, the social care position has been underpinned by further allocations from the partners.

East Lothian Share of pan-Lothian services

The hosted position shows an overspend within the Learning Disabilities services but being offset with underspends in community dental (Oral Health), rehabilitation services and the UNPACS (Other) budget (this is the budget used to support Lothian patients cared for by services outwith NHS Lothian).

The significant overspend within the health budgets is within set aside the main pressures being

- Junior Medical – driven by additional staffing requested to cover rotas for sickness; maternity and vacancies – causing an over-establishment against funded levels. In addition there were significant excess banding payments for non-compliant rotas. New tighter controls regarding authorisation for additional staffing and reviewing rotas before issues arise are now in place to reduce pressure in 18/19
- Gastroenterology - significant drug pressure reported on Adalimumab and Aflibercept driving costs as well as overall higher growth than previous year.
- General Medicine – Pressure driven by staffing issues (significant at St Johns – where recruitment is difficult) and ongoing bed pressures.
- A&E – recruitment issues resulting in additional costs of locums/agency to cover and make safe staffing rotas – especially problematic at SJH.

Balance Sheet

The IJB has broken even in 2017/18 and that there are no outstanding balances either carried into this financial year nor brought forward into future years (the IJB has no assets per its integration scheme). There are no entries in the IJB's balance sheet for 2017/18.

Reserves

The IJB has no reserves at the end of 2017/18.

The IJB's Strategy and Business Model

The IJB presented its financial strategy and outline three year financial plan at its February 2018 meeting. This strategy builds on the principles of realistic care and realistic expectations and this work will be supported through wide ranging public engagement which will not only explain how the health and social care service delivery is changing but will also engage the public as key elements in the delivery of their own care

The key themes underpinning the financial strategy are :-

1. Prioritising the Allocation of Resources

This is a very challenging exercise but the IJB will continue to look at the outcomes delivered by its services and consider how each service contributes to the delivery of the outcomes as described by the Scottish Government. Some of this work will fall naturally out of the service redesign and the IJB's underlying principles of transparency and engagement with the populations it services should support this process.

2. Making more efficient use of resources

The principle of improved efficiency in every service will continue to be pursued. Some of this will be delivered by redesign and some may be delivered by advances in technology.

3. A move from failure demand to prevention

There is little doubt that early intervention, especially in health will both improve that quality of life for individual and often reduce the need to later more costly interventions and treatments. A key part of this is 'co-production' – that is making sure that the individual is fully involved in their health and rather than a recipient of treatment a partner in their overall care.

4. A move from hospital care or care homes to community based services

This is fundamental to the principle of changing the balance of care – the Scottish Government's policy is that more care should be delivered in the home or in a homely setting. Institutional services, especially large acute hospitals are not only costly but the experience of the patients is often poor. Not, of course, in terms of the quality of the clinical care but in terms of having to be moved from the individuals

home and then to be returned back into the community a process which can lead to delays in discharge.

5. A move to improved quality and access

Improved quality of care should lead to better outcomes and mean that individuals do not have to be admitted to institutional services or that they do not have to be readmitted to care unnecessarily. Improved access to the appropriate level of care should support quality and should also support reductions in unnecessary interventions and thus reduce costs.

6. A move from working in silos to team working

In simplest terms this would entail the creation of a 'care team' whose members would support individuals based on the premise that the most appropriate member of the care team intervening where required. The current model often provides a highly trained specialist to support an individual who then refers onto another specialist or to a more generalist support. The system is currently designed around quite specialist services (the 'silos') and the redesign will move from a specialist based system into a team based system with specialist support.

7. A move from reactive to anticipatory care planning

This is an underlying principle to the treatment of individuals with long term conditions or needs. Simply – rather than wait until a crisis and respond to that crisis, a long term anticipatory plan will support the individual through their care path.

Peter Murray
Chair

Alison MacDonald
Interim Chief Officer

David King
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 Audit & Governance Committee on 18 September 2018.

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 2018 and the transactions for the year then ended.

David King
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. In 2017/28, the Chair was nominated by NHS Lothian and the Vice Chair by East Lothian Council.

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 2017/178.

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. Those non-executive members of the NHS Lothian Board, who are also Chairs or Vice Chairs of IJBs, are given an additional notional 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 is also the chair of East Lothian IJB, has received an additional notional day's remuneration specifically for his role as vice chair of the IJB in 2017/18. This remuneration is £8,464 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 David Small who is also the Director of Health and Social Care for East Lothian Council and the Joint Director of the East Lothian Partnership. It has been agreed, and this was disclosed in the accounts for 2016/17, that 50% of his total remuneration is to be shown in the accounts of the IJB as his 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. The Chief Finance officer is David King. The Chief Finance Officer is employed by NHS Lothian and has three roles – the IJB's Chief Finance Officer, the Chief Finance Officer of Midlothian IJB and an operational role in the NHS Lothian finance team. On that basis, one third of the total remuneration is shown below.

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 2016/17 £	Senior Employees	Salary, Fees & Allowances £	Total 2017/18 £
50,865	David Small	52,522	52,522
26,802	David King	27,073	27,071

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.

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.

David Small – Pension Disclosure

Real Increase in Pension	£1,263
Real Increase in Lump Sum	£3,789
Accrued Pension	£10,872
Accrued Lump Sum	£32,616
CETV at start of period	£164,125
CETV at end of period	£190,535

David King – Pension Disclosure

Real Increase in Pension	£333
Real Increase in Lump Sum	£1,000
Accrued Pension	£35,447
Accrued Lump Sum	£106,341
CETV at start of period	£814,112
CETV at end of period	£806,599

Disclosure by Pay Bands

As required by the regulations, the following table shows the number of persons whose remuneration for the year was £50,000 or above, in bands of £5,000.

Number of Employees in Band 2015/16	Remuneration Band	Number of Employees in Band 2016/17
0	£50,000 - £54,999	1
0	£55,000 - £59,999	0
0	£60,000 - £65,000	0

Exit Packages

The IJB did not support nor did it direct to be supported by its partners any exit packages during 2017/18

Peter Murray
Chair

Alison MacDonald
Interim Chief Officer

Annual Governance Statement

Purpose

The annual governance statement lays out how East Lothian Integration Joint Board (the IJB) complies with the Code of Corporate Governance and sets out the framework within which the IJB 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

East Lothian Integration Joint Board 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 IJB. This includes setting the strategic direction, vision, culture and values of the IJB 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 IJB follows the principles of corporate governance based on the CIPFA/SOLACE Framework and Guidance on 'Delivering Good Governance in Local Government'.

The 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 Committees 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 IJB
- Creating the conditions to ensure that all IJB members and the IJB'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 IJB's purpose and intended outcome which provide the basis for the IJB's overall strategy, planning and other decisions
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources and to ensure best value is achieved
- Evaluating and monitoring risk management and internal control on a regular basis

- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the IJB's Chief Internal Auditor
- 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
- 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)
- Ensuring that recommendations for corrective action made by the external auditor are acted upon

East Lothian IJB'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 IJB's financial arrangements and is professionally qualified and suitably experienced.

The IJB 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 IJB's governance framework is informed by:

- The work of the IJB Board, the Strategic Planning Group, and the Audit and Risk Committee
- The annual assurances that are provided by the IJB Chief Officer and the Chief Finance Officer
- The IJB Chief Internal Auditor's annual assurance report which is based on internal audit work completed during the year
- Reports from the IJB'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

East Lothian IJB ('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 its inaugural meeting. 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.
- 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.
- 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 - pending finalisation of arrangements for a Code of Conduct for Members, the Board adopted an Interim Code 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 IJB's Code of Conduct on 1 June 2016.

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

The IJB Chief Internal Auditor concluded that based on the work undertaken in 2017/18 that reasonable assurance can be placed on overall adequacy and effectiveness of the IJB's framework of governance, risk management and control for the period to 31 March 2018, but noted areas for further development. These improvements are reflected below.

Action Plan

A number of areas with scope for improvement were highlighted in the IJB Chief Internal Auditor's Annual Assurance Report and these are summarised below along with the proposed actions. This is in addition to work undertaken over the past two years to improve elements of internal control, risk management and governance reported in 2015/16 and 2016/17.

The areas with scope for improvement in the CIA's annual report are:-

- Monitoring and reporting of progress being made in implementing the priorities outlined in the Strategic Plan Implementation Programme.

Regular reports have been presented to the IJB updating the progress made by its partners on delivering the directions and an annual delivery plan was presented to the IJB in April 2018, which lays out the priorities arising from the Strategic Plan to be delivered in year. The progress against this specific plan will be reported to the IJB during the financial year.

- Strategic planning arrangements for ensuring that roles and remits, accountability structures and governance are operating in accordance with the Strategic Planning Framework.

A complete revision of the strategic planning structure has been discussed and agreed by the IJB's Strategic Planning Group and a paper laying out the revised structure, roles and remits was agreed by the Group at its June 2018 meeting. This will be presented to the IJB for agreement.

- Ongoing work in developing the Risk Register, to ensure compliance with the Risk Management Strategy and Policy.

Further development and review of the risk register continues and will be brought back both to the Audit and Risk Committee and the IJB during the financial year.

- Monitoring and reporting of performance targets.

The IJB has continued to develop its reporting and performance management systems with regular reports now being presented to the IJB.

- Ongoing work on the Participation and Engagement Strategy and the Workforce Development and Support Plan, to ensure compliance with the Integration Scheme.

This work continues to be developed with reports being made to the IJB during 2018/19.

- Reporting key statistics on delayed discharges in a timely and consistent manner.

Delayed discharge statistics have been reported to the IJB verbally at its meetings during 2017/18. Reporting of delayed discharges will be incorporated into the IJB's performance reports.

On the basis of the IJB's assurance system, and the elements of governance at its disposal, we are satisfied that overall East Lothian IJB's systems of internal control, risk management and governance arrangements are of a satisfactory standard. We are aware of areas where improvements are required and steps will be taken in the forthcoming year to address these areas, allowing the IJB to enhance its corporate governance arrangements and seek continuous improvement.

Peter Murray
Chair of the IJB

Alison MacDonald
Interim Chief Officer

Independent auditor's report

To be inserted after the completion of the audit

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 both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2016/17		2017/18
Net Expenditure		Net Expenditure
£m		£m
109.60	NHS Lothian	114.73
44.29	East Lothian Council	44.58
153.89	Cost of Services	159.31
153.89	Taxation and Non-Specific Grant Income	159.31
0.00	Surplus or Deficit on Provision of Services	0.00
0.00	Total Comprehensive Income and Expenditure	0.00

Movement in Reserves Statement

The IJB had no reserves in 2017/18 nor did it hold any reserves to end March 2017

Balance Sheet

The IJB has neither assets nor liabilities at 31st March 2017.

David King
Chief Finance Officer

Notes to the Financial Statements

1. Significant Accounting Policies

General Principles

The Financial Statements summarises the IJB's transactions for the 2017/18 financial year and its position at the year-end of 31 March 2018.

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 2016/17, 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 principle 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 partners. Consequently the IJB does not present a 'Cash and Cash Equivalent' figure on the balance sheet. There are no outstanding funding balances from either partners at 31st March 2018.

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 2018.

Reserves

The IJB's reserves are classified as either Usable or Unusable Reserves.

The IJB's only Usable 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 no reserves as at 31st March 2017.

The IJB's only Unusable Reserve is the Employee Statutory Adjustment Account. This is required by legislation.

The IJB has no reserves at 31 March 2018.

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 2017/18 was £6,000.

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' options 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 2018 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. 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 on 28 September 2018. 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 2018, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

4. Expenditure and Funding Analysis

Expenditure		
2016/17		2017/18
£m	Services specifically for East Lothian	£m
63.94	Health	68.06
44.29	Social Care	44.59
	East Lothian's share of Lothian Health Services	
21.37	Hosted	21.63
24.29	Set Aside	25.04
153.89	Total	159.32
Funded By		
44.29	East Lothian Council	44.59
109.60	NHS Lothian	114.73
153.89		159.32

Expenditure above has been split into three main areas:-

- Expenditure on those services delivered specifically for the population of East Lothian. These services are managed locally by the East Lothian Partnership
- Hosted Services; these are health services managed either by the Edinburgh, East Lothian and West Lothian Partnerships or managed by NHS Lothian on a pan-Lothian basis. These services included Mental Health Services, Learning Disability Services, Substance Misuse Services, Rehabilitation services, General Dental Services, General Pharmaceutical Services and General Ophthalmic Services. This is the IJB's agreed share of these services.
- Set Aside Services; these are services delivered in the main acute hospitals (Royal Infirmary of Edinburgh, Western General Hospital and St. John's Hospital) and managed by NHS Lothian. This is the IJB's agreed share of these services

Corporate Service

Included in the above costs are the following corporate services :-

2016/17 £000's		2017/18 £000's
51	Staff (Chief Officer)	53
17	Audit Fee	24
68	Total	77

5. 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 the NHS Lothian above but where the resources are used by the social care services delivered by East Lothian Council.

2016/17 £m		2017/18 £m
109.60	NHS Lothian	114.73
-3.23	Resource Transfer	-3.23
-4.27	Social Care Fund	-6.2
102.00	Total	105.30
44.29	East Lothian Council	44.59

3.23	Resource Transfer	3.23
4.37	Social Care Fund	6.24
51.89	Total	54.06

Both Resource Transfer and the Social Care Fund are resources which are part of the NHS Lothian budget and are shown as expended therein but these funds are used to deliver social care service supplied by East Lothian Council.

6. VAT

The IJB is not a taxable person 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.



REPORT TO: East Lothian IJB - Audit and Risk Committee
MEETING DATE: 28 June 2018
BY: Chief Finance Officer
SUBJECT: Risk Register - update

7

1 PURPOSE

- 1.1 This report updates the IJB's risk register, the most recent iteration being attached as an appendix.

2 RECOMMENDATIONS

- 2.1 The Committee is asked to:
- Consider the risk register to agree:
 - Should further risks be added?
 - Are the risk mitigation actions adequate?
 - Agree to hold a Datix workshop as part of the September meeting

3 BACKGROUND

- 3.1 The IJB maintains a risk register as part of its overall governance processes. The most up-to-date version of the IJB's risk register is attached to this report.
- 3.2 The risk register has been developed and maintained in line with the draft risk strategy and risk management policy which were considered by the committee previously at this meeting.
- 3.3 The committee is invited to consider the attached risk register and, given the agreed risk strategy and policy, consider if any further risks should be included and if the risk mitigations actions are adequate.
- 3.4 Since the previous report (at the committee's March 2018 meeting) further consideration of the presentation of the risk register – along with the regular review – has taken place. There has been a change in the format to include the actions that are planned to mitigate the risks and to provide further information. This requires further work and some of the progress against the risks, for example, which are described in the

previous paper have not yet been added to the risk register. This work will be completed as soon as possible.

- 3.5 The IJB uses the NHS risk management system – Datix – which is different from that used by the Council. Members of the committee may not be familiar with Datix (they may not be familiar with the Council system either) so it is suggested that the Datix support team provide a workshop as to the mechanism behind the risk register to allow the members to more fully understand the risk management process.
- 3.6 It should be noted that the risk level for risk 3927 (IJB relationship with Partners) has reduced from the previous report. This reflects the experience of the Chief Officer and the Chief Finance Officer over the last year of the quality of that relationship and the support expressed by the partners at the various meetings and discussions that take place.

4 ENGAGEMENT

- 4.1 The IJB's Audit and Risk Committee is held in public and the papers are openly available online.

5 POLICY IMPLICATIONS

- 5.1 There are no further policy implications arising from this paper.

5 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.

6 RESOURCE IMPLICATIONS

- 7.1 Financial – none.
- 7.2 Personnel – none.
- 7.3 Other – none.

7 BACKGROUND PAPERS

- 8.1 Risk Strategy and Risk Management policy – presented to the Committee at this meeting.

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DATE	20 June 2018

Appendix – Risk Register

ID	Risk level	Title	Description	Controls in place	Adequacy of controls	Notes	Likelihood (current)	Consequence (current)	Risk level (current)	Rating (current)	Risk level (Target)	Rating (Target)	Action Plan in Place	Risk Owner	Handler	Date Opened	Opened	Description	Progress	Start date	Due date	Done date
3924	Integrated Joint Board	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	1. Financial assurance process carried out by IJB 2. Engagement of IJB Officers and members in NHS and Council budget setting processes 3. Regular performance monitoring	Adequate but partially effective; control is properly designed but not being implemented properly	[15/06/2018 06:16:02 David King] Changed update date, no new actions no changes to controls.	LIKELY	Major	High	16	Medium	9	Yes	Small, David A	King, David	26/02/2016	15/06/2018	Creation of appropriate financial planning processes	Meetings have taken place regularly, IJB financial plan policy agreed by IJB and drafts presented to IJB	17/06/2016	30/09/2016	30/03/2017
																		Financial Reporting IJB and Policy Decisions		01/04/2017	31/08/2017	01/04/2017
4018	Integrated Joint Board	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 e.g. Acute IJB Interface Group, meetings with Chief Executives and Chairs	Adequate but partially effective; control is properly designed but not being implemented properly		LIKELY	Major	High	16	Medium	9	Yes	Small, David A	King, David	17/06/2016	15/06/2018	Clarity and monitoring of directions	Action extended to cover the period April 2017to March 2018	03/04/2017	31/03/2018	
3925	Integrated Joint Board	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,	1. The Strategic Plan sets out clear priorities 2. IJB directions are clear about actions required by NHS and Council 3. The Partnership Mangement	Adequate but partially effective; control is properly designed but not being implemented properly		LIKELY	Moderate	High	12	Medium	6	Yes	Small, David A	Small, David A	26/02/2016	30/03/2017	Develop Joint Workforce Plan		01/04/2017	30/03/2018	
																		Financial investments in additional capacity		17/06/2016	31/01/2018	
																		Care at Home contracts		01/04/2017	30/09/2017	
3926	Integrated Joint Board	Potential Instability e.g elections / IJB changes	There is a risk that the IJB will be destabilised 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	Adequate but partially effective; control is properly designed but not being implemented properly		POSSIBLE	Moderate	Medium	9	Medium	9	Yes	Small, David A	Small, David A	26/02/2016	15/06/2018	IJB Induction		31/05/2017	30/09/2017	
3927	Integrated Joint Board	Relationship with Partners	There is a risk that East Lothian Council and NHS Lothian do not provide the support services required to enable the IJB to fulfill its functions (e.g. financial planning, I.T. etc)	1. Review of support services in place 2. Clear directions from the IJB to Partners 3. Involvement of IJB membership in Partners' decision making process	Adequate but partially effective; control is properly designed but not being implemented properly		UNLIKELY	Moderate	Medium	6	Medium	6	Yes	Small, David A	Small, David A	26/02/2016	15/06/2018	Implementation of outstanding support services issues		28/04/2016	25/08/2016	