



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

**TUESDAY 3 JUNE 2025
VIA DIGITAL MEETINGS SYSTEM**

Committee Members Present:

Dr P Cantley
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:

None

Declarations of Interest:

None

The clerk advised that this 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.

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

1. MINUTES OF THE EAST LoTHIAN IJB AUDIT AND RISK COMMITTEE MEETING OF 18 MARCH 2025 (FOR APPROVAL) AND MATTERS ARISING

The minutes of the East Lothian IJB Audit and Risk Committee meeting held on 18 March 2025 were approved.

There were no matters arising.

2. 2024/25 DRAFT (UNAUDITED) ANNUAL ACCOUNTS

A report was submitted by the Chief Finance Officer presenting the IJB's draft (unaudited) annual accounts for 2024/25.

Mike Porteous presented the report highlighting some of the key information contained in the draft accounts and outlining the next steps in the process. He advised that recommendation 2.1ii in the report should read that the Committee "recommends to the IJB that the draft annual accounts can be published and presented for audit".

There were no questions from members.

The Chair said that the management commentary gave a clear indication of the scale of the work covered by the IJB and its efforts to make the best use of diminished resources. Overall, the accounts provided a very full examination of the business over the last year.

Decision

The Committee agreed to:

- i. Consider the IJB's draft (unaudited) Annual Accounts; and
- ii. Recommend to the IJB that the draft annual accounts can be published and presented for audit.

3. ELIJB ANNUAL GOVERNANCE STATEMENT 2024/25

A report was submitted by the Chief Internal Auditor presenting the draft Annual Governance Statement 2024/25 for the East Lothian Integration Joint Board (IJB) which explained the IJB's governance arrangements and system of internal control and reports on their effectiveness for the year ended 31 March 2025.

Duncan Stainbank presented the report highlighting key aspects of the statement which would be included in the annual accounts. He drew particular attention to the areas of improvement from last year outlining progress and advising that the rating for 2024/25 was one of 'reasonable assurance' whilst recognising that further improvements were still required.

Mr Stainbank and Mr Porteous responded to questions from members on reserve levels and the planned review of the IJB's reserves policy.

Elizabeth Gordon and the Chair expressed concern about the IJB's ability to build reserves in the current financial situation and how this would influence a revised policy. They requested that the committee members be given the opportunity to review any new draft policy as part of a development session and this was agreed by officers.

David Binnie suggested a change of wording as "...*unusual* decision..." in the context of the decision on use of reserves, sounded like a criticism. Members discussed this proposal and agreed that a change of wording was appropriate. They also discussed adding additional information on the rationale for the reserves policy review.

John Boyd pointed out that the annual governance statement, and more so management commentary, was the IJB's opportunity to explain the rationale around these decisions rather than to question whether or not the decisions were right.

Mr Stainbank agreed to make the changes suggested by members.

Decision

The Committee agreed to consider the ELIJB draft Annual Governance Statement 2024/25 which explained the ELIJB's governance arrangements and system of internal control and reports on their effectiveness for the year ended 31 March 2025, and provide any commentary and approve for inclusion in the draft Annual Accounts 2024/25.

4. ANNUAL INTERNAL AUDIT OPINION AND REPORT 2024/25

A report was submitted by the Chief Internal Auditor informing the Committee of the internal audit work undertaken in 2024/25 and providing an opinion on the overall adequacy and effectiveness of the IJB's framework of governance, risk management and control.

Mr Stainbank presented the report setting out the background, drawing attention to the areas identified with scope for improvement, and confirming the overall audit opinion. He reminded members that audit opinion would be included in the IJB's 2024/25 annual accounts.

There were no questions from members.

Decision

The Committee agreed to note that the Annual Internal Audit Opinion and Report 2024/25 was 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 2025.

5. INTERNAL AUDIT REPORT – ELIJB GOVERNANCE ARRANGEMENTS

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

Mr Stainbank presented the report summarising the key findings of this audit work and drawing attention to the recommendations contained in the action plan.

Mr Stainbank responded to questions from members. He provided further detail of the timeline for the IJB's approval of its new Strategic Plan. He also set out some of factors considered when establishing targets for the completion of internal audit work throughout the year and for the implementation of recommendations for action resulting from individual audits. Although internal audit reports always had a strong focus on areas for improvement, an opinion of 'reasonable assurance' meant that there were many aspects of the IJB's governance arrangements which were working appropriately. He had no significant concerns about how the Committee was operating or the work it was bringing forward.

Decision

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

6. INTERNAL AUDIT UPDATE OF NHS Lothian and East Lothian Council 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 and the East Lothian Council Audit & Governance Committee.

Mr Stainbank presented the report drawing members' attention to 2 reports which were relevant to wider IJB governance and risk management processes: NHS Lothian Internal Audit Review of Performance Data Integrity; and the Executive Summary of the Adult Social Care Case Management Review. He outlined the key findings of both reports and advised that some improvement actions were already underway.

Members thanks Mr Stainbank for bringing these reports forward. They discussed the social care payments system and the work being done to improve this and allow better tracking of budget spend and forecasting of potential in year overspends.

Both Mr Stainbank and Fiona Wilson acknowledged that a significant amount of work had gone into improving processes. There had been challenges but there had been good progress and things were in a much better position. They would continue to monitor progress to maintain these improvements going forward.

Mr Binnie asked how the IJB could audit its legal responsibilities in respect of social care and how this would link with management of its finances. Mr Stainbank referred to the role of other bodies such as the Care Commission in reviewing non-financial aspects of governance, as well as the scrutiny of the external auditors which could sometimes trigger other reviews of specific areas of work.

Ms Wilson added that questions remained around how best to audit unmet need, quality and cost, particularly in relation to high-risk individuals.

The Chair agreed that they needed to consider how best to explore this issue through the IJB.

Decision

The Committee agreed to note the contents of the audit reports and consider any governance, risk management and control implications for the East Lothian IJB.

7. 2024/25 RISK REGISTER REVIEW

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

Mr Porteous presented the report summarising the key risks and his recommendations that their ratings should remain unchanged.

The members discussed in detail any emerging pressures in relation to each risk acknowledging that some of these issues were out with their control. However, they were minded to agreed with Mr Porteous' proposal that the ratings for these risks remain unchanged.

Members also discussed the introduction of increased employer National Insurance Contributions and the potential impact on the IJB's ability to deliver its strategic priorities, particularly in relation to commissioned services. There was some debate about where this risk should sit as some of the impacts were operational as well as strategic. Members finally agreed that the Risk 5279 (Impact of National Care Service (NCS) Proposals) should be removed from the register, and a 'Legislative' Risk added with sub-categories to cover the impacts of the proposed NCS, immigration rules and changes to NICs.

Decision

The Committee agreed to:

- i. Note the updates to the risk register since the last meeting.
- ii. Remove Risk 5279 (Impact of NCS Proposals) and add a 'Legislative Risk' to the register.

Signed:

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