

# Notice of Meeting and Agenda



## Midlothian Integration Joint Board - Audit and Risk Committee

**Venue:** Virtual Meeting - Please Note Carefully the Change of Day and Earlier Start Time for this Meeting,

**Date:** Wednesday, 29 June 2022

**Time:** 09:00

**Morag Barrow**  
**Chief Officer**

**Contact:**

Clerk Name:	Mike Broadway
Clerk Telephone:	0131 271 3160
Clerk Email:	mike.broadway@midlothian.gov.uk

**Further Information:**

This is a meeting which is open to members of the public.

## **1 Welcome, Introductions and Apologies**

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## **2 Order of Business**

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Including notice of new business submitted as urgent for consideration at the end of the meeting.

## **3 Declaration of Interest**

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Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

## **4 Minute of Previous Meeting**

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| <b>4.1</b> | Minutes of Meeting held on 3 March 2022 - For Approval. | 3 - 10 |
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## **5 Public Reports**

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| <b>5.1</b> | Midlothian Integration Joint Board Internal Audit Annual Assurance Report 2021/22 – Report by Chief Internal Auditor. | 11 - 28 |
| <b>5.2</b> | Midlothian Integration Joint Board Annual Governance Statement 2021/22 - Report by Chief Internal Auditor.            | 29 - 36 |
| <b>5.3</b> | Midlothian IJB Draft Unaudited Annual Accounts 2021/22 - Report by Chief Finance Officer.                             | 37 - 82 |

## **6 Private Reports**

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No private reports to be discussed at this meeting.

## **7 Date of Next Meeting**

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The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee will be held on **Thursday 1 September 2022 at 2.00pm**

# Midlothian Integration Joint Board



Meeting	Date	Time	Venue
Audit and Risk Committee	Thursday 3 March 2022	2.00pm	Virtual Meeting held using MS Teams.

## Present (voting members):

Councillor Jim Muirhead (Chair)	Carolyn Hirst	Councillor Derek Milligan
Jock Encombe		

## Present (non-voting members):

Morag Barrow (Chief Officer)	David King (Interim Chief Finance Officer)	Jill Stacey (Chief Internal Auditor)

## In attendance:

Grace Scanlin (EY, External Auditor)	Derek Oliver (Chief Officer Place)	Elaine Greaves (Principal Internal Auditor)
Gill Main (Integration Manager)	Andrew Henderson (Democratic Services)	Mike Broadway (Clerk)

## Apologies:

Pam Russell (Independent Member)	Stephen Reid (EY, External Auditor)	

## Audit and Risk Committee

Thursday 3 March 2022

### 1. Welcome and introductions

The Chair, Councillor Jim Muirhead welcomed everyone to this virtual meeting of the Audit and Risk Committee, in particular Gill Main, Integration Manager, H&SC.

### 2. Order of Business

The order of business was as set out in the Agenda.

### 3. Declarations of interest

No declarations of interest were received.

### 4. Minutes of Meeting

- 4.1 The Minutes of Meeting of the Midlothian Integration Joint Board Audit and Risk Committee held on 2<sup>nd</sup> December 2021 was submitted and approved as a correct record.

### 5. Public Reports

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
<b>5.1 Update on Chief Internal Auditor and Chief Finance Officer.</b> The Chief Internal Auditor, Jill Stacey, and Interim Chief Finance Officer, David King, provided the Committee with updates on their respective positions, and the transitional arrangements that were in place to support the MIJB. The Committee, in acknowledging that the Local Government Elections in May were also likely to	Noted the current position.		

## Audit and Risk Committee

Thursday 3 March 2022

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
bring around further changes in membership, expressed thanks to both Jill and David, and to the retiring Council Members who had served on the Committee.			
<p><b>5.2 Midlothian Integration Joint Board Annual Audit Plan Year ending 31 March 2022 - Report by EY, External Auditors.</b></p> <p>There was submitted the Midlothian Integration Joint Board Annual External Audit Plan for the financial year ending 31 March 2022.</p> <p>Grace Scanlin, External Auditor, EY in presenting the Plan to the Committee explained that this Annual Audit Plan had been prepared for the benefit of IJB management and the Audit and Risk Committee, setting out the proposed audit approach for the audit of the financial year ending 31 March 2022. The Plan also set out the proposed work they would perform to allow them to provide an independent auditor's report on the financial statements and meet the wider scope requirements of public sector audit, including the audit of Best Value, in this the fifth year of their appointment. As a result of the impact of Covid-19 their appointment had been extended by a further 12 months to include the financial year 2021/22.</p> <p>The Plan outlined the key areas and challenges in the current year including the financial sustainability, value for money and the identification of significant</p>	Approved the Annual External Audit Plan.	External Auditors	

## Audit and Risk Committee

Thursday 3 March 2022

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
audit risks. Also included within the Plan was a timetable on the key phases of the audit for 2021/22. Thereafter Grace responded to Members' questions and comments.			
<p><b>5.3 MIJB Internal Audit Annual Plan 2022/23 – Report by Chief Internal Auditor.</b></p> <p>The purpose of the report was to present for the Committee approval the proposed Internal Audit Plan for 2022/23; a copy of which was appended to the report.</p> <p>The report advised that the Public Sector Internal Audit Standards (2017) require the Chief Internal Auditor to develop a risk-based audit plan which sets out the priorities for the Internal Audit activity during the year in order to enable the Chief Internal Auditor to prepare the annual opinion on the adequacy of the overall control environment of the Midlothian Integration Joint Board. These priorities needed to be consistent with the MIJB's goals and objectives as set out in the Strategic Plan.</p> <p>Having heard from Chief Internal Auditor, Jill Stacey, who responded to Members' questions and comments, the Committee in discussing the Plan and the importance of the work being undertaken by Internal Audit, welcomed the way in which the programme of work was designed to add value to, and improve, the MIJB's operations in order to meet the objectives set out in the Strategic Plan. It being</p>	Approved the Internal Audit Annual Plan for 2022/23.	Chief Internal Auditor	

## Audit and Risk Committee

Thursday 3 March 2022

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
<p>hoped that these principles would in time be extended to other areas. It was also acknowledged that the differing roles of Internal and External Audit would require to be picked up as part of the induction training for new Members.</p>			
<p><b>5.4 Risk Register – Report by Chief Officer Place.</b></p> <p>The purpose of this report was to provide an update on the Strategic Risk Profile covering quarter 3 2021/22, 1 October 2021 – 31 December 2021 and the current issues, future risks and opportunities for the MIJB. The report also provided the Committee with an overview of the most significant issues and risks on the MIJB strategic risk profile during the quarter.</p> <p>Having heard from Derek Oliver, Chief Officer Place, the Committee discussed issues arising from the current strategic risk profile, in particular the most significant issues and risks which had been highlighted in the report.</p>	<p>(a) Noted the current Strategic Risk Profile;</p> <p>(b) Noted the updates provided on the risk control measures and the progress being made to address all risks; and</p> <p>(c) Confirmed that, otherwise, the risks contained in the Strategic Risk Profile reflected the current risks/opportunities facing the MIJB.</p>		
<p><b>5.5 CIPFA – Financial Management Code, 2021/22 – Report by Interim Chief Finance Officer.</b></p> <p>With reference to paragraph 5.1 of the Minutes of 2 December 2021, there was submitted a report the purpose of which was to consider how the guidance in the CIPFA Financial Management Code, 2021/22 pertains to the operations of the IJB and to consider</p>	<p>(a) Noted the analysis detailed in the report as to which elements of the guidance relate to the IJB directly and the assurance process that were required.</p> <p>(b) Agreed that a report laying out opinions be submitted to the IJB recommending the adoption of the code on the basis of the</p>	Interim Chief Finance Officer	

## Audit and Risk Committee

Thursday 3 March 2022

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
<p>how the IJB can assure itself that the guidance was being met.</p> <p>The report explained that the IJB was, in essence, a strategic planning board and did not – for example, pay suppliers or staff. The operational delivery was in the hands of the IJB Partners – the IJB having no authority to deliver its functions except through Midlothian Council and NHS Lothian – and assurance of much of the CIPFA FM guidance would flow from the assurance systems of the partners. It should be noted that the adoption of this guidance was an element in the overall achievement of best value.</p> <p>After hearing from both the Interim Chief Finance Officer, David King and Chief Internal Auditor, Jill Stacey, the Committee acknowledged the contents of the report.</p>	committee's considerations.		
<p><b>5.6 Best Value – Consideration of the Audit Scotland Questionnaire – Report by Interim Chief Finance Officer.</b></p> <p>With reference to paragraph 5.2 of the Minutes of 2 December 2021, there was submitted a report the purpose of which was to set out for the Committee consideration suggested responses to the Audit prompts/questions in the Audit Scotland report Auditing Best Value for Integration Joint Boards, along with a consideration of assurance that might be provided to support the responses.</p>	<p>(a) Noted the suggested responses to the Audit Scotland best Value questionnaire for IJBs as outlined in the report; and</p> <p>(b) Agreed to request the preparation of an appropriate best value framework for adoption by the IJB.</p>	Interim Chief Finance Officer	



## Audit and Risk Committee

Thursday 3 March 2022

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
<p>The Interim Chief Finance Officer in presenting the report explained how the Committee might assure itself that the principles of best value were being applied to the work of the IJB that is the development and delivery of the IJB's Strategic Plan.</p> <p>The Committee, following questions to the Chief Internal Auditor, welcomed the proposed responses and having discussed a number of issues, suggested a number of further refinements.</p>			
<p><b>5.7 Audit Scotland – Recent Audit Reports of Interest - Report by Interim Chief Finance Officer.</b></p> <p>The purpose of this report was to highlight audit reports from Audit Scotland on areas of interest to the IJB Audit and Risk Committee. Topics cover included:</p> <ul style="list-style-type: none"> <li>• Social Care Briefing</li> <li>▪ Planning for Skills</li> <li>▪ Use and Application of Performance Indicators in the Public Sector</li> </ul> <p>A copy of the full Social Care Briefing was included as an Appendix to the report, which also contained hyperlinks to the other complete audit reports mentioned.</p> <p>Having heard from the Interim Chief Finance Officer, David King, the Committee welcomed the report.</p>	<p>Noted the publications and the key messages they contained.</p>	<p>All to Note.</p>	

## Audit and Risk Committee

Thursday 3 March 2022

### 6. Private Reports

No private business to be discussed at this meeting.

### 7. Any other business

Report Title/Summary	Decision	Action Owner	Date to be Completed/Comments
<b>7.1 Membership</b> The Committee having noted that this would be the final meeting prior to the Local Government Elections in May joined in thanking the Chair and the other Council Members who had served on the Committee and in wishing them all the best for the future.	(a) Recorded an expression of thanks and appreciation to Councillor Jim Muirhead for his contributions as Chair of the MIJB Audit and Risk Committee, and also to the other elected Members who had served on the Committee over the past five year period; and  (b) Noted that the necessary steps would be taken in due course to secure suitable replacements.		

### 8. Date of next meeting

The next meeting of the Midlothian Integration Joint Board Audit and Risk Committee would be held on Thursday 2 June 2022 at 2.00 pm.

**(Action: All Members to Note)**

The meeting terminated at 3.42 pm.

# Midlothian Integration Joint Board Audit and Risk Committee



**Wednesday 29 June 2022 at 9.00am**

## **Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2021/22**

**Item number: 5.1**

### **Executive summary**

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The purpose of this report is to present the Internal Audit Annual Assurance Report 2021/22 for the Midlothian Health and Social Care Integration Joint Board (MIJB) which includes the Chief Internal Auditor's independent assurance opinion on the adequacy of MIJB's overall control environment for the year ended 31 March 2022.

**The MIJB Audit and Risk Committee is therefore asked to:**

- (a) Consider the Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2021/22 (Appendix 1), which sets out the findings and conclusions arising from all Internal Audit work carried out during the year to 31 March 2022, consider the assurances contained therein, and provide any commentary thereon.**
- (b) Consider the list of Internal Audit reports by Partners' Internal Auditors presented to their respective Audit Committees that are relevant to MIJB for assurance purposes (Appendix 2), and note that the MIJB Chief Internal Auditor has taken account of these assurances from Partners' Internal Audit providers to provide the statutory Internal Audit assurance to the MIJB.**

## Midlothian Health and Social Care Integration Joint Board Internal Audit Annual Assurance Report 2021/22

### 1 Purpose

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- 1.1 The purpose of this report is to present the Internal Audit Annual Assurance Report 2021/22 for the Midlothian Health and Social Care Integration Joint Board (MIJB) which includes the Chief Internal Auditor's independent assurance opinion on the adequacy of the arrangements for governance, risk management and internal control by the MIJB of the delegated resources.

### 2 Recommendations

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- 2.1 Members of the MIJB Audit and Risk Committee are asked to:
- a) Consider the MIJB Internal Audit Annual Assurance Report 2021/22 (Appendix 1), which sets out the findings and conclusions arising from all Internal Audit work carried out during the year to 31 March 2022, consider the assurances contained therein, and provide any commentary thereon.
  - b) Consider the list of Internal Audit reports by Partners' Internal Auditors presented to their respective Audit Committees that are relevant to MIJB for assurance purposes (Appendix 2), and note that the MIJB Chief Internal Auditor has taken account of these assurances to provide the statutory Internal Audit assurance to the MIJB.

### 3 Background and main report

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- 3.1 The Midlothian Integration Joint Board (MIJB), established as a separate legal entity as required by the Act, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Midlothian partnership area, based on resources which have been delegated to it by the partners, Midlothian Council and NHS Lothian.
- 3.2 The MIJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration. The establishment of robust Risk Management and Audit arrangements is one of the key components of good governance and will be critical to the capacity of the MIJB to function effectively.
- 3.3 The Public Sector Internal Audit Standards (PSIAS) require the MIJB's Chief Internal Auditor to prepare an annual report that incorporates the opinion on the adequacy and effectiveness of MIJB's framework of governance, risk management and control, a summary of the work that supports the opinion, and a statement on conformance with the PSIAS.

- 3.4 The MIJB Internal Audit Annual Assurance Report 2021/22 (Appendix 1) includes the MIJB Chief Internal Auditor's independent and objective opinion regarding the adequacy and effectiveness of governance, risk management and internal control within the MIJB to fulfil the statutory role of Internal Audit. To ensure the annual reporting requirements of the Public Sector Internal Audit Standards (PSIAS) are met, the Report also includes a summary of the Internal Audit activity during the year that supports the opinion, and summarises the outcome of the self-assessment of the Internal Audit service against the Public Sector Internal Audit Standards (PSIAS).
- 3.5 The Report provides assurances in relation to the MIJB's corporate governance framework that is a key component in underpinning delivery of the MIJB's strategic priorities and has been used to inform the Chief Officer's Annual Governance Statement 2021/22.
- 3.6 In addition to its own governance arrangements, the MIJB places reliance on the governance arrangements adopted by NHS Lothian and Midlothian Council, the partners. Where appropriate, existing mechanisms embedded within both NHS Lothian and Midlothian Council have been used to provide assurance to the MIJB.
- 3.7 The Appendix 2 to this report provides the list of Internal Audit reports by Partners' Internal Audit providers (MLC Internal Audit for Midlothian Council; NHSL Internal Audit for NHS Lothian) that have been presented to their respective Audit Committees within the second half year 2021/22 which are relevant to MIJB for assurance purposes, with a summary of assurances contained therein. The MIJB Chief Internal Auditor has taken account of these assurances from Partners' Internal Auditors to provide the annual assurance to the MIJB.

## **4 Directions**

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- 4.1 There are no Directions implications arising from this report.

## **5 Equalities Implications**

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- 5.1 There are no direct equalities implications arising from this report.

## **6 Resource Implications**

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- 6.1 There is a commitment to provide Internal Audit resource to the Midlothian Health and Social Care Integration Joint Board (MIJB) for review of the adequacy of the arrangements for risk management, governance and control by the MIJB of the delegated resources.
- 6.2 Internal Audit service is provided by Midlothian Council's Internal Audit team, which has a shared service arrangement with Scottish Borders Council including the appointed Chief Internal Auditor (to June 2022). The staff who performed the MIJB Internal Audit work hold relevant professional qualifications and have the necessary experience, knowledge, skills and competencies (such as the Code of Ethics set out in the PSIAS).

- 6.3 The Midlothian Internal Audit Annual Plan 2021/22 approved by the MIJB Audit and Risk Committee on 4 March 2021 was based on the assumption that Midlothian Council's Internal Audit function provides 40 days and NHS Lothian Internal Audit team provides 30 days to support the delivery of the Plan. The Chief Internal Auditor provided an update to the MIJB Audit and Risk Committee on 2 December 2021 on the progress being made on delivery of the 2021/22 Plan. A summary of the Internal Audit work that was undertaken during the year that supports the annual opinion is stated in Appendix 1.

## 7 Risk

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- 7.1 The PSIAS require Internal Audit to evaluate the effectiveness of the MIJB's Risk Management arrangements and contribute to improvements in the process. Key components of the audit planning process include a clear understanding of the MIJB's functions, associated risks, and potential range and breadth of audit areas for inclusion within the Plan to provide the audit opinion. Internal Audit work carried out has been risk-based and, where appropriate, has tested the management of risk by the MIJB of the delegated resources.
- 7.2 Internal Audit provides assurance to MIJB Management, Audit and Risk Committee and the Board on the adequacy and effectiveness of internal controls and governance within the MIJB, including risk management, and to highlight good practice and recommend improvements.
- 7.3 It is anticipated that improvements in the management and mitigation of risks will arise as a direct result of MIJB Management implementing the Internal Audit recommendations.

## 8 Involving people

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- 8.1 The MIJB Chief Officer, Chief Finance Officer and Integration Manager have received the MIJB Internal Audit Annual Assurance Report 2021/22 that sets out the work of Internal Audit and independent opinion on the adequacy and effectiveness of the governance, risk management and internal controls to assist them in discharging their roles and responsibilities. The MIJB Chief Officer has considered the Internal Audit findings and conclusions detailed in the above Report when completing the MIJB's Annual Governance Statement 2021/22.

## 9 Background Papers

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- 9.1 Midlothian IJB Internal Audit Annual Plan 2021/22 (approved by the MIJB Audit and Risk Committee on 5 March 2020)

<b>AUTHOR'S NAME</b>	Jill Stacey
<b>DESIGNATION</b>	MIJB Chief Internal Auditor
<b>CONTACT INFO</b>	
<b>DATE</b>	13 June 2022

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Appendix 1 - MIJB Internal Audit Annual Assurance Report 2021/22

Appendix 2 - Internal Audit reports by Partners' Internal Audit providers

## Internal Audit Annual Assurance Report 2021/22 for Midlothian Health and Social Care Integration Joint Board

### 1 Introduction

#### 1.1 The Public Sector Internal Audit Standards (PSIAS) (2017) requires that:

“The chief audit executive [MIJB’s Chief Internal Auditor] must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

The annual report must incorporate:

- the opinion;
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.”

### 2 Opinion on the Governance, Risk Management and Internal Control

#### 2.1 My opinion is that the Midlothian Health and Social Care Integration Joint Board’s governance arrangements, risk management and systems of internal control are operating satisfactorily. There has been good progress made by Management during the year with the completion of recommendations despite significant ongoing challenges presented by the Covid-19 pandemic.

#### 2.2 The MIJB operates under good public sector practice governance arrangements through its Board and Committee meetings that support scrutiny and transparency of decisions made. There is good compliance by the MIJB of the requirements of the Public Bodies (Scotland) Act 2014 and the guidance through its Directions to Partners (NHS Lothian and Midlothian Council) for the delivery of the services. The vision, strategic objectives and outcomes going forward are reflected following extensive consultation in the Strategic Plan 2022-2025, approved by the Board in April 2022. The MIJB is making continued progress towards delivering integrated Health and Social Care services but has more to do, in common with other IJBs.

#### 2.3 The current MIJB Local Code of Corporate Governance (Local Code), which was approved by the Board on 8 April 2021, sets out the framework and key principles, which require to be complied with, to demonstrate effective governance. The Local Code complies with the CIPFA/SOLACE ‘Delivering Good Governance in Local Government Framework’ (2016) in all significant aspects. It reflects the changing context of integration and the appropriate framework for effective governance of the MIJB’s business, including its role as the strategic commissioning body i.e. setting out when responsibility lies with the Board or where reliance is placed on the arrangements in place at its Partners. Governance arrangements in place are generally sound and are being further developed. The Internal Audit high level review and assessment of the Local Code has identified aspects of governance arrangements where some improvement is required.

- 2.4 A Risk Management strategy, reporting regime and risk register highlighting the MIJB strategic risks, mitigating controls, residual risk and accompanying actions have been regularly reviewed, updated and reported during the year to the Audit and Risk Committee to fulfil its oversight role to monitor the IJB's risk management arrangements.
- 2.5 Appropriate medium term strategic or financial planning arrangements are not presently in place resulting in the Board being unaware of the financial measures that need to be taken to bring future budgets into balance and achieve financial sustainability. The budgetary monitoring process has degraded during the year and is not sufficient to allow for effective budget monitoring.
- 2.6 Further improvements in governance, risk management and internal control will be made by Management through the full implementation of previous Internal Audit recommendations. Internal Audit will continue to follow-up on their implementation and present progress reports.

### **3 Scope of the Internal Audit Annual Plan 2021/22**

- 3.1 We summarise below the work we have undertaken to obtain assurances over the arrangements in place for each area considered and our conclusions on the effectiveness and appropriateness of these arrangements are listed in section 4.

#### **Local Code of Corporate Governance**

- 3.2 In considering the delivery of integrated services, we carried out a high level review of the Local Code of Corporate Governance to assess compliance with the requirements of the following seven core principles set out in the 2016 CIPFA/SOLACE Framework:

- clarity of roles and responsibilities including arrangements for the operation of Standing Orders;
- behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- ensuring openness and comprehensive stakeholder engagement;
- defining outcomes in terms of sustainable economic, social, and environmental benefits;
- determining the interventions necessary to optimise the achievement of the intended outcomes;
- developing the entity's capacity, including the capability of its leadership and the individuals within it; and
- implementing good practices in transparency, reporting, and audit to deliver effective accountability.

and identified where some improvement is required.

#### **Strategic Planning**

- 3.3 In considering the delivery of integrated services we attended the MIJB meetings to observe planning, approval, monitoring and review activity of the Midlothian Health and Social Care Integration Joint Board's business and performance.

#### **Risk Management**

- 3.4 We carried out a high level assessment of processes for managing and monitoring risks to determine the effectiveness of arrangements for managing uncertainty over the achievement of the strategic objectives of the MIJB.

#### **Financial Management**

- 3.5 We reviewed the effectiveness of processes associated with the financial planning of the resources delegated to the partnership and the monitoring and reporting of financial activities in a transparent manner in accordance with best accounting practice. We reviewed the 2021/22 budgets and monitoring reports in place to enable service delivery within approved budget.



### **Annual Audit Work**

- 3.6 Furthermore Midlothian Council's Internal Audit resources were also deployed in undertaking the following annual audit work for the MIJB during the year:
- **Recommendations Follow-Up Review** (Undertake two reviews. Refer to Section 5 below).
  - **Administration of Audit Scotland Reports** (Monitor publication of Audit Scotland reports and co-ordinate submission by Management of relevant Audit Scotland Reports to the MIJB Audit and Risk Committee / Board).
  - **Audit Committee Self-Assessment** (Provide assistance to Chair in undertaking a self-assessment of the MIJB Audit and Risk Committee against the CIPFA best practice guidance and in implementing any areas of improvement in support of their development).
  - **Attendance at Board / Committee meetings** (Prepare for and attend MIJB Board / Audit and Risk Committee meetings).
  - **Planning for 2022/23** (Update Audit Universe, develop and consult on coverage within the MIJB Internal Audit Annual Plan 2022/23).
- 3.7 For assurance purposes, the MIJB Audit and Risk Committee was made aware of reports by other bodies that relate to the business of the MIJB including those by the Partners' Internal Auditors, Audit Scotland and other national scrutiny and audit bodies.

## 4 Summary Findings and Conclusions arising from Delivery of the Internal Audit Annual Plan 2021/22

### 4.1 Local Code of Corporate Governance

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

- 4.1.1 The Integration Joint Board is a legal entity in its own right and as a public body it should operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities.
- 4.1.2 A Local Code of Corporate Governance and Standing Orders have been approved by the Board. These documents encapsulate the public sector good practice principles and by following them the Board demonstrates sound governance arrangements.
- 4.1.3 We conducted a high level review of the MIJB's updated Local Code of Corporate Governance and consider that the Governance arrangements are generally sound, although there is scope for improvement in compliance with some parts of the CIPFA/SOLACE Framework as set out in section 5 below.
- 4.1.4 During the year, the IJB commenced a review of the scheme of integration which, following consultation with Partners, is anticipated to conclude by June 2022.
- 4.1.5 The IJB has taken steps to improve governance arrangements in a number of areas:
  - Guidance on public engagement has been developed during the year;
  - A Code of Conduct for Members and an Induction Handbook for new Members were approved in April 2022; and
  - Commencement of a review of statutory governance arrangements which is ongoing.
- 4.1.5 We have made no recommendations in respect of the corporate governance arrangements of the Integration Joint Board in this report.

Conclusion: Governance arrangements in place are generally sound and are being further developed. The Internal Audit high level review of the Local Code of Corporate Governance has identified aspects of governance arrangements where some improvement is required, as set out in Internal Audit recommendations made in previous years or the current year.

## 4.2 Internal Control and Governance – Strategic Planning

Delivering integrated services which are effective and efficient requires an agreed formal statement of the MIJB's vision and intended outcomes and plans as well as exercising strategic leadership to deliver those outcomes.

- 4.2.1 Our attendance at virtual Board meetings and review of the Minutes of meetings which we did not attend continues to indicate that strong strategic leadership is in place and that the Health and Social Care partners are working together in a constructive way.
- 4.2.2 During the year, a Strategic Plan 2022-2025 has been developed and approved by the IJB in April 2022, which sets out the new vision and values for the IJB. Community engagement was at the heart of developing the new Strategic Plan in line with good practice.
- 4.2.3 In the absence of robust medium term financial plans it is unclear whether outcomes can be delivered on a sustainable basis within the resources that will be available.
- 4.2.4 Legislation requires that the specification of what action the delivery partners are required to undertake are set out in formal instructions, referred to as Directions. We did not review the Directions issued by the MIJB for 2021/22 as they will be superseded following introduction of the new strategic plan prior to the completion of our Internal Audit Annual Assurance Report.
- 4.2.5 In common with other Integration Joint Boards, an incremental approach to service change continues to be taken. A significant challenge that all IJBs face is a clear consensus of what a successfully integrated service should look like. This could lead to the development of services that do not fit together as well as they otherwise might have done.
- 4.2.6 We have made no recommendations in respect of governance arrangements in this report. Action required by Management is clearly identified, understood and ongoing.

Conclusion: The MIJB is demonstrating strategic leadership by developing and clearly communicating its purpose and vision and its intended outcomes for service users. The vision, strategic objectives and outcomes are reflected in the Strategic Plan 2022-2025. The MIJB is making continued progress towards delivering integrated Health and Social Care services but has considerably more to do.

### 4.3 Risk Management

Risk management is a process of identifying potential risks to the achievement of objectives in advance, analysing them and taking precautionary steps in order to mitigate those risks, thus managing the effect of uncertainty on objectives.

- 4.3.1 Risk management is an important and integral part of good governance and a system of internal controls. It is crucial that risks to the achievement of outcomes are identified and managed.
- 4.3.2 The MIJB has an approved Risk Management Policy in place which sets out the risk management framework and process, roles and responsibilities, as well as monitoring arrangements.
- 4.3.3 Risk management is an integral part of all activities and must be considered in all aspects of decision making. The standard template for decision-making reports to the MIJB and its Committees includes a section on implications covering risk. When taking a longer-term view with regard to decision making, risks associated with the potential conflicts between the MIJB's intended outcomes and short-term to medium term financial constraints are not particularly well expressed.
- 4.3.4 The MIJB needs to gain assurance on risks associated with delivering services through the partners. Midlothian has recognised that the risks facing the MIJB are those which relates to the MIJB's own business. Operational risks facing the partners are the concern of the partners except and until a partner risk becomes so significant that it would impact upon the MIJB's Strategic Plan. Implicitly this is recognised in the Risk Management Policy in that the partners should regularly bring the relevant risks to the attention of the MIJB.
- 4.3.5 The MIJB maintains a risk register which is reviewed regularly by the relevant risk owners, scrutinised by the MIJB Audit and Risk Committee at its quarterly meetings and reported every quarter to the Board to ensure that the MIJB is kept informed of its key risks and the actions undertaken to manage these risks. The risk register is comprehensive and responsibilities for managing individual risks are clearly allocated.
- 4.3.6 We have made no recommendations in respect of risk management arrangements in this report.

Conclusion: Effective risk management processes are in place. There is an opportunity to assess the content of the MIJB Risk Register against the Strategic Plan 2022-2025 that has been developed and approved to ensure the MIJB Risk Register reflects the strategic risks facing the MIJB against the achievement of objectives and priorities set out in the Strategic Plan and the potential financial constraints.

## 4.4 Financial Management

A strong system of financial management is essential for the successful implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

- 4.4.1 Midlothian IJB had developed a Financial Strategy covering the period 2019-2022. The Financial Strategy has now expired though work is ongoing to develop a successor. A Medium Term Financial Plan covering the period 2020/21 to 2024/25 is in place but requires updating and extending, as the assumptions on which it is based are no longer relevant and need reconsideration in light of the new Strategic Plan. Completion of this work is important to ensure that the new Strategic Plan is delivered on a financially sustainable basis.
- 4.4.2 The IJB's budget setting amounts to agreeing the budget offers from the Partners, then allocates the equivalent annual budget to the Partners. It is not clear how the Health and Social Care Partnership's operational budget management aligns the financial consequences of MIJB Directions and the annual budget that supports the outcomes set out in the MIJB's Strategic Plan.
- 4.4.3 NHS Lothian serves four different Integration Joint Boards and, in some service areas, costs are apportioned across the MIJBs. Work is still ongoing to move towards allocating costs based on actual activity of each IJB.
- 4.4.4 During the year, the Board has received, with the exception of the first quarter, financial updates on the expected outturn for the year. Information is provided at a very high level with single figures provided for Health (Core, Hosted and Set Aside). No figures have been provided for Social Care. A high level commentary is also provided. Whilst acknowledging the strategic governance role of the Board, the information provided is not sufficient to allow for effective budget monitoring. We have been assured that the style and content of budget monitoring reports will revert to that previously provided during 2020/2021 and accordingly make no recommendation.
- 4.4.5 Financial management procedures do not provide assurance that services delivered represent value for money and that resources are being used efficiently and effectively as specified in National Outcome 9. This view is supported by our work on Corporate Governance. The annual self-assessment against the updated MIJB Local Code has concluded that value for money arrangements within the IJB require further development. In the meantime, reliance will be placed on the value for money arrangements within the partner organisations.
- 4.4.6 At the December 2021 meeting, the Audit and Risk Committee agreed to recommend to the Board the adoption of the CIPFA Financial Management Code, in so far as it applies to the operation of the IJB subject to a further report regarding how the FM Code would apply to the IJB and how assurance would be sought on it. In March 2022, it received a report which concluded that *"some standards do not apply to the IJB and, of the rest, the IJB is delivering against them. That said, this analysis highlights that the development of the multi-year, balanced, financial plan is critical."*
- 4.4.7 We reviewed the assessment undertaken by the Interim Chief Financial Officer to support this conclusion and found that to the extent that the CIPFA Financial Management Code applies to the IJB and with the exception of matters referred to below, compliance with the various sections of the code is either partial or not adequately supported by evidence to confirm full compliance. The most significant areas are:
- Insufficient evidence is available to confirm full compliance with Part L: (engagement with key stakeholders in developing the long-term financial strategy, medium-term financial plan and annual budget) and Parts A and M: (demonstrate the value for money of its decisions);

- We do not consider arrangements in place during the year comply with the CIPFA Financial Management Code in respect of:  
Part E: (The financial management style of the authority supports financial sustainability);  
Part F: (The authority has carried out a credible and transparent financial resilience assessment);  
Part G: (The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members);  
Part I: (The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans).

4.4.8 We have made one recommendations in respect of financial management processes in this report.

Conclusion: Appropriate medium term financial strategy and medium term financial plans are not presently in place. The Board is unaware of the financial measures that need to be taken to bring future budgets into balance and achieve financial sustainability. The budgetary monitoring process has diminished during the year. The financial information provided to the Board is not sufficient to allow for effective budget monitoring.  
Present financial arrangements in place do not comply with the CIPFA Financial Management Code in a number of significant areas.

## 5 Recommendations Follow-Up Reviews

- 5.1 The Internal Audit Follow-up of Completed Recommendations Report, arising from the first follow-up review, was presented to the MIJB Audit and Risk Committee in June 2021. This showed good progress with the completion of recommendations with evidence of improved internal controls and governance, and reduced risk.
- 5.2 The second review of progress by Management in implementing Internal Audit actions by the expected date was presented in the Internal Audit Recommendations Progress Report to the MIJB Audit and Risk Committee in December 2021. There were six outstanding recommendations relating to the update of the Strategic Plan and alignment of Directions, the development of the Performance Management Framework and the development of Workforce Plans.

## 6 Recommendations and actions arising from Internal Audit Annual Plan 2021/22

- 6.1 Recommendations in reports are suggested changes to existing procedures or processes. The rating of each recommendation reflects our risk assessment of non-implementation, being the product of the likelihood of the risk materialising and its impact. The ratings are:

### Ratings for Recommendations

**High** – Arising from a finding which leaves the MIJB open to a very high risk of not achieving its strategic objectives, and where the risk is sufficiently significant to require immediate action within one month of formally raising the issue.

**Medium** – Arising from a finding which leaves the MIJB open to significant risk of not achieving its strategic objectives requiring reasonably urgent action within three months of formally raising the issue.

**Low** – Arising from a finding which leaves the MIJB open to moderate risk of not achieving its strategic objectives requiring action within six months of formally raising the issue to improve efficiency, effectiveness and economy of operations.

Recommendation	Rating	Agreed Management actions	Responsibility and timescale
1 Management should update its Financial Strategy to address significant deficits indicated in the Medium Term Financial Plan 2021/22 – 2024/25 and refresh its Medium Term Financial Plan.	Medium	The Medium Term Financial Plan for the IJB will be developed and this will allow the financial strategy to also be reviewed and updated.	December 2022 & March 2023

## 7 Public Sector Internal Audit Standards (PSIAS)

- 7.1 The 2021-22 self-assessment of practices against the professional standards PSIAS (2017) has indicated that Midlothian Council's Internal Audit function 'Fully Conforms' with the requirements within the 13 Assessment Areas of the Definition of Internal Auditing, the Code of Ethics, the Attribute Standards and the Performance Standards.

Jill Stacey BA (Hons) ACMA CGMA  
MIJB Chief Internal Auditor  
10 June 2022







Below is the list of Internal Audit reports by partners' Internal Audit providers (MLC Internal Audit for Midlothian Council; NHS Lothian Internal Audit for NHS Lothian) that have been presented to their respective Audit Committees within the second half year 2021/22 which are relevant to MIJB for assurance purposes, with a summary of assurances contained therein.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
Midlothian Council Audit Committee  7 December 2021  (Source: Midlothian Council website Committee meetings)	Risk Management	To review the process for identifying, evaluating, controlling / mitigating, recording, monitoring and reporting risks that potentially have a detrimental impact on the effective and efficient delivery of Services, to review risk management policy, strategy, training and toolkits, and to assess risk registers.	Substantial assurance in relation to Risk Management policy, and application of principles at Strategic level, and Limited assurance in relation to provision of Risk training for Managers, inconsistent application of systematic risk management at Service operational level, and 2nd line monitoring for assurance purposes.  Six medium recommendations which are designed to improve the application of the Risk Management framework were agreed.
	Performance Management Local Government Benchmarking Framework (LGBF)	To provide independent validation of performance indicators and benchmarking information, specifically to ensure accuracy of data of the 15 indicators submitted within LGBF SPI return to the Improvement Service for Local Government Benchmarking Framework (LGBF). This audit did not cover the full LGBF process.	Limited assurance on the LGBF SPI return; testing of 9 performance indicators highlighted that 8 were either inaccurate, incomplete, based on historic data, or did not conform with the criteria stipulated in the LGBF data collection guidance. Within some Services there was a lack of procedures over the generation of the indicators, a lack of quality assurance checks, and there was not always an audit trail detailing how the indicators were calculated.  Two medium recommendations were agreed with Management.
Midlothian Council Audit Committee  25 January 2022  (Source: Midlothian Council website Committee meetings)	Income Collection	To review the collection of income and the Council's compliance with the Payment Card Industry Data Security Standard (PCI DSS) Standards. The audit included a review of the Parent-Pay system, and a follow up of the 4 recommendations made in the Sales to Cash audit issued in May 2019.	Substantial assurance. There are adequate and effective systems of control for the identification, recording and banking of income, and any payments which do not reconcile are investigated. The Council is not yet fully PCI compliant. The risk of card data compromise has been reduced significantly through outsourcing of the card payment processes to third party processors and by applying additional technical and organisational controls.

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>Midlothian Council Audit Committee</p> <p>14 March 2022</p> <p>(Source: Midlothian Council website Committee meetings)</p>	Business Continuity Framework	At a high level to review the process for setting, testing, reviewing and updating Business Continuity Plans (including ICT disaster recovery strategies and plans) to ensure the delivery of business critical services across the Council, that they are aligned with requirements and that they are fit for purpose.	<p>Limited assurance. The Business Continuity Management Policy requires review and update. A programme of testing has not been developed to validate the effectiveness of Business Continuity Plans and solutions. There have been no testing exercises of plans undertaken for at least five years (at least three for ICT). Lessons learned from Covid pandemic response provide some opportunity to make improvements to business continuity processes.</p> <p>Two high recommendations have been agreed with Management.</p>
	ICT and Cyber Security	To assess the ICT and cyber security arrangements associated with the Council's network and Digital Services' support towards the ICT and cyber security arrangements of the Council, including policy and guidelines, physical and operational controls, business continuity and disaster recovery arrangements, and third party access.	<p>Substantial assurance (ICT policies, guidance, training, risk management; physical, environmental, operational, and system enforced ICT security controls; backup systems; and ICT and cyber security controls over the Council's network); and Limited (ICT business continuity and disaster recovery arrangements, and the current level of resources available to support cyber-security). Aspects of Midlothian's ICT controls are externally reviewed annually through the Public Sector Network review and the Cyber Essentials review. One high and one medium recommendation.</p>
	Internal Audit Charter	To define the purpose, authority and responsibility of the Internal Audit activity, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards in the PSIAS.	<p>The Internal Audit Charter has been updated in conformance with the PSIAS for approval to ensure that Internal Audit is tasked to carry out its role in accordance with best practice.</p> <p>NB The Internal Audit Charter is applicable to the work carried out for MIJB by the Midlothian Council Internal Audit function.</p>
	Internal Audit Strategy and Annual Plan 2022/23	To set out the Chief Audit Executive's strategy for discharging the Internal Audit role and providing the statutory annual assurance opinions, and propose the planned programme of Internal Audit work for the year.	<p>The Internal Audit Strategy to meet the Internal Audit Charter and the proposed Internal Audit Annual Plan 2022/23 that sets out the range and breadth of audit areas and sufficient work to enable the CAE to prepare Internal Audit annual opinions. Key components of the audit planning process include a clear understanding of the functions, associated risks, and assurance framework.</p> <p>NB The Internal Audit Strategy is applicable to the work carried out for MIJB by the Midlothian Council Internal Audit function, associated with the MIJB Internal Audit Annual Plan 2022/23.</p>

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Lothian Audit and Risk Committee</p> <p>23 August 2021</p> <p>(Source: NHS Lothian website Key Documents &gt; Audits)</p>	Responding to Emergencies	<p>To assess the design of controls in place for NHS Lothian's resilience plans, including how this considers other stakeholders such as the IJBs.</p> <p>To review NHS Lothian's resilience plans, including any testing activities undertaken as well as how lessons learned exercises have informed the plans, to ensure readiness for COP26.</p>	<p>The review received Moderate Assurance.</p> <p>NHS Lothian have clear controls and processes in place to allow them to respond to an emergency if followed. Planning for such an event has been carried out at different levels with an overarching strategic approach prepared. NHS Lothian can demonstrate it has worked well with other stakeholders such as Police Scotland, Scottish Ambulance Service, Local Government etc. helping to plan an effective multi agency approach to emergency situations. The executive team are prepared to respond in an emergency situation. Each year they are involved in exercises to practice the emergency response protocols. There has been a virtual control room set up since the Covid 19 pandemic and virtual tours of this have taken place for executive team members.</p> <p>Four recommendations (2 Medium; 2 Low) have been agreed with Management to improve the detail of strategic level plans and the review process of operational plans.</p>
	Property Transaction Monitoring	<p>To consider whether NHS Lothian has fully complied with the relevant provisions set out within the NHS Scotland Property Transactions Handbook. The review should include all acquisitions and disposals during the previous financial year, whether by purchase, lease or exchange.</p>	<p>The review received Significant Assurance.</p> <p>NHS Lothian has concluded three property transactions during the financial year 2020/21 (2 Disposals; 1 Acquisition by Lease). The Board has complied with the procedures as set out in the Handbook and each transaction can be rated as "A – The transaction has been properly conducted".</p> <p>One Low-rated recommendation was made to improve timeliness of the completion of the property certification relating to the Acquisition by Lease property transaction.</p>

Partner Committee	Audit Title	Audit Objective	Internal Audit Summary Findings and Conclusions
<p>NHS Lothian Audit and Risk Committee</p> <p>22 November 2021</p> <p>(Source: NHS Lothian website Key Documents &gt; Audits)</p>	Violence and Aggression	<p>To focus on the design and operating effectiveness of the controls in place to protect staff from violence and aggression, including how the Violence and Aggression and Lone Working policies in place are applied and assurance achieved over the controls. Internal Audit mapped, using the policies and other documented procedures, the end to end controls in place to protect employees and validated the operation of these controls, including the sources of assurances, which exist throughout the control environment.</p>	<p>The review received Limited Assurance.</p> <p>Overall, there is a reasonable framework of control around the Board's management of violence and aggression. Policies are in place to direct staff on their individual roles and responsibilities, which if followed should minimise the possibility of staff exposure to incidents of violence and aggression. However, some issues on the application of the controls have been noted including areas of non-compliance with the policies in relation to the accurate completion of risk assessments, the completion of required training and the use, or otherwise, of lone-working devices.</p> <p>Seven recommendations (3 High; 3 Medium; 1 Low) have been agreed with Management to improve the application of the controls.</p>
<p>NHS Lothian Audit and Risk Committee</p> <p>21 February 2022</p> <p>(Source: NHS Lothian website Key Documents &gt; Audits)</p>	Payroll	<p>To evaluate the adequacy and effectiveness (design and operation) of the key internal controls over payroll and overtime processing.</p> <p>NHS Lothian has recently implemented the Electronic Employee Support Service (eESS). eESS is the NHS Scotland Human Resource Information System which links to other systems such as the Scottish Standard Time System (SSTS), Payroll, and LearnPro. It is used for managing employee information and undertaking core Human Resource, Payroll and learning management transactions relating to an employee's employment with NHS Lothian.</p>	<p>The review received Limited Assurance.</p> <p>Whilst there is a framework of control around the administration and management of Payroll, it was identified that no monitoring is undertaken to be assured that budget managers are reviewing the reports which inform them if their WTE payments against their budgets are accurate. The Payroll Desktop Instructions have not been updated to reflect the hybrid/agile working pattern. More significantly ePayroll was not updated to reflect the changes to the December 2021 paydate. This resulted in the intended pay date being missed by one day. Management are currently undertaking a lessons learned exercise to fully understand how the payment date was missed on this occasion.</p> <p>Three recommendations (1 High; 1 Medium; 1 Low) have been agreed with Management to address the issues raised.</p>

The MIJB Chief Internal Auditor has taken account of these assurances from partners' Internal Audit providers to provide the statutory Internal Audit assurance to the MIJB.

# Midlothian Integration Joint Board Audit and Risk Committee



**Wednesday 29 June 2022 at 9.00am**

## **Midlothian Health and Social Care Integration Joint Board Annual Governance Statement 2021/22**

**Item number: 5.2**

### **Executive summary**

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The purpose of this report is to present the draft Annual Governance Statement 2021/22 of the Midlothian Health and Social Care Integration Joint Board by the Chief Officer that will be published in the Annual Report and Accounts 2021/22.

**The MIJB Audit and Risk Committee is therefore asked to:**

- a) Consider the details of the Annual Governance Statement 2021/22 for the Midlothian Health and Social Care Integration Joint Board (Appendix 1) to ensure it reflects the risk environment and governance in place to achieve objectives, and acknowledges the actions identified by Management to improve internal controls and governance arrangements; and**
- b) Approve that it be published in the Annual Report and Accounts 2021/22 of the Midlothian Health and Social Care Integration Joint Board.**

## Midlothian Health and Social Care Integration Joint Board Annual Governance Statement 2021/22

### 1 Purpose

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- 1.1 The purpose of this report is to present the draft Annual Governance Statement 2021/22 of the Midlothian Health and Social Care Integration Joint Board by the Chief Officer that will be published in the Annual Report and Accounts 2021/22.

### 2 Recommendations

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- 2.1 Members of the MIJB Audit and Risk Committee are asked to:
- a) Consider the details of the Annual Governance Statement 2021/22 for the Midlothian Health and Social Care Integration Joint Board (Appendix 1) to ensure it reflects the risk environment and governance in place to achieve objectives, and acknowledges the actions identified by Management to improve internal controls and governance arrangements; and
  - b) Approve that it be published in the Annual Report and Accounts 2021/22 of the Midlothian Health and Social Care Integration Joint Board.

### 3 Background

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- 3.1 The Midlothian Integration Joint Board (MIJB), established as a separate legal entity as required by the Act, is responsible for the strategic planning and commissioning of a wide range of integrated health and social care services across the Midlothian partnership area, based on resources which have been delegated to it by the partners, Midlothian Council and NHS Lothian.
- 3.2 The MIJB is therefore expected to operate under public sector good practice governance arrangements which are proportionate to its transactions and responsibilities to ensure the achievement of the objectives of Integration. The MIJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.
- 3.3 The MIJB approved a revised Local Code of Corporate Governance in April 2021, on recommendation by the MIJB Audit and Risk Committee, which helps to ensure proper arrangements continue to be in place to meet these responsibilities. The Local Code is consistent with the principles and requirements of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) which is deemed appropriate for the MIJB under the legislative framework for integration authorities.

- 3.4 Fundamentally, Corporate Governance is about openness, integrity and accountability. It comprises the systems and processes, and cultures and values by which the authority is directed and controlled and through which it accounts to, engages with and, where appropriate, leads its communities.
- 3.5 The CIPFA/SOLACE Framework urges authorities to review the effectiveness of their existing governance arrangements against their Local Code, and prepare a governance statement and report compliance on an annual basis.
- 3.6 Part of the MIJB Audit and Risk Committee's remit within the MIJB Standing Orders is to review the annual governance statement prior to approval. This includes to 'Be satisfied that the authority's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievements of the authority's objectives'<sup>1</sup>.

## **4 Annual Governance Statement 2021/22**

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- 4.1 The Annual Governance Statement 2021/22 (Appendix 1), in compliance with the CIPFA/SOLACE Framework, provides details of the MIJB's Governance Framework, the annual Review of Framework undertaken, Improvement Areas of Governance, and Overall Opinion.
- 4.2 In terms of overall corporate governance it is the Chief Officer's opinion that, although there are a few areas of work to be completed for full compliance with the Local Code, the overall governance arrangements of the MIJB are operating satisfactorily. The Annual Governance Statement 2021/22 is informed by the work of Internal Audit, External Audit and Inspection agencies, and existing mechanisms embedded within both NHS Lothian and Midlothian Council.

## **5 Directions**

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- 5.1 There are no Directions implications arising from this report.

## **6 Equalities Implications**

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- 6.1 There are no direct equalities implications arising from this report.

## **7 Resource Implications**

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- 7.1 The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the approved Scheme of Integration and the approved Standing Orders to make sure that public business is conducted with fairness and integrity.
- 7.2 The Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

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<sup>1</sup> CIPFA guidance note for local authorities 'Audit Committees' (2018)



## 8 Risk

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- 8.1 The Annual Governance Statement 2021/22 details areas where additional work would further enhance the internal control environment, or improve risk management, and corporate governance arrangements.
- 8.2 In addition to its own governance arrangements, the MIJB places reliance on the governance arrangements adopted by NHS Lothian and Midlothian Council, the partners. Where appropriate, existing mechanisms embedded within both NHS Lothian and Midlothian Council have been used to provide assurance to the MIJB.

## 9 Involving people

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- 9.1 The MIJB Chief Officer, Chief Finance Officer and Integration Manager have been consulted on the Internal Audit Annual Assurance Report 2021/22 which sets out the findings and conclusions arising from all Internal Audit work carried out during the year to 31 March 2022. These have been used to inform the MIJB Annual Governance Statement 2021/22.

## 10 Background Papers

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- 10.1 Midlothian Integration Joint Board Local Code of Corporate Governance (approved by the MIJB on 8 April 2021); Internal Audit Annual Assurance Report 2021/22 (considered by the MIJB Audit and Risk Committee on 29 June 2022).

<b>AUTHOR'S NAME</b>	Jill Stacey
<b>DESIGNATION</b>	MIJB Chief Internal Auditor
<b>CONTACT INFO</b>	
<b>DATE</b>	13 June 2022

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Appendix – MIJB Annual Governance Statement 2021/22



# Annual Governance Statement 2021/22

## Introduction

The Annual Governance Statement explains the MIJB's governance arrangements and system of internal control and reports on their effectiveness.

## Scope of Responsibility

The MIJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To meet this responsibility, the MIJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the MIJB's policies, aims and objectives. Reliance is also placed on NHS Lothian and Midlothian Council's (the partners) systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the MIJB.

The system can only provide reasonable and not absolute assurance of effectiveness.

## The Governance Framework and Internal Control System

The Board of the MIJB comprises voting members, nominated by either NHS Lothian or Midlothian Council, as well as non-voting members including a Chief Officer appointed by the Board.

The current MIJB Local Code of Corporate Governance (MIJB Local Code), which was approved by the Board on 8 April 2021, sets out the framework and key principles, which require to be complied with, to demonstrate effective governance. The MIJB Local Code reflects the changing context of integration and is consistent with the principles and recommendations of the new CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for Scottish authorities. The overall aim of the Framework is to ensure that: resources are directed in accordance with agreed policy and according to priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The main features of the governance framework and internal control system associated with the seven core principles of good governance defined in the MIJB Local Code in existence during 2021/22 included:

### **A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law**

The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the approved Scheme of Integration (review and update in progress), which serves as the approved constitution, and Standing Orders to make sure that public business is conducted with fairness and integrity.

The Ethical Standards in Public Life (Scotland) Act 2000 provides for Codes of Conduct for local authority councillors and members of relevant public bodies. As a Public Body listed in schedule 3 of the Act, the MIJB is required to produce a Code of Conduct (review and revision in progress; the Code currently in place will continue to apply to the conduct of Members until such time as the revisions are approved.

The MIJB is dependent upon arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services;
- handling complaints;
- ethical awareness training and whistleblowing policies and procedures;
- staff appointment and appraisal processes which take account of values and ethical behaviour;
- identifying, mitigating and recording conflicts of interest, hospitality and gifts; and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

Other areas where the MIJB places significant reliance on arrangements in place within the partner organisations are set out in the remainder of the statement.

The Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Professional advice on the discharge of duties is provided to the Board by the MIJB Chief Officer supported by Chief Financial Officer, Chief Internal Auditor and Board Clerk as appropriate.

#### **B. Ensuring openness and comprehensive stakeholder engagement**

Board meetings are held in public unless there are good reasons for not doing so on the grounds of confidentiality.

Unless confidential, decisions made by the Board are documented in the public domain.

Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plans of the Health and Social Care Integration Joint Board were developed following consultations with interested parties including members of the public.

#### **C. Defining outcomes in terms of sustainable economic, social, and environmental benefits**

The vision, strategic objectives and outcomes are reflected in the Midlothian Health & Social Care Integration Joint Board Strategic Plan 2019-2022, which has been updated to reflect on-going assessment of need and priorities (Strategic Plan 2022-2025). Implementation is underpinned by the associated Directions, on which progress reports are presented to the Board.

Implications are considered during the decision making process within the standard report template covering Policy, Equalities, Resources, Risk, and Involving People.

#### **D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

In determining how services and other courses of action should be planned and delivered, the MIJB has a statutory responsibility to involve patients and members of the public.

The MIJB Strategic Plan is based on consultation during its review and update.

The MIJB has issued Directions to the partners for service delivery and for service redesign and recommissioning in line with the transformation programme.

#### **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The MIJB Chief Officer is responsible and accountable to the Board for all aspects of management including promoting sound governance and providing quality information/support to inform decision-making and scrutiny.

Regular meetings are held between the Chief Officer and the Chair and Vice Chair of the MIJB. The MIJB Chief Officer also meets regularly with representatives from the partner organisations.

Members of the MIJB Board are provided with the opportunity to attend Development Sessions relevant to their role as part of their development programme.

There is the interim Workforce Plan 2021/22 (3 year Workforce Plan 2022/25 is being developed) to ensure it has the right people, with the right skills, in the right place, at the right time to support the delivery of its strategic objectives and priorities.

#### **F. Managing risks & performance through robust internal control & strong public financial management**

The MIJB Chief Officer has overall responsibility for directing and controlling the partnership to deliver health and social care services. The MIJB Board is responsible for key decision-making.

The MIJB has approved a Risk Management Strategy which includes: the reporting structure; types of risks to be reported; risk management framework and process; roles and responsibilities; and monitoring risk management activity and performance.

The MIJB Chief Financial Officer is responsible for the proper administration of all aspects of the MIJB's financial affairs including ensuring advice is given to the Board on all financial matters.

The MIJB's system of internal financial control is dependent upon the framework of financial regulations, regular management information (including Revenue Budget Monitoring reports to the Board), administrative procedures (including segregation of duties), management supervision and systems of delegation and accountability within the partner organisations.

The MIJB also relies upon the partners for:

- Counter fraud and anti-corruption arrangements; and
- Management of data in accordance with applicable legislation.

## **G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

The Shared Chief Internal Auditor of Midlothian Council is the MIJB's Chief Internal Auditor (to June 2022) whose role is to provide an independent and objective annual opinion on the effectiveness of the MIJB's internal controls, risk management and governance. This is carried out in conformance with the Public Sector Internal Audit Standards.

The MIJB responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The MIJB Audit and Risk Committee is integral to overseeing assurance and monitoring improvements in internal controls, risk management and governance.

Performance Reports were presented to the Board for monitoring and control of achievement of Local Improvement Goals. An Annual Performance Report for 2021/22 is being prepared to outline progress against strategic objectives over the year.

The Annual Accounts and Report for 2021/22 setting out the financial position in accordance with relevant accounting regulations is being prepared.

### **Review of Adequacy and Effectiveness**

The MIJB is required to conduct an annual review of the effectiveness of its governance framework.

The review was informed by: an annual self-assessment carried out by Internal Audit against the MIJB's Local Code of Corporate Governance; Internal Audit reports for the MIJB; External Audit reports for the MIJB; relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Lothian and Midlothian Council) Internal Audit and External Audit reports.

In respect of the four improvement areas of governance identified by the MIJB in 2020/21, there have been developments during the year in three of these. Specifically, the significant work and consultation undertaken to prepare the updated Strategic Plan 2022-2025 (which was approved by the Board in April 2022), staff resources secured to progress the refresh of the Performance Management Framework, and the development of the Workforce Strategic Plan 2022-2025 by the Workforce Strategic Planning Group to ensure alignment with the updated Strategic Plan. These areas of improvement are not fully implemented and therefore continue to be noted in the section below, with enhancements added.

### **Improvement Areas of Governance**

The review activity outlined above has identified the following areas where further improvement in governance arrangements can be made to enhance compliance with the Local Code:

- 1 Demonstrate the linkages within the updated Strategic Plan 2022-2025 to local and national objectives and alignment of Directions.
- 2 Update the Financial Strategy to address significant deficits indicated in the Medium Term Financial Plan 2021/22 – 2024/25 and provide clarity on whether outcomes can be delivered on a sustainable basis within the resources that will be available, and implement actions arising from the self-assessment of compliance with the CIPFA Financial Management Code.
- 3 Further develop the Performance Management Framework to define and align performance measures to key priorities and outcomes of the Strategic Plan 2022-2025.
- 4 Progress workforce plans for all delegated services to reflect the Strategic Plan 2022-2025 and possible changes required to address significant budgetary challenges.

The implementation of these actions to enhance the governance arrangements in 2022/23 will be driven and monitored by the MIJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2022/23 is designed to test improvements and compliance in governance.

### **Conclusion and Opinion on Assurance**

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the MIJB's governance arrangements and system of internal control, while recognising that further improvements are required to fully demonstrate compliance with the Local Code in order for the MIJB to fully meet its principal objectives. Systems are in place to regularly review and improve governance arrangements and the system of internal control.

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Morag Barrow  
Chief Officer MIJB

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Carolyn Hirst  
Chair of the MIJB



# Midlothian Integration Joint Board Audit and Risk Committee



**Wednesday 29<sup>th</sup> June 2022 at 9.00am**

## **Midlothian IJB Draft Unaudited Annual Accounts 2021/22**

**Item number: 5.3**

### **Executive summary**

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*This report presents the IJB's draft (unaudited) Annual Accounts for 2021/22. The IJB is required to prepare a set of annual accounts each year a draft of these accounts must be agreed by committee before 30 June whereupon the draft must be published on the IJB's website and presented to the IJB's auditors for review.*

#### **Committee members are asked to:**

- 1. Consider the IJB's draft annual accounts*
- 2. Agree to the publication of these unaudited accounts and presenting them for audit*

## Midlothian IJB Draft Unaudited Annual Accounts 2021/22

### 1 Purpose

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- 1.1 This report presents the IJB's draft (unaudited) Annual Accounts for 2021/22

### 2 Recommendations

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- 2.1 Committee members are asked to
- Consider the IJB's draft annual accounts
  - Agree to the publication of these unaudited accounts and presenting them for audit

### 3 Background and main report

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- 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.
- 3.2 The Audit and Risk Committee is asked to approve the attached draft annual accounts reflecting on the Management Commentary, the Annual Governance Statement and the financial position

### 4 Policy Implications

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- 4.1 There are no policy implications from this report.

## 5 Directions

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5.1 There are no implications on directions from this report.

## 6 Equalities Implications

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6.1 There are no equalities implications from this report

## 7 Resource Implications

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7.1 There are no resource implications from this report.

## 8 Risk

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8.1 There are no risks associated.

## 9 Involving people

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9.1 There are no direct implications for involving people as a result of this report.

## 10 Background Papers

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10.1 None.

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<b>DATE</b>	June 2022

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Appendix – Midlothian IJB Draft Unaudited Annual Accounts 2021/22







**Midlothian**  
**Health & Social Care**

# **Midlothian**

## **Integration Joint Board (IJB)**

# **Annual Accounts**

## **2021/22**

The Annual Accounts of Midlothian Integration Joint Board for the period from 1 April 2021 to 31 March 2022, prepared pursuant to Section 105 of the Local Government (Scotland) Act 1973 and in accordance with the terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and Service Reporting Code of Practice.

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# Audit Arrangements

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Under arrangements approved by the Accounts Commission of Local Authority Accounts in Scotland, the auditor with responsibility for the audit of the accounts of Midlothian Integration Joint Board for the period 1 April 2021 to 31 March 2022 is Stephen Reid, CA, CIPFA, Partner, Ernst and Young LLP, Atria One, 144 Morrison Street, Edinburgh, EH3 8EB.

# Management Commentary

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## Introduction

The management commentary considers the work that the IJB has undertaken during the financial year 2021/22 and then describes the financial performance for the financial year ended 31 March 2022. It further provides an overview of the key messages relating to the role, remit, members, objectives and the strategy of the Midlothian Integration Joint Board (IJB).

## The IJB's Operations for the Year 2021/22.

### Impacts of COVID-19 on Service Outcomes and Integration

2021/22 is the second year of the COVID-19 pandemic and the IJB would like to sincerely thank the staff of NHS Lothian, Midlothian Council, the GP Practices, the independent providers of social care and the voluntary organisations who have continued to deliver the functions that have been delegated to the IJB during a very difficult period.

COVID-19 has continued to disrupt patient journeys and service delivery in health and care settings and is delaying access to secondary care treatment which might otherwise reduce care requirements for individuals. The impact of the pandemic has also continued to constrain the work of the IJB in the delivery of its Strategic Plan. The IJB remains committed to supporting its partners (Midlothian Council and NHS Lothian) during this very difficult time but it is hoped that in 2022/23 that the impacts of the pandemic become more manageable and that the IJB will be able to return to a more 'business as usual' position.

During the financial year, the IJB has expended around £5,488,000 to support the additional costs of health and social care generated by the COVID-19 pandemic and this has been funded through the IJB's COVID-19 reserve along with additional grants from the Scottish Government. In addition, the IJB has continued to support NHS Lothian with its remobilisation plan as part of the overall recovery of Health and Social Care services from the pandemic

### IJB's Vision and Objectives

The IJB's vision and objections are laid out in the IJB's Integration Scheme and these are a reflection of the national agreed Health and Wellbeing outcomes. These are –

1. People are able to look after and improve their own health and wellbeing and live in good health for longer.
2. People, including those with disabilities or long term conditions or who are frail are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.

4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.
5. Health and social care services contribute to reducing health inequalities.
6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and wellbeing.
7. People using health and social care services are safe from harm.
8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.
9. Resources are used effectively and efficiently in the provision of health and social care services.

The IJB also contributes to the achievement of the national criminal justice outcomes because the Parties have elected to delegate criminal justice social work.

## **Delivery of the IJB's current Strategic plan**

Allowing for the constraints and the operational impact of the COVID-19 pandemic on the IJB's partners, the IJB has continued to deliver its current strategic plan during the financial year. The Strategic Plan is delivered through the IJB's directions to the partners (Midlothian Council and NHS Lothian) and the IJB considered the delivery of these directions in detail at its April 2020 and December 2021 meetings and other matters pertaining to the delivery and the development of the Strategic plan have been discussed at other meetings. The IJB's Strategic Planning Group has met regularly during the financial year to reflect on and develop the IJB's Strategic Plan and this is discussed further below in the IJB's plan for future years

The IJB categorises its services into three broad areas –

### **Core Services**

These are the local health and social care services within Midlothian and are operationally managed by the Health and Social Care Partnership which is a joint arrangement between Midlothian Council and NHS Lothian.

### **Hosted Services.**

These being delegated functions that are operationally managed by other parts of NHS Lothian – for example in-patients mental health services provided at the Royal Edinburgh Hospital in Edinburgh

### **Set Aside Services**

These being delegated functions operationally managed by NHS Lothian in its Acute Division.

Details of all of the functions delegated to the IJB by NHS Lothian and Midlothian Council are laid out under the Role of the IJB below.

Within each of these areas the following developments have been driven forward by the IJB during the year

## **Core Services**

### **Avoiding patient falls.**

An additional direction was issued by the IJB at its April 2021 meeting to support the delivery of the Midlothian Falls and Fracture Prevention Action Plan 2020-2022. This asked the partners to develop and integrated falls pathway across the HSCP and the Third Sector by December 2021.

### **Primary Care (GP Practices)**

The IJB continued to support the delivery of the Primary Care Implementation plan in the twelve GP Practices within Midlothian. The transfer of vaccination programmes from GP practices to services delivered by the HSCP has continued. The HSCP and the GP Practices continue to work closely together to deliver an integrated local care service and the work to progress the memorandums of understanding (MOU) between the Scottish Government and the GP Practices is a key in delivering the IJB's Primary Care Strategy. The MOU will lead to GPs being treated as specialist generalist medical staff to manage those patients that require their own specific input with a whole range of primary health care being delivered by the HSCP's staff, community pharmacists and other appropriate services.

### **Respite Services**

The Cowan Court Respite Flat (Cowan Court is a local care home) went live in November 2021 and this will support the IJB's respite strategy.

### **Wellbeing Service (Mental Health)**

As part of an overall development of mental health services in Midlothian, the wellbeing service is on track to support 800 people during the financial year, with 447 referrals being made in the first six months of the service

### **Developments at Midlothian Community Hospital**

Midlothian Community Hospital (the services delivered there being part of the functions delegated by the IJB) is seen as a very useful local resource and plans were developed to ensure that it is fully utilised and that services which can be delivered locally are delivered at the hospital. One of the wards (Glenlee) has had its bed capacity increased to allow for 'step-up' and rehabilitation services from the community and further staff have been recruited to open fourteen beds.

### **Extra Care Housing**

As part of the IJBs Strategies, extra-care housing is being developed at Newmills Road, Dalkeith with an estimated completion date of November 2022.

### **Support to Carers**

The IJB continues to develop its carers strategy and a monitoring and evaluation framework is now in place to deliver qualitative data regarding service delivery and qualitative data relating to outcomes for carers

### **Hosted Services**

The IJB has considered and supported phase II of the REH business Case, this was considered at its meeting in October 2021. The Royal Edinburgh Hospital is an in-patient facility for Mental Health patients in Edinburgh. NHS Lothian have been working on rebuilding this hospital and providing modern fit-for purpose accommodation and services for patients. As part of the overall IJB's Mental Health Strategy, the IJB has been successful in reducing the in-patient bed usage at the REH and now requires fewer beds than it used previously. This is recognised in the phase II business case and the IJB was asked to agree to the proposed bed numbers (which it did) noting that financial releases will be available at the end of this development and that these resources can then be reinvested in local mental health services.

### **Set Aside Services**

The COVID-19 pandemic has generated serious pressures on the Acute Hospitals which support Midlothian Patients (the Royal Infirmary of Edinburgh and the Western General Hospital). This has not stopped the IJB's work on reducing its use of acute beds and reducing attendances at the Emergency Department but the IJB recognises the pressure on the Acute system caused by the pandemic and has concentrated on reducing that pressure as much as possible. This work has been delivered by the HSCP who have been developing intermediate care services to reduce admissions and lengths of stay as much as possible.

A full, detailed examination of the work of the IJB in 2021/22 will be published in October '22 as part of the IJB's Annual Report. This will be on the IJB's new website [\[insert link\]](#)

### **Review of the IJB's Strategic Plan and Preparation of the IJB's Strategic Plan for 2022-25**

A further key part of the work of the IJB in 2021/22 has been the development of the Strategic Plan covering the period 2022 – 2025. This has been developed through the IJB's Strategic Planning Group and was presented to the IJB at its March 2022 meeting. This is further discussed below

### **Other Issues**

There have been other further developments during the financial year which will impact on the future role of the IJB although the IJB has no influence over these events.

## **Review of the IJB's Integration Scheme.**

The IJB is constituted through the Integration Scheme drawn up by Midlothian Council and NHS Lothian. This requires revision every five years – although because of the COVID-19 pandemic the scheme had not been revised for six years - and Midlothian Council and NHS Lothian Council drafted a new scheme during the financial year which is currently out for consultation. This new scheme contains no material changes for the old scheme and therefore there should not be any impact on the IJB.

## **Consultation on the National Care Service**

The Scottish Government is undertaking a consultation on their proposal to set up a national care service. It seems that this will mean that the IJB, as it currently exists, will be wound up when new legislation to set up the NCS takes effect. The IJB has formally responded to the consultation and this was presented to the IJB at its November 2021 meeting

## **Lothian Strategic Development Framework**

NHS Lothian has drawn up a strategic development framework which includes a range of functions which have been delegated to the IJBs. NHS Lothian and the Lothian IJBs have committed to work jointly to deliver the ambitions in the IJBs' Strategic Plans

## **IJB's Financial Performance in 2021/22**

For the financial year ending 31<sup>st</sup> March 2022, the IJB was underspent by around £10,519,000. However this position includes a significant range of additional funds from the Scottish Government that were made available to the IJB in 2021/22 but were either not able to be used in year or, in the case of support for COVID-19 costs to be carried forward into 2022/23. The funds to be carried forward in the IJB reserves are detailed in the analysis of reserves below. The 2021/22 financial position is further detailed below in the section describing the IJB's financial performance in 2021/22.

## **The Role and Remit of the IJB**

The 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 Midlothian 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 20 August 2015.

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

- Adult Social Care



- 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 Hospital).

The IJB assumed formal responsibility for these functions in April 2016 including the budgets for the delivery of these functions. The strategic plan of each IJB must be reviewed and approved by the IJB every 3 years. The IJB has approved its second Strategic Plan which covers April 2019 to March 2022 and has prepared a further strategic plan covering the period from April 2022 to March 2025.

The membership of the IJB is laid out the Appendix to these annual accounts

# Plans for Next Year and beyond

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## **Development of a revised strategic plan – 2022-2025**

As was discussed above, the IJB has been developing, through its Strategic Planning Group and individual strategic planning programmes, a revised Strategic Plan for 2022-2025. This plan will be delivered by the IJB's partners through the issuing of detailed directions. Of course, the delivery of change and the achievement of the IJB's objectives cannot be achieved within a one or two year timeframe and a number of directions from previous periods will still be germane during 2022-2025 and these will be added to by revised and new directions. A revised process of the monitoring of the performance of the directions is being developed that will allow the IJB to more clearly understand the progress against the delivery of the directions and through those the delivery of the Strategic Plan. Progress with Directions is reported to the IJB every six months. To ensure all issued Directions are considered at each reporting point, a log has been created giving each action a reference number for tracking. This log will support effective reporting of progress and ensure that all previously issued Directions are also appropriately monitored. This will enable the IJB to maintain, and, where appropriate, adjust, the full programme of service delivery and redesign it is seeking to achieve through the work of its partners.

There are a range of areas wherein individual directions will include links to other elements of the strategic plan. Such cross-cutting and significant drivers for change include the frailty programme; the development of a falls programme; and the application of digital solutions. Only a small portion of the Public Health budget is delegated to the IJB and yet the objective of a strong programme of prevention and screening is dependent upon the skills and resources within Public Health. As such, the IJB are very committed to strengthening our joint working in this area.

The IJB is also keen to ensure the provision of good quality housing tailored to the needs of people with physical and mental health needs or disabilities is crucial to enabling people to manage as independently as possible. The plans to achieve this are laid out in the Housing Contribution Statement provided as an appendix to the Strategic Plan.

The Midlothian Strategic Commissioning Plan 2022-2025 outlines the way ahead for the development of health and social care services in Midlothian. The Plan explains the IJB's objectives in the delivery of health and social care services and, within each section of the plan, outlines specific actions to be taken to improve the delivery of services aimed at prevention and early intervention; support and treatment; and responding to crises.

The IJB is only empowered to issue Directions regarding functions delegated to it as outlined in the Integration Scheme. However there is a very clear link between good health and wellbeing and ease of access to services which meet people's basic needs. These include good housing, income and employment and transport. The Housing Contribution Statement outlines the main changes planned in the delivery of good housing to support health and

wellbeing. Alongside this, strong partnership working will continue to be crucial with non-delegated health services such as Public Health, Council services such as Lifelong Learning, the wider Community Planning Partnership, and local people and communities. The IJB will continue to support its partners in these areas.

A link to the revised plan will be included once approved [insert]

# The IJB's Financial Position: 31 March 2022

## Summary

For the year ending 31 March 2022, the IJB was underspent by £10.5m. That is the costs incurred in delivering the IJB's functions by Midlothian Council and NHS Lothian are less than the income that the IJB received from NHS Lothian and Midlothian Council.

	Income £000's	Expenditure £000's	Surplus £000's
Health Services	£127,825	£121,552	£6,273
Social Care Services	£50,598	£46,352	£4,246
<b>Total</b>	<b>£178,423</b>	<b>£167,904</b>	<b>£10,519</b>

This is the second year that the IJB has been underspent. The underspend in 2020/21 was a reflection of the impact of the COVID-19 pandemic on the health and social care system. Although the system was under a huge pressure additional financial resources were made available to cover that pressure but the shortage of staff and the impact on the pandemic on the third party providers of social care meant that some planned programmes couldn't be undertaken and the, in financial terms, the IJB was underspend and carried this money forward in its reserves.

In 2021/22, the underspend has been generated by three main areas

1. Additional funds have been received in year from the Scottish Government to support the COVID-19 pandemic beyond those required in 2021/22. This has been part of a specific policy to allow the IJBs to be able to carry forward into 2022/23 adequate funds to cover the projected costs of supporting the COVID-19 pandemic in that year.
2. Additional support was made available by the Scottish Government in November 2021 to support Winter pressures, in total c. £1,839,000. The IJB has not been able to utilise these funds in year and they have been added to the IJB's earmarked reserves. In addition further investments were made by the Scottish Government through NHS Lothian, again the IJB has not been able to utilise these funds in year
3. Having taken account of funds to be moved to earmarked reserves, the IJB was left with an operational underspend of £1,149,000. This being, as was the case in 2020/21, largely because of the inability of the IJB to fully utilise its planned programmes through the demands and pressures from the COVID-19 pandemic. These funds have been moved to the IJB's general reserve.

## Reserves

The movement in the IJB's reserves and the makeup of that reserve is detailed below. In summary the balance in the IJB's reserves on 31/3/2022 is £23,511,000. This is made up of

£9,703,000 for COVID-19 costs, £7,938,000 for earmarked reserves and £5,870,000 of general reserves. It is expected that the COVID-19 reserve will be utilised during 2022/23.

Elements of the general reserve are for very specific projects and the IJB will be encouraging the partners to progress these projects, however some elements (for example Additional Capacity in Care at Home) will support broader work and the IJB is committed to ensuring that the earmarked funds which can be appropriately used to develop the IJB's services are used in that way.

The IJB's general reserve is now in excess of the target set by the IJB's Reserves Policy. The IJB is considering how elements of that reserve can be used, albeit non-recurrently, to further develop work that will support the delivery of the Strategic Plan.

## 2022/23 Financial Outlook

The IJB set a balanced budget for 2022/23 at its March 2022 meeting, albeit using an indicative budget offer from NHS Lothian. The 22/23 Scottish Budget settlement included significant resources for the Integration Authorities to support further capacity and development in social care and these funds along with an appropriate utilisation of the IJB's reserves as discussed above allowed the IJB to set a balanced budget. That said, there are clearly a significant range of financial pressures impacting on the IJB's partners and the IJB is committed to supporting the partners in so far as the Integration Scheme allows.

## Analysis of the Financial Statements

The financial statements are all presented on a net basis.

	Health unaudited Budget £000's	Social Care unaudited Budget £000's	Health Expenditure £000's	Social Care Expenditure £000's	Variance £000's	Note
<b>Direct Midlothian Services</b>						
<b>Community AHPS</b>	£2,707		£2,789		-£82	
<b>Community Hospitals</b>	£5,716		£5,892		-£176	
<b>District Nursing</b>	£5,924		£5,876		£48	
<b>General Medical Services</b>	£33,883		£33,859		£23	
<b>Health Visiting</b>	£2,234		£2,222		£12	
<b>Mental Health</b>	£2,950		£2,826		£124	
<b>Other</b>	£1,260		-£4,876		£6,136	<b>1</b>
<b>Prescribing</b>	£19,102		£19,241		-£139	
<b>Resource Transfer</b>	£7,173		£7,173		-£0	<b>2</b>
<b>Older People</b>		£22,843		£19,001	£3,841	
<b>Learning Disabilities</b>		£16,549		£16,528	£21	
<b>Mental Health</b>		£1,177		£1,387	-£210	

	Health unaudited Budget £000's	Social Care unaudited Budget £000's	Health Expenditure £000's	Social Care Expenditure £000's	Variance £000's	Note
<b>Physical Disabilities</b>		£3,538		£4,087	-£549	
<b>Assessment &amp; Care Management</b>		£3,378		£2,987	£391	
<b>Other</b>		£3,113		£2,362	£752	<b>3</b>
<b>Midlothian Share of Pan Lothian</b>						
<b>Set Aside</b>	£20,549		£20,698		-£150	<b>4</b>
<b>Mental Health</b>	£2,662		£2,716		-£53	
<b>Learning Disabilities</b>	£1,416		£1,428		-£12	
<b>GP Out of Hours</b>	£3,144		£3,103		£41	
<b>Rehabilitation</b>	£879		£791		£88	
<b>Sexual Health</b>	£697		£676		£21	
<b>Psychology</b>	£847		£855		-£9	
<b>Substance Misuse</b>	£375		£364		£11	
<b>Allied Health Profes- sions</b>	£1,622		£1,494		£128	
<b>Oral Health</b>	£1,854		£1,823		£31	
<b>Other</b>	£1,439		£1,210		£228	
<b>Dental</b>	£5,855		£5,855		£0	<b>5</b>
<b>Ophthalmology</b>	£1,742		£1,742		£0	<b>5</b>
<b>Pharmacy</b>	£3,796		£3,796		£0	<b>5</b>
	<b>£127,825</b>	<b>£50,598</b>	<b>£121,552</b>	<b>£46,352</b>	<b>£10,519</b>	

## Notes

1. Other includes £4.816m for the Social Care Fund. These are resources which the Scottish Government has directed to the IJB through NHS Lothian and are shown as health; however, these funds are then transferred to the Council and used to support the delivery of social care services.
2. 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.
3. Other includes care for non-specific groups, substance misuse services and other management and performance costs.
4. 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.

5. 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 are 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.

The charges (shown as expenditure above) made by Midlothian Council to the IJB are the net direct costs incurred in the delivery of social care services in Midlothian. 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 Midlothian partnership) are based on the net direct actual costs incurred in Midlothian. However, charges for hosted and set aside services (those services which are not generally managed by the Midlothian 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 2020/21 for hosted services is 10% and, generally, 10% of the Lothian element of the set aside budgets and the non-cash limited budgets.

## Reserves

The IJB has reserves at the end of 2021/22 of £23.512m, compared to reserves of £12.933m in March 2020. The movement can be described as follows:

	Opening Balance £000's	Movement £000's	Closing Balance £000's
<b>COVID-19 Funding</b>	5,492	4,211	9,703
<b>Local Programmes</b>	926	1,348	2,274
<b>Primary Care Investment Fund</b>	342	547	889
<b>Alcohol and Drug Strategy</b>	326	293	619
<b>Community Support Fund</b>	312	0	312
<b>Technology Enabled Care</b>	274	(66)	208
<b>Integrated Care Fund</b>	218	181	399
<b>Wellbeing Service</b>	189	59	248
<b>Action 15</b>	102	38	140
<b>EGIERDA Project</b>	79	(30)	49
<b>Autism Strategy</b>	12	0	12
<b>Interim Care</b>		603	603
<b>Care at Home</b>		934	934

	Opening Balance £000's	Movement £000's	Closing Balance £000's
<b>Multi-disciplinary Teams</b>		302	302
<b>Older People's Transformation Board</b>		22	22
<b>Carers Act</b>		679	679
<b>Equally Safe Fund</b>		29	29
<b>Trauma Informed Practice</b>		50	50
<b>Additional MHO Capacity</b>		80	80
<b>DBI/Penumbra Funding</b>		90	90
<b>General Reserves</b>	4,721	1,149	5,870
<b>Total</b>	<b>12,993</b>	<b>10,518</b>	<b>23,511</b>

It should be noted that of the total reserve of c. £23.5m, £9.7m is to support the additional costs that have been and will be incurred by the IJB's partners (Midlothian Council and NHS Lothian) in supporting the COVID-19 pandemic. These, and other earmarked funds should be expended in 2022/23 and will not be available to the IJB for any other purpose. The reserves available for contingency in future years is £5.9m.

## Key risks, challenges and uncertainties

The coronavirus pandemic remains a significant challenge with the ongoing uncertainty surrounding further waves and outbreaks. This brings challenges to all services and will remain at the forefront of our planning during the next 12 months. Despite the ongoing uncertainty of further COVID-19 outbreaks, partners are also focusing on addressing the wider health and care needs of the people of Midlothian. Both Health and Social Care will regularly update the IJB with detailed transformations plans on reshaping services to meet the needs of the new normal. The challenge for the IJB is to transform the delivery of its delegated functions whilst supporting the delivery of financial balance within the financial resources available.

### A growing and ageing population

Midlothian is the second smallest Local Authority in mainland Scotland but the fastest growing. 12,000 new houses will be built in the next 3 years. This will pose challenges for all our health and social care services whilst also changing the face of some of the local communities. As people live for longer many more people will be living at home with frailty and/or dementia and/or multiple health conditions. An increasing number of people live on their own, and for some this will bring a risk of isolation.

### Higher rates of long-term conditions

Managing long-term conditions is one of the biggest challenges facing health care services worldwide, with 60% of all deaths attributable to them. Midlothian has a higher incidence than the national prevalence of cancer, diabetes, depression, hypertension, chronic obstructive pulmonary disease and asthma. Older people are more susceptible to developing long-term conditions; most over 65s have two or more conditions and most



over 75s have three or more conditions. People living in areas of multiple deprivations are at particular risk with, for example, a much greater likelihood of early death from heart failure. They are also likely to develop 2 or more conditions 10-15 years earlier than people living in affluent areas. It is estimated that people with long-term conditions are twice as likely to be admitted to hospital and have a longer length of stay accounting for 80% of all GP visits and for 60% of hospital admissions.

(Data Source Midlothian Joint Needs Assessment, page 43 onwards:

[www.midlothian.gov.uk/downloads/file/3430/joint\\_needs\\_assessment\\_2019\\_final](http://www.midlothian.gov.uk/downloads/file/3430/joint_needs_assessment_2019_final))

## **High rates of mental health needs**

Many mental health problems are preventable, and almost all are treatable, so people can either fully recover or manage their conditions successfully and live fulfilling healthy lives as far as possible. The incidence of mental health issues in Midlothian, while similar to the rest of Scotland, is a concern. Living in poverty increases the likelihood of mental health problems but also mental health problems can lead to greater social exclusion and higher levels of poverty. People who have life-long mental illness are likely to die 15-20 years prematurely because of physical ill-health.

People place a high value on being able to access effective health services when they need them. People expect to receive high quality care services when these are needed whether as a result of age, disability or long term health conditions. Yet there are a number of pressures on our services.

## **Workforce pressures**

Two of the main areas of concern to the public in recent times have been difficulties in accessing primary care and not always receiving care at home despite being assessed as in need of the service. Recruitment and retention is a growing problem in health and social care. There is a shortage of GPs; a significant proportion of District Nurses are nearing retirement; while care at home providers find it difficult to attract and keep care at home workers despite measures such as the living wage and guaranteed hours. The aging population means these pressures will almost certainly increase. There is a clear need to plan ahead and find alternative solutions to ensure services are able to meet people's needs.

## **Acute hospitals**

The Acute hospitals that support the population of Midlothian (The Royal Infirmary of Edinburgh and the Western General Hospital) remain under significant demand pressures and exist, as do other social care and health services in a financially challenging environment. The IJB will continue to invest and develop community based alternatives that will minimise avoidable and inappropriate admissions.

## **Mitigation and management of the risks, challenges and uncertainties**

Of course, with the exception of COVID these uncertainties are known to the IJB and will be managed through its risk management system and, more importantly, through the delivery of its Strategic Plan. Although the population is growing, the Scottish Government's distribution model of resource allocation to both Councils and the NHS does take account of changes in population. That said, there is a lag between that change and the movement in population but this is not a new issue and both the council and NHS Lothian have developed mechanisms to mitigate this pressure.

The other uncertainties have been and will continue to be managed through the IJB's Strategic Plan (and the supporting Financial Plan) and the IJB's Strategic Planning Group discusses and develops transformational change and new integrated models of delivery of both social and health care.

**Carolyn Hirst**, IJB Chair.

**Morag Barrow**, Chief Officer.

**Claire Flanagan**, Chief Finance Officer.

# Statement of Responsibilities

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## 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 & Risk Committee.

Signed on behalf of Midlothian Integration Joint Board.

**Carolyn Hirst**, IJB 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 Midlothian Integration Joint Board as at 31 March 2022 and the transactions for the year then ended.

**Claire Flanagan**, Chief Finance Officer.

# Remuneration Report

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## 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 other sections of this report will be reviewed by Ernst & Young LLP and any apparent material inconsistencies with the audited financial statements will be considered as part of their audit report.

## Remuneration: IJB Chair and Vice Chair

The voting members of the IJB are appointed through nomination by Midlothian Council and NHS Lothian Board. Nomination of the IJB Chair and Vice Chair post holders alternates between a Councillor and a Health Board representative.

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 2020/21 (PY nil).

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 in recognition of the additional time required to undertake those roles. This remuneration is £8,929 per annum (PY £8,842). Carolyn Hirst is Chair of IJB and receives an additional day's remuneration specifically for this role as Chair of the IJB in 2021/22.

## Remuneration: Officers of the IJB

The IJB does not directly employ any staff; 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 Morag Barrow who is also the Director of Health and Social Care for Midlothian Council and the Joint Director of the Midlothian Partnership. It has been agreed that 50% of her total remuneration is to be shown in the accounts of the IJB as her 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. During 2021/22 the Chief Finance Officer (Claire Flanagan) was on maternity leave between the start of August 2021 until the end of March 2022. The Chief Finance Officer is employed by NHS Lothian and has three roles – the IJB's Chief Finance Officer, the Chief Finance Officer of East Lothian IJB and an operational role in the NHS Lothian finance team as a Finance Business Partner. On that basis, one third of the total remuneration for Claire Flanagan is shown below. Between August 2021 and March 2022, the role of Chief Finance Officer was undertaken on an Interim basis by David King. David King is retired but was paid on the NHS Lothian Staff bank (by NHS Lothian) on an ad hoc basis. David King also undertook the role of CFO in East Lothian IJB but did not undertake any duties as a finance business partner. NHS Lothian have provided the total costs of having employed David King during this time and half of these costs will be shown here (the other half shows in East Lothian IJB). David King is not superannuated.

### 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.

### **Senior Employees: Salary, Fees & Allowances**

Name	2020/21	2021/22
Morag Barrow	£48,241	£53,805
Claire Flanagan (to August 2021)	£25,000	£9,644
David King (from August 2021 to March 2022)	n/a	£14,047

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 tables 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.

#### **In year Pension Contributions:**

	For year to 2022	For year to 2021
Morag Barrow	£0	£0
Claire Flanagan	£7,028	£15,547

#### **Accrued Pension Benefits:**

	Pension (as at 31 March 2022) £000's	Lump Sum (as at 31 March 2022) £000's	Pension (Dif from 31 March 2021) £000's	Lump Sum (Dif from 31 March 2021) £000's
Morag Barrow	21	54	0	0
Claire Flanagan	18	27	2	1

## **Disclosure by Pay Bands**

Pay band information is not separately disclosed as all staff pay information has been disclosed in the information above.

## **Exit Packages**

The IJB did not support nor did it direct to be supported by its partners, any exit packages during 2021/22.

**Carolyn Hirst**, IJB Chair.

**Morag Barrow**, Chief Officer.

# Annual Governance Statement 2021/22

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## Annual Governance Statement 2021/22

### Introduction

The Annual Governance Statement explains the MIJB's governance arrangements and system of internal control and reports on their effectiveness.

### Scope of Responsibility

The MIJB is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To meet this responsibility, the MIJB has established arrangements for governance which includes a system of internal control. The system is intended to manage risk to support the achievement of the MIJB's policies, aims and objectives. Reliance is also placed on NHS Lothian and Midlothian Council's (the partners) systems of internal control that support compliance with both organisations' policies and promotes achievement of each organisation's aims and objectives, as well as those of the MIJB.

The system can only provide reasonable and not absolute assurance of effectiveness.

### The Governance Framework and Internal Control System

The Board of the MIJB comprises voting members, nominated by either NHS Lothian or Midlothian Council, as well as non-voting members including a Chief Officer appointed by the Board.

The current MIJB Local Code of Corporate Governance (MIJB Local Code), which was approved by the Board on 8 April 2021, sets out the framework and key principles, which require to be complied with, to demonstrate effective governance. The MIJB Local Code reflects the changing context of integration and is consistent with the principles and recommendations of the new CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (2016) and the supporting guidance notes for Scottish authorities. The overall aim of the Framework is to ensure that: resources are directed in accordance with agreed policy and according to priorities; there is sound and inclusive decision making; and there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

The main features of the governance framework and internal control system associated with the seven core principles of good governance defined in the MIJB Local Code in existence during 2021/22 included:

#### **A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting rule of law**

The roles and responsibilities of Board members and statutory officers and the processes to govern the conduct of the Board's business are defined in the approved Scheme of Integration (review and update in progress), which serves as the approved constitution, and Standing Orders to make sure that public business is conducted with fairness and integrity.



The Ethical Standards in Public Life (Scotland) Act 2000 provides for Codes of Conduct for local authority councillors and members of relevant public bodies. As a Public Body listed in schedule 3 of the Act, the MIJB is required to produce a Code of Conduct (review and revision in progress; the Code currently in place will continue to apply to the conduct of Members until such time as the revisions are approved).

The MIJB is dependent upon arrangements within the partner organisations for areas such as:

- ensuring legal compliance in the operation of services;
- handling complaints;
- ethical awareness training and whistleblowing policies and procedures;
- staff appointment and appraisal processes which take account of values and ethical behaviour;
- identifying, mitigating and recording conflicts of interest, hospitality and gifts; and
- procurement of goods and services which are sustainable, represent value of money and which reinforce ethical values.

Other areas where the MIJB places significant reliance on arrangements in place within the partner organisations are set out in the remainder of the statement.

The Chief Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

Professional advice on the discharge of duties is provided to the Board by the MIJB Chief Officer supported by Chief Financial Officer, Chief Internal Auditor and Board Clerk as appropriate.

#### **B. Ensuring openness and comprehensive stakeholder engagement**

Board meetings are held in public unless there are good reasons for not doing so on the grounds of confidentiality.

Unless confidential, decisions made by the Board are documented in the public domain.

Community engagement was encouraged as part of the development of the Scheme of Integration and the Strategic Plans of the Health and Social Care Integration Joint Board were developed following consultations with interested parties including members of the public.

#### **C. Defining outcomes in terms of sustainable economic, social, and environmental benefits**

The vision, strategic objectives and outcomes are reflected in the Midlothian Health & Social Care Integration Joint Board Strategic Plan 2019-2022, which has been updated to reflect on-going assessment of need and priorities (Strategic Plan 2022-2025). Implementation is underpinned by the associated Directions, on which progress reports are presented to the Board.

Implications are considered during the decision making process within the standard report template covering Policy, Equalities, Resources, Risk, and Involving People.

#### **D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

In determining how services and other courses of action should be planned and delivered, the MIJB has a statutory responsibility to involve patients and members of the public.

The MIJB Strategic Plan is based on consultation during its review and update.

The MIJB has issued Directions to the partners for service delivery and for service redesign and recommissioning in line with the transformation programme.

**E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The MIJB Chief Officer is responsible and accountable to the Board for all aspects of management including promoting sound governance and providing quality information/support to inform decision-making and scrutiny.

Regular meetings are held between the Chief Officer and the Chair and Vice Chair of the MIJB. The MIJB Chief Officer also meets regularly with representatives from the partner organisations.

Members of the MIJB Board are provided with the opportunity to attend Development Sessions relevant to their role as part of their development programme.

There is the interim Workforce Plan 2021/22 (3 year Workforce Plan 2022/25 is being developed) to ensure it has the right people, with the right skills, in the right place, at the right time to support the delivery of its strategic objectives and priorities.

**F. Managing risks & performance through robust internal control & strong public financial management**

The MIJB Chief Officer has overall responsibility for directing and controlling the partnership to deliver health and social care services. The MIJB Board is responsible for key decision-making.

The MIJB has approved a Risk Management Strategy which includes: the reporting structure; types of risks to be reported; risk management framework and process; roles and responsibilities; and monitoring risk management activity and performance.

The MIJB Chief Financial Officer is responsible for the proper administration of all aspects of the MIJB's financial affairs including ensuring advice is given to the Board on all financial matters.

The MIJB's system of internal financial control is dependent upon the framework of financial regulations, regular management information (including Revenue Budget Monitoring reports to the Board), administrative procedures (including segregation of duties), management supervision and systems of delegation and accountability within the partner organisations.

The MIJB also relies upon the partners for:

- Counter fraud and anti-corruption arrangements; and
- Management of data in accordance with applicable legislation.

**G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

The Shared Chief Internal Auditor of Midlothian Council is the MIJB's Chief Internal Auditor (to June 2022) whose role is to provide an independent and objective annual opinion on the effectiveness of the MIJB's internal controls, risk management and governance. This is carried out in conformance with the Public Sector Internal Audit Standards.

The MIJB responds to the findings and recommendations of Internal Audit, External Audit, Scrutiny and Inspection bodies. The MIJB Audit and Risk Committee is integral to overseeing assurance and monitoring improvements in internal controls, risk management and governance.

Performance Reports were presented to the Board for monitoring and control of achievement of Local Improvement Goals. An Annual Performance Report for 2021/22 is being prepared to outline progress against strategic objectives over the year.

The Annual Accounts and Report for 2021/22 setting out the financial position in accordance with relevant accounting regulations is being prepared.

### **Review of Adequacy and Effectiveness**

The MIJB is required to conduct an annual review of the effectiveness of its governance framework.

The review was informed by: an annual self-assessment carried out by Internal Audit against the MIJB's Local Code of Corporate Governance; Internal Audit reports for the MIJB; External Audit reports for the MIJB; relevant reports by other external scrutiny bodies and inspection agencies; and relevant partners' (NHS Lothian and Midlothian Council) Internal Audit and External Audit reports.

In respect of the four improvement areas of governance identified by the MIJB in 2020/21, there have been developments during the year in three of these. Specifically, the significant work and consultation undertaken to prepare the updated Strategic Plan 2022-2025 (which was approved by the Board in April 2022), staff resources secured to progress the refresh of the Performance Management Framework, and the development of the Workforce Strategic Plan 2022-2025 by the Workforce Strategic Planning Group to ensure alignment with the updated Strategic Plan. These areas of improvement are not fully implemented and therefore continue to be noted in the section below, with enhancements added.

### **Improvement Areas of Governance**

The review activity outlined above has identified the following areas where further improvement in governance arrangements can be made to enhance compliance with the Local Code:

- 1 Demonstrate the linkages within the updated Strategic Plan 2022-2025 to local and national objectives and alignment of Directions.
- 2 Update the Financial Strategy to address significant deficits indicated in the Medium Term Financial Plan 2021/22 – 2024/25 and provide clarity on whether outcomes can be delivered on a sustainable basis within the resources that will be available, and implement actions arising from the self-assessment of compliance with the CIPFA Financial Management Code.
- 3 Further develop the Performance Management Framework to define and align performance measures to key priorities and outcomes of the Strategic Plan 2022-2025.
- 4 Progress workforce plans for all delegated services to reflect the Strategic Plan 2022-2025 and possible changes required to address significant budgetary challenges.

The implementation of these actions to enhance the governance arrangements in 2022/23 will be driven and monitored by the MIJB Chief Officer in order to inform the next annual review. Internal Audit work planned in 2022/23 is designed to test improvements and compliance in governance.

### **Conclusion and Opinion on Assurance**

It is our opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the MIJB's governance arrangements and system of internal control, while recognising that further improvements are required to fully demonstrate compliance with the Local Code

in order for the MIJB to fully meet its principal objectives. Systems are in place to regularly review and improve governance arrangements and the system of internal control.

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Morag Barrow  
Chief Officer MIJB

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Carolyn Hirst  
Chair of the MIJB

# Independent Auditor's Report

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Independent auditor's report to the members of Midlothian Integration Joint Board and the Accounts Commission

To be inserted, provided once the accounts have been audited

# Comprehensive Income and Expenditure Statement

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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.

## IJB Comprehensive Income and Expenditure Statement

	2020/21 Net Expenditure £000's	2021/22 Net Expenditure £000's
Health Care Services - NHS Lothian	£113,266	£121,552
Social Care Services - Midlothian Council	£43,713	£46,352
<b>Cost of Services</b>	<b>£157,001</b>	<b>£167,904</b>
Taxation and Non-Specific Grant Income	(£165,373)	(£178,423)
Surplus on Provision of Services	8,372	10,519

The Integration scheme lays out that the partners will provide corporate and other support to the IJB as required and will not charge for these services. These costs are not, therefore, included above.

# Movement in Reserves Statement

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The movement in reserves statement shows the value of the IJBs reserve and how this has grown during 2021/22, a large proportion of this reserve is earmarked for future projects and commitments.

## Movements in Reserves during 2021/22

	General Fund Balance £000's	Unusable Reserves: Employee Statutory Adjustment Account £000's	Total Reserves £000's
<b>Opening Balance at 1 April 2021</b>	<b>£12,993</b>	<b>£0</b>	<b>£12,993</b>
Total Comprehensive Income and Expenditure	£10,519	£0	£10,519
Increase or Decrease in 2021/22	£10,519	£0	£10,519
<b>Closing Balance at 31 March 2022</b>	<b>£23,511</b>	<b>£0</b>	<b>£23,511</b>

# Balance Sheet

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The Balance Sheet shows the value of the IJB's assets and liabilities as at the balance sheet date. The net assets (assets less liabilities) of the IJB are matched by the reserves held by the IJB.

## IJB Balance Sheet

	31 March 2021 £000's	31 March 2022 £000's	Note
<b>Current Assets</b>			
Debtors	£12,993	£23,511	7
Creditors: amounts falling due within one year	0	0	8
Total assets less current liabilities	£12,993	£23,511	
<b>Capital and Reserves</b>			
Earmarked Reserve	£8,271	£8,272	
General Reserve	£4,721	£17,641	
Total Reserves	£12,993	£23,511	

See Notes 7 and 8 at end of document in NOTES section.

**Claire Flanagan**, Chief Finance Officer.



# Notes to the Financial Statements

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## 1 Significant Accounting Policies

### General Principles

The Financial Statements summarise the IJB's transactions for the 2021/22 financial year and its position at the year-end of 31 March 2022.

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 2021/22, 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.

### Basis of Preparation

The IJB financial statements for 2021/2 have been prepared on a going concern basis. 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. In accordance with the CIPFA Code of Local Government Accounting (2021/22), the IJB is required to prepare its financial statements on a going concern basis unless informed by the relevant national body of the intention for dissolution without transfer of services or function to another entity. This has been reinforced by the most recent CIPFA guidance bulletin 05 (issued at closure of the 2019/20 financial statements) which states that while there is likely to be a significant impact of COVID-19 on local authority financial sustainability, the rationale for the going concern basis of reporting has not changed. The accounts are prepared on the assumption that the IJB will continue in operational existence for the foreseeable future.

The IJB's funding from and commissioning of services to partners has been confirmed for 2022/23, and a medium term financial plan has been prepared through to 2025. The Scottish Government allocation has met all costs associated with the pandemic in 2021/22 (£5.488m). Additional support (£9.703m) has been transferred to reserves and is expected to be used to meet costs in 2022/23. Work is ongoing through the mobilisation plan prepared by the IJB at the request of the Scottish Government to quantify the impact of COVID-19 on the IJB's financial performance going forward. However, ultimately additional costs will be met by the IJB's partners in line with the integration scheme. Therefore the IJB considers there are no material uncertainties around its going concern status.

### 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

### Funding

The IJB is wholly funded through funding contributions from the statutory funding partners, Midlothian Council and NHS Lothian. Expenditure is incurred in the form of net charges by the partners to the IJB.

### 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.

### Debtors and Creditors

The funding balance due to or from each funding partner as at 31 March is represented as a debtor or creditor on the IJB's Balance Sheet. 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.

### 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 none of the above.

### 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 has reserves of £ 23,511m at 31 March 2022.

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

### **IJB's useable reserve**

	2020/21 Closing Balance £000's
COVID-19 Funding	9,703
Local Programmes	2,274
Primary Care Investment Fund	889
Alcohol and Drug Strategy	619
Community Support Fund	312
Technology Enabled Care	208
Integrated Care Fund	399
Wellbeing Service	248
Action 15	140
EGIERDA Project	49
Autism Strategy	12
Interim Care	603
Care at Home	934
Multi-disciplinary Teams	302
Older People's Transformation Board	22
Carers Act	679
Equally Safe Fund	29
Trauma Informed Practice	50
Additional MHO Capacity	80
DBI/Penumbra Funding	90
<b>General Reserves</b>	<b>5,870</b>
<b>Total</b>	<b>23,511</b>

### Indemnity Insurance

The IJB has indemnity insurance for costs relating primarily to potential claim liabilities regarding Board member and officer responsibilities. NHS Lothian and Midlothian 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 2021/22 was £3,000 (PY £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.

There are no outstanding claims or any indications that any claims are to be made against the IJB.

## **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 2022 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 Subsequent Events

In accordance with the requirements of International Accounting Standards 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date that the accounts were certified by the Chief Financial Officer following approval by the Audit and Risk Committee.

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified.

- Adjusting events: Those that provide evidence of conditions that existed at the end of the reporting period. The Annual Accounts is adjusted to reflect such events.
- Non-adjusting events: Those that are indicative of conditions that arose after the reporting period and the Statements are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

### 4 Expenditure and Funding Analysis

Services specifically for Midlothian	2020/21 £000's	2021/22 £000's
Health	£69,130	£75,000
Social Care	£43,735	£46,352
Midlothian's share of Lothian Health Services (Hosted)	£25,107	£25,853
Midlothian's share of Lothian Health Services (Set Aside)	£19,029	£20,698
<b>Total</b>	<b>£157,002</b>	<b>£167,903</b>
Funded by: Midlothian Council	£44,985	£50,598
Funded by: NHS Lothian	£120,388	£127,825
<b>Total Funding</b>	<b>£165,373</b>	<b>£178,423</b>
<b>Surplus</b>	<b>£8,372</b>	<b>£10,519</b>

Expenditure above has been split into three main areas:

- Expenditure on those services delivered specifically for the population of Midlothian. These services are managed locally by the Midlothian 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

**5 Corporate Service** - Included in the above costs are the following corporate services:

	2020/21 £000's	2021/22 £000's
Staff (Chief Officer)	£48	£54
CNORIS	£6	£3
Audit Fee	£27	£28
<b>Total</b>	<b>£81</b>	<b>£85</b>

As noted above, the Chief Finance Officer is not charged to the IJB.

## 6 Related Party Transactions

As partners with the Integration Joint Board, both Midlothian 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 Midlothian Council.

	2020/21 £000's	2021/22 £000's
NHS Lothian	£113,266	£121,552
Resource Transfer	(£7,158)	(£7,173)
Social Care Fund	(£4,816)	(£4,816)
<b>Net NHS Lothian Expenditure</b>	<b>£101,292</b>	<b>£109,563</b>
Midlothian Council	£43,735	£46,352
Resource Transfer	£7,158	£7,173
Social Care Fund	£4,816	£4,816
<b>Gross Social Care Expenditure</b>	<b>£55,708</b>	<b>£58,341</b>

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 Midlothian Council.

## 7 Short Term Debtors

	2020/21 £000's	2021/22 £000's
Funding due from NHS Lothian	£5,626	£11,898
Funding due from Midlothian Council	£7,367	£11,613
<b>Total</b>	<b>£12,993</b>	<b>£23,511</b>

## 8 Short Term Creditors

	2020/21 £000's	2021/22 £000's
Funding due to NHS Lothian	£0	£0
Funding due to Midlothian Council	£0	£0
<b>Total</b>	<b>£0</b>	<b>£0</b>

## 9 VAT

The IJB is not VAT registered. The VAT treatment of expenditure in the IJB's accounts depends on which of the Partner agencies is providing the service as these agencies are treated differently for VAT purposes.

Where the Council is the provider, income and expenditure excluded any amounts related to VAT, as all VAT collected is payable to H.M. Revenue & Customs and all VAT paid is recoverable from it. The Council is not entitled to fully recover VAT paid on a very limited number of items of expenditure and for these items the cost of VAT paid is included within service expenditure to the extent that it is irrecoverable from H.M. Revenue and Customs.

Where the NHS is the provider, expenditure incurred will include irrecoverable VAT as generally the NHS cannot recover VAT paid as input tax and will seek to recover its full cost as income from the Commissioning IJB.

## Appendix 1

### Membership of Integration Joint Board

The IJB met virtually 9 times in 2021/22 for formal business meetings, there were two virtual workshops. The members of the IJB during 2020/21 were:

<b>Member</b>	<b>Nominated/Appointed by</b>	<b>Role</b>
Catherine Johnstone	Nominated by Midlothian Council	Voting Member
Carolyn Hirst	Nominated by NHS Lothian	Voting Member, Chair
Angus McCann	Nominated by NHS Lothian	Voting Member
Derek Milligan	Nominated by Midlothian Council	Voting Member, Vice Chair
Jim Muirhead	Nominated by Midlothian Council	Voting Member, Chair of Audit and Risk Committee
Jock Encombe	Nominated by NHS Lothian	Voting Member
Pauline Winchester	Nominated by Midlothian Council	Voting Member
Tricia Donald	Nominated by NHS Lothian	Voting Member
Morag Barrow	Appointed by the IJB	Chief Officer
Claire Flanagan until August '21, then David King 'till March 2022	Appointed by the IJB	Chief Finance Officer
Alison White until June '21 then Joan Tranent	Nominated by Midlothian Council	Chief Social Worker
Fiona Stratton	Nominated by NHS Lothian	Chief Nurse
Johanne Simpson	Nominated by NHS Lothian	Medical Practitioner
Hamish Reid	Nominated by NHS Lothian	General Practitioner
James Hill	Appointed by the IJB	MLC Staff Side Representative
Fiona Huffer until September ' 21 then Hannah Cairns	Appointed by the IJB	Head AHP
Lesley Kelly	Appointed by the IJB	Voluntary Sector Representative
Keith Chapman	Appointed by the IJB	User Representative/Carer Representative



<b>Member</b>	<b>Nominated/Appointed by</b>	<b>Role</b>
Wanda Fairgrieve	Appointed by the IJB	NHS Staff Representative
Johanne Simpson	Nominated by NHS Lothian	Medical Practitioner

There will be changes to the IJB membership after 31<sup>st</sup> March 2022 and prior to the final signing of the 2021/22 Annual Accounts. Val de Souza will become Chair in June 2022. (replacing Carolyn Hirst), Clare Flanagan will resume her role as Chief Finance Officer in May 2022

