



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

**TUESDAY 18 MARCH 2025
VIA DIGITAL MEETINGS SYSTEM**

Committee Members Present:

Councillor J Findlay
Ms E Gordon
Councillor L Jardine (Chair)
Mr D Binnie

Officers Present:

Mr M Porteous
Mr D Stainbank
Ms F Wilson

Other Attendees:

Mr J Boyd, Audit Scotland

Clerk:

Ms F Currie

Apologies:

Dr P Cantley

Declarations of Interest:

None

The Chair welcomed everyone to the meeting of East Lothian IJB Audit & Risk Committee, which is being held remotely.

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

The clerk confirmed attendance by taking a roll call of Committee members present.

1. MINUTES OF THE EAST LOTHIAN IJB AUDIT AND RISK COMMITTEE MEETING OF 3 DECEMBER 2024 (FOR APPROVAL) AND MATTERS ARISING

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 3 December 2024 were approved.

There were no matters arising.

2. ELIJB ANNUAL AUDIT PLAN 2024/25

John Boyd, Audit Scotland, presented the annual audit plan for 2024/25. He highlighted the main points of the plan including the audit scope and responsibilities, the proposed approach to the audit of the annual accounts and consideration of the wider issue of financial sustainability. He also drew attention to the audit timetable with a final sign off date of 30 September 2025 for the annual audit report, the audit fee and statement of auditor independence.

Mr Boyd responded to questions from Councillor Jeremy Findlay explaining the threshold for reporting misstatements, how this was calculated and what action would be taken if the results were above the reporting threshold.

In reply to a question from Elizabeth Gordon, Mr Boyd advised that as part of the review of financial sustainability he would look at some of the assumptions underpinning the IJB's financial plans and those of the IJB's partners, and how these compared with other bodies. He said that much of this work would be done centrally by the performance audit team.

Responding to questions from the Chair, Mr Boyd said he had no concerns that the appointment of a new Chief Finance Officer would impact the delivery of the audit. He added that the issue of relationships between the IJB's partners and financial reporting through to the IJB would be looked at as part of the audit work. The use of reserves would also be considered as part of the work this year. He noted that while each IJB had its own arrangements there had seemed to be a move away from holding a general reserve. This issue and how IJBs could build up their financial resilience would be looked at as part of wider audit work.

Decision

The Committee agreed to note the contents of the report.

3. 2024/25 RISK REGISTER REVIEW

A report was submitted by the Interim Chief Finance Officer updating the Committee on the status of the current IJB Risk Register and to discuss any proposed changes.

Mike Porteous presented the report noting that this would be the final review of the risk register in the current financial year. There were 7 risks on the register, and he drew attention to some suggested changes:

- Risk 5959 Appointment of a permanent CFO – this was now resolved, and he proposed removing this risk from the register
- Risk 5279 Impact of the National Care Service – this had previously been given a 'high' rating, but he proposed reducing this to 'medium'. The Scottish Government had announced that they would not be going ahead with legislation which would have impacted IJBs, therefore the risk to IJBs was now lower.

He recommended that the other 5 risks – 2 'very high', 2 'high', and 1 'medium' – remain unchanged.

Ms Gordon confirmed that she was content with the proposed changes to the risk register. She also asked whether the arrangements for financial reporting by the Council had improved.

Mr Porteous said that the key issue was that there were different reporting timeframes, and these needed to be aligned with the IJB's meeting dates to ensure that members were getting the most accurate and comprehensive information going forward. He said he was working with both partners to do this and to optimise what was being brought forward to the IJB.

Replying to questions from the Chair, Mr Porteous said that updating the strategic plan at the same time as the longer term financial plan would allow the IJB to be clearer about its key challenges and how these could be managed. It was important that both documents aligned and that the strategic plan reflected the challenging financial landscape going forward while also including a level of aspiration toward transformational change.

Fiona Wilson referred to ongoing mitigation measures and the expectation of being able to present a balanced budget to the JB for 2025/26. With this breathing space, she agreed that it was now time to focus on transformation planning and to ensure that the new strategic plan provided that direction as well as taking account of the challenges ahead.

Replying to David Binnie's question about using the risk register as a lever to agree a balanced budget, Mr Porteous said that he would prefer to have consensus on delivering a balanced budget. However, he acknowledged the point and agreed to look into whether other IJBs had used this approach.

The Chair commented that it was also necessary to consider the legislative framework within which the IJB operated and that was not always straightforward.

In response to a question from Councillor Findlay, Mr Porteous and Ms Wilson provided details of the membership of the Strategic Planning Group (SPG). Ms Wilson added that nothing should go to the IJB for a decision without first going through the SPG.

The Chair said that IJB members received minutes of SPG meetings and that if Councillor Findlay had not received them then this should be followed up. Councillor Findlay confirmed that he would like to receive the minutes.

The Chair asked about the need to build up the general reserve. Mr Porteous confirmed that the IJB currently held earmarked reserves and that there was an intention to build up the general reserve again to the recommended level. However, this could only be done in a time of financial surplus and this would be challenging given the ongoing financial constraints.

Members confirmed that they were content with the proposed changes to the risk levels as outlined by Mr Porteous.

Decision

The Committee agreed to:

- i. Note the updates to the risk register since the last meeting.
- ii. Consider if any further risks should be added to the register.

4. INTERNAL AUDIT PLAN 2025/26

A report was submitted by the Chief Internal Auditor informing the Committee of Internal Audit's operational plan for 2025/26.

Duncan Stainbank presented the report advising members that the plan covered the proposed audit work for 2025/26 and reflected key issues for the IJB.

Ms Stainbank replied to questions from the Chair and Ms Gordon. He agreed to bring to the Committee's meeting a timeframe for presentation of these planned audit reports to future meetings. He said that a number of factors could impact on the timing of reports, including Council audit work, recruitment issues and confirmation of the resources available for audit to be undertaken by NHS Lothian's audit team. He confirmed that the Participation and Engagement audit would be looking at work done within the context of IJB meetings and also more widely.

The Chair moved to the roll call vote and the recommendation was agreed unanimously.

Decision

The Committee approved the Audit Plan for 2025/26.

5. INTERNAL AUDIT REPORT – RECOVERY PLAN MONITORING

A report was submitted by the Chief Internal Auditor informing the Committee of the recently issued audit report on the ELIJB Recovery Plan Monitoring.

Mr Stainbank presented the report outlining the main findings of the audit work which had been graded as reasonable assurance. He drew attention to the recommendation on reporting of progress with financial recovery plans and advised that Mr Porteous had agreed to put in place a framework for regular reporting to IJB meetings during the 2025/26 financial year.

Replying to a question from the Chair, Mr Stainbank explained that reporting to development sessions and not to IJB business meetings meant there was no opportunity for discussions to take place in a public forum and therefore no clear understanding of

financial pressures or decision-making from the public's perspective. Going forward, it would be important to ensure that these discussions were taking place in public.

Decision

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

6. INTERNAL AUDIT UPDATE OF NHS Lothian INTERNAL AUDIT REPORTS

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

Mr Stainbank brought to the attention of members the audit review of Risk Management undertaken by NHS Lothian's audit team and, specifically, recommendations 2 and 3 within the report. He advised that these recommendations related to the Datix system on which the IJB managed its risk register and risk reporting and could have potential implications for the reporting of the IJB's risk register to this committee.

Ms Gordon said that she was a member of the NHS Lothian audit & risk committee and had been party to the discussion which had taken place on this report. She confirmed that there was a piece of work ongoing in relation to the audit findings.

Mr Stainbank said that reports such as this were brought forward for this committee to consider any elements which may be relevant to the IJB. However, NHS Lothian's audit & risk committee was responsible for reviewing recommendations from the audit work and the risks were mainly operational for NHS Lothian.

The Chair acknowledged the usefulness of having an overview of internal audit work happening within NHS Lothian and which provided an insight into the level of risks across the IJB partners.

Decision

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

Signed:

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