

# East Lothian Integration Joint Board

2021/22 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the East Lothian Integration Joint Board and the Controller of Audit  
13 September 2022

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# Key messages

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## 2021/22 annual accounts

- 1 Our audit opinions on the annual accounts of the East Lothian Integration Joint Board are unmodified.
- 2 The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.
- 3 There was no adverse impact of Covid-19 on the accounting and auditing timetable for the 2021/22 financial statements.

## Financial management and sustainability

- 4 The IJB reported an underspend of £10.6 million. Covid-19 funding of £13.7 million was received in 2021/22; £9.2 million of which was unspent at 31 March 2022 and is included in earmarked reserves to cover future costs.
- 5 Reserves have increased from £9.6 million to £20.2 million. We have confirmed that £15.4 million is appropriately earmarked for specific purposes, with the remaining £4.8 million held as a general reserve.
- 6 Medium and longer-term financial plans have yet to be updated to reflect the impact of Covid 19 and prepare for the future.

## Governance, Transparency and Best Value

- 7 The governance arrangements are appropriate and operate effectively. There is effective scrutiny, challenge and informed decision making.
- 8 Arrangements are in place to secure best value.

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# Introduction

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1. This report summarises the findings arising from the 2021/22 audit of the East Lothian Integration Joint Board (the IJB).
2. The scope of the audit was set out in our 2021/22 Annual Audit Plan presented to the Audit and Risk Committee in March 2022.
3. This report comprises the findings from:
  - the audit of the East Lothian IJB's annual accounts
  - consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#)
  - a review of the arrangements put in place by the East Lothian IJB to secure Best Value.
4. The global coronavirus pandemic has had a considerable impact on the IJB during 2021/22. This has had significant implications not least for the services it delivers but also for sickness absence levels, redeployment of staff to critical areas and the suspension of non-essential projects and activities.

## Adding value through the audit

5. We add value to the IJB, through the audit by:
  - identifying and providing insight on significant risks, and making clear and relevant recommendations
  - sharing intelligence and good practice through our national reports ([Appendix 2](#)) and good practice guides
  - providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

## Responsibilities and reporting

6. The IJB has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.
7. Also, the IJB is responsible for compliance with legislation, and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

**8.** Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the Code of Audit Practice 2016 and supplementary guidance, and International Standards on Auditing in the UK.

**9.** As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the effectiveness of the IJB's performance management arrangements,
- the suitability and effectiveness of corporate governance arrangements,
- the financial position and arrangements for securing financial sustainability, and
- Best Value arrangements.

**10.** Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#) and supplementary guidance.

**11.** This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

**12.** Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and progress against these.

## Auditor Independence

**13.** Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies.

**14.** We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2021/22 audit fee of £27,960 as set out in our 2021/22 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

**15.** This report is addressed to both the IJB and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course. We would like to thank the management and staff who have been involved in our work for their co-operation and assistance during the audit.

## Audit appointment from 2022/23

**16.** The Accounts Commission is responsible for the appointment of external auditors to local government bodies. External auditors are usually appointed for a five-year term either from Audit Scotland's Audit Services Group or a private firm of accountants. The current appointment round was due to end in 2020/21 but this was extended for a year meaning 2021/22 is the last year of the current appointment round.

**17.** The procurement process for the new round of audit appointments was completed in May 2022. From financial year 2022/23 Audit Scotland will be the appointed auditor for the East Lothian Integration Joint Board. We are working closely with the new auditors to ensure a well-managed transition.

**18.** A new [Code of Audit Practice 2021](#) applies to public sector audits for financial years starting on or after 1 April 2022. It replaces the Code issued in May 2016.

**19.** We would like to thank Board members, Audit and Risk Committee members, and other staff, particularly those in finance for their co-operation and assistance over the last six years.

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# Audit of 2021/22 annual accounts

The principal means of accounting for the stewardship of resources and performance

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## Main judgements

Our audit opinions on the annual accounts of the East Lothian Integration Joint Board are unmodified.

The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.

There was no adverse impact of Covid-19 on the accounting and auditing timetable for the 2021/22 financial statements.

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## Our audit opinions on the annual accounts are unmodified

**20.** The IJB's annual accounts for the year ended 31 March 2022 were approved by the Audit and Risk Committee on 13 September 2022. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the Remuneration Report, Management Commentary and the Annual Governance Statement were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

## The Covid-19 pandemic had limited impact on the audit process. The annual accounts were signed off in line with our agreed audit timetable

**21.** The working papers provided with the unaudited accounts were of a good standard and finance staff provided good support to the audit team during the audit. This helped ensure that the audit of the annual accounts process ran smoothly. For 2021/22, the deadline for the audited accounts is 31 October 2022.

## There were no objections raised to the annual accounts

**22.** The Local Authority Accounts (Scotland) Regulations 2014 require local government bodies to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period.

**23.** The IJB complied with the Regulations. There were no objections to the 2021/22 annual accounts.

## Overall materiality is £4 million

**24.** We apply the concept of materiality in both planning and performing the audit and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report. We identify a benchmark on which to base overall materiality, such as gross expenditure, and apply what we judge to be the most appropriate percentage level for calculating materiality values.

**25.** The determination of materiality is based on professional judgement and is informed by our understanding of the entity and what users are likely to be most concerned about in the annual accounts. In assessing performance materiality, we have considered factors such as our findings from previous audits, any changes in business processes and the entity's control environment including fraud risks.

**26.** Our initial assessment of materiality for the annual accounts was carried out during the planning phase of the audit. This was reviewed on receipt of the unaudited annual accounts, and is summarised in [Exhibit 1](#).

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### Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£4.0 million
Performance materiality	£3.0 million
Reporting threshold	£100,000

Source: Audit Scotland

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## We have no significant findings to report on the audited annual accounts

**27.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices.



**28.** We have no significant findings to report from the audit of the annual accounts. We do however note the significant increase in the total reserves as a result of the £10.6 million underspend in year largely caused by the receipt of additional Covid-19 funding in March 2022 and an inability to progress projects during the year due to the pandemic. This is detailed in the financial management and sustainability section of this report (see [Exhibit 3](#) and [Exhibit 4](#)).

**29.** We have obtained audit assurances over the identified significant risks of material misstatement to the financial statements. [Exhibit 2](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan. It summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

## Exhibit 2

### Significant risks of material misstatement in the financial statements

Audit risk	Assurance procedure	Results and conclusions
<p><b>1. Risk of material misstatement due to fraud caused by the management override of controls.</b></p> <p>As stated in International Standard on Auditing 240, management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise are operating effectively.</p>	<p>Service auditor assurances were obtained from the external auditors of East Lothian Council and NHS Lothian in line with the 2021/22 Integration Joint Boards Protocol for Auditor Assurances issued by Audit Scotland.</p> <p>Agreement of contributions received from partner bodies in the Comprehensive Income and Expenditure Statement of the 2021/22 accounts to letters of assurance provided by East Lothian Council and NHS Lothian.</p>	<p><b>Results:</b> Assurances were obtained from the external auditors of East Lothian Council and NHS Lothian with no issues noted.</p> <p>We did not identify any instances of management override of controls through our audit work.</p> <p><b>Conclusion:</b> Satisfactory</p>

### There were no identified misstatements in the audited annual accounts

**30.** No misstatements above our reporting threshold were identified during the audit.

### Limited progress was made on prior year recommendations

**31.** The IJB has made limited progress in implementing our two prior year audit recommendations. For the actions not yet implemented, revised responses and timescales have been agreed with management, and are set out in [Appendix 1](#).

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## 2. Financial management and sustainability

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Financial sustainability looks forward to the medium and long term to consider whether a body is planning effectively to continue to deliver its services.

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### Main judgements

The IJB reported an underspend of £10.7 million. Covid-19 funding of £13.7 million was received in 2021/22; £9.2 million of which was unspent at 31 March 2022 and is included in reserves to cover future earmarked costs.

Reserves have increased from £9.6 million to £20.2 million. We have confirmed that £15.4 million is appropriately earmarked for specific purposes, with the remaining £4.8 million held as a general reserve.

Medium and longer-term financial plans have yet to be updated to reflect the impact of Covid-19.

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### The IJB underspent by £10.7 million in 2021/22

**32.** The IJB does not have any assets, nor does it directly incur expenditure or employ staff, other than the Chief Officer and Chief Finance Officer. All funding and expenditure for the IJB is incurred by partner bodies and processed in their accounting records.

**33.** The Covid-19 pandemic had a significant impact on the IJB's 2021/22 position. In February 2022 additional Covid-19 funding of £13.5 million was received from the Scottish Government with the expectation it would be used in 2022/23 to support Covid-19 costs. This funding is included in the earmarked reserves for use in 2022/23. Plans have been agreed by the IJB.

**34.** The IJB returned an underspend of £10.7 million against a budgeted breakeven position with the largest underspend, £9.7 million, in health ([Exhibit 3](#)). Various projects within health could not progress in year due to the overall impact of Covid-19 on the IJB including staff absences.

**Exhibit 3****2021/22 Performance against budget**

IJB budget summary	Budget £m	Actual £m	Variance £m
NHS Lothian	156.1	146.4	9.7
East Lothian Council	53.7	52.8	0.9
<b>Total Net Expenditure</b>	<b>209.9</b>	<b>199.2</b>	<b>10.7</b>
Surplus (from NHS Lothian to be retained by the IJB)			9.7
Surplus (from East Lothian Council to be retained by the IJB)			0.9

Source: East Lothian IJB 2021/22 Audited Accounts (figures rounded to nearest £100k)

**Reserves have increased from £9.6 million to £20.2 million**

**35.** £8.9 million (84%) of the IJB's £10.7 million underspend has been allocated to earmarked reserves to be spent in 2022/23. Covid-19 earmarked reserves represent 45% (£9.2 million) of the total reserves/surplus at year end. ([Exhibit 4](#)).

**Exhibit 4****Movement in reserves 2021/22**

Reserve category	Opening balance £m	Increase in year £m	Closing balance £m
Covid-19 earmarked reserve	3.6	5.6	9.2
Other earmarked reserves	2.9	3.4	6.2
<b>Total earmarked reserves</b>	<b>6.5</b>	<b>8.9</b>	<b>15.4</b>
General reserves	3.1	1.7	4.8
<b>Total reserves/surplus</b>	<b>9.6</b>	<b>10.7</b>	<b>20.2</b>

Source: Finance Update to the ELIJB (June 2022) (figures rounded to nearest £100k)

## Wider audit dimension risks relating to financial management and sustainability identified in our 2021/22 Annual Audit Plan

36. [Exhibit 4](#) sets out the one audit dimension risk relating to financial sustainability that we identified in our 2021/22 Annual Audit Plan. It summarises the audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

### Exhibit 4

#### Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p><b>1. Financial sustainability – medium term financial planning</b></p> <p>The Integration Joint Board continues to operate in an increasingly challenging environment, where core national funding to partner bodies is reducing, relative to rising demand for services. The picture is further complicated by the ongoing Covid-19 pandemic which is adding to the pressure on resources and services.</p> <p>As highlighted in our 2020/21 Annual Audit Report it is important that medium term budgets are developed to assess the impact of the Covid-19 pandemic on the finances of the IJB.</p> <p>In the absence of such budgets there is a risk that the IJB will not be able to deliver against its objectives, its strategic plan and against its budget in the longer term.</p>	<p>Review of papers presented to the IJB Board on medium term financial planning.</p> <p>Monitor progress in developing medium term financial plans.</p>	<p><b>Results:</b> Regular finance reports have been provided to the IJB however medium and longer-term financial plans have yet to be updated to reflect the impact of Covid-19 and prepare for the future. Updates beyond 2022/23 are qualitative rather than quantitative in content.</p> <p>As part of Internal Audit's 2021/22 Plan they reviewed the adequacy and effectiveness of the arrangements in place for budget monitoring within the East Lothian IJB. This was presented to the ARC in June 2022 and graded as reasonable assurance. All findings have been agreed with the CFO including a new five-year financial plan to be in place by December 2022.</p> <p>We reviewed the Internal Audit report and have included their overall conclusion and key recommendations in <a href="#">paragraph 37</a> below.</p> <p><b>Conclusion: In progress</b></p> <p>The IJB has received indicative budget allocations from East Lothian Council and NHS Lothian up to and including 2023/24 and</p>

Audit risk	Assurance procedure	Results and conclusions
		2025/26 respectively. These should be used to inform the IJB's medium to longer term financial plans. As part of this work, the IJB should develop exit strategies for Covid-19 generated costs because funds will not likely be available from 23/24 and beyond.

Source: 2021/22 Annual Audit Plan

## Medium and longer-term financial plans have yet to be updated to reflect the impact of Covid 19 and prepare for the future

**37.** Internal Audit's 2021/22 report on the adequacy and effectiveness of the arrangements in place for budget monitoring within East Lothian IJB concluded:

The East Lothian Integration Joint Board has a sound system of internal controls in place for budget monitoring, adequate arrangements are in place for monitoring budgets on a regular basis and the annual budget is correctly built up from the indicative budget offers from both partners. However the audit has identified some improvements that require to be implemented, including preparing a new five year financial plan, a review of the approach adopted for reporting financial out-turns for both partners to the East Lothian Integration Joint Board and the lack of a clear directive for allocating surplus funds to specific strategic objectives.

**38.** The following key findings and recommendations are highlighted, which have all been agreed by the Chief Finance Officer and include implementation dates:

- The East Lothian Integration Joint Board had not prepared a multi-year financial plan based on the final budget offers from the financial partners, laying out how it will resource the delivery of its strategic plan. Management have agreed to prepare a new five year financial plan by December 2022.
- The arrangements currently in place for reporting projected financial out-turns to the East Lothian Integration Joint Board require review to ensure that a breakdown of the annual budgets and forecasted expenditure are provided for both partners. Management have agreed to review the approach adopted by September 2022.
- The East Lothian Integration Joint Board had a projected underspend for financial year 2021/22, however there was a lack of a clear directive for allocating surplus funds to specific strategic objectives. Management have agreed to create a new Direction for allocating the surplus by December 2022.

**39.** We observed that senior management and members receive regular information on the IJB's in-year financial position but note the recommendations made by Internal Audit and have not repeated them here. Our 2021/22 recommendation remains 'in progress' and has been included in the action plan at [Appendix 1](#) (follow up of prior year recommendations).

### **Financial systems of internal control operated effectively**

**40.** The IJB does not have its own financial systems and instead relies on partner bodies' (NHS Lothian and East Lothian Council) financial systems.

**41.** As part of our audit approach, we sought assurances from the external auditors of NHS Lothian and East Lothian Council and confirmed there were no weaknesses in the systems of internal controls for either the health board or the council which would have had an impact on the IJB and our audit approach.

### **Standards of conduct and arrangements for the prevention and detection of fraud and error were appropriate**

**42.** The IJB does not maintain its own policies relating to the prevention and detection of fraud and error but instead depends on those in place at its partner bodies. We reviewed the arrangements in place at East Lothian Council and found them to be adequate. The IJB has a Code of Conduct in place to which members subscribe and the Members' Registers of Interest are publicly available on the IJB's website

**43.** Appropriate arrangements are in place for the prevention and detection of fraud and error. We are not aware of any specific issues we require to bring to your attention.

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# 4. Governance, transparency and Best Value

The effectiveness of scrutiny and oversight and transparent reporting of information

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## Main Judgements

The governance arrangements are appropriate and operate effectively. There is effective scrutiny, challenge and informed decision making.

Arrangements are in place to secure best value.

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## Governance arrangements are appropriate and operate effectively

**44.** We reported in our 2020/21 annual audit report on the revised governance arrangements introduced by the IJB including:

- Home working for the majority of staff
- Holding Audit and Risk Committee meetings on Microsoft Teams
- Effective scrutiny, challenge and decision making.

**45.** We have confirmed that these arrangements have been maintained in 2021/22 and remain appropriate. We consider that the IJB's governance arrangements are appropriate and support effective scrutiny, challenge and decision making.

## Performance reporting was of a good standard

**46.** Management commentary included in the annual accounts should provide information on a body, its main objectives and the principal risks faced. It should provide a fair, balanced and understandable analysis of a body's performance as well as helping stakeholders understand the financial statements.

**47.** Following our review of the management commentary in the unaudited accounts, we provided feedback to the CFO regarding the commentary on the IJB's financial position at 31 March 2022. It could be improved by including more information similar to that which was included in the June 2022 Finance Update submitted to the IJB Board. The Finance Update was of a good standard and included explanation of the financial outturn for the year

including the underlying financial position, reserve movements and Covid-19 funding and reserve details. The CFO has accepted this observation and will incorporate equivalent information for 2022/23. Other areas raised and discussed as part of the audit process were addressed by the CFO in the final version of the annual accounts.

### Changes in senior officers

**48.** There was a change in senior officers in year: the Chief Officer, Alison MacDonald, left the post in June 2022 and a new Chief Officer, Fiona Wilson, was appointed in April 2022. This is a significant change in senior management since the IJB was established. The incoming Chief Officer was the previously the Head of Health at West Lothian Health and Social Care Partnership. The CFO also returned from maternity leave in May 2022.

### Arrangements are in place to secure Best Value

**49.** Integration Joint Boards have a statutory duty to have arrangements to secure Best Value. To achieve this, IJBs should have effective processes for scrutinising performance, monitoring progress towards their strategic objectives and holding partners to account.

**50.** The IJB has demonstrated its commitment to best value in the use of their resources by having an approved Strategy, Workforce and Financial Plan. The current Strategic Plan runs to March 2022. A decision was taken in June 2021 by the IJB to extend the 2019-2022 Strategic Plan by six months to September 2022 due to increased COVID-19 related demand on officers. It was also agreed by the IJB that the extra time would allow incorporation of any early Scottish Government guidance and policy arising from the recommendations of the Independent Review of Adult Social Care and the development of a National Care Service.

**51.** Next steps involve consultation with officers to inform the development of priorities and a consultation and engagement programme to seek community and other views on the draft Strategic Plan. Regular updates have and will continue to be provided to the IJB. A final Strategic Plan is due for approval in September 2022.

### Revisions to the Integration Scheme are underway

**52.** Integration Schemes require to be updated every five years. The current East Lothian IJB Integration Scheme 2019-2022 was last reviewed and approved by the Scottish Government in July 2019 and is publicly available on the East Lothian Council website.

**53.** A planned review of all Integration Schemes for the Lothians was due in 2020 (including East Lothian). This was delayed by changed service priorities arising from the Covid-19 pandemic. Work on a revised Scheme recommenced during 2021. The review between NHS Lothian and East Lothian Council is being led by the NHS Lothian Strategic Planning Department. A consultation went out and closed at the end of March 2022. The



revised Scheme has been agreed by the partners in June 2022 and is now with the Scottish Government for approval.

## Annual Performance Report

**54.** The Public Bodies (Joint Working) (Scotland) Act 2014 requires the IJB to produce an annual performance report covering areas such as assessing performance in relation to national health and wellbeing outcomes, financial performance and best value, reporting on localities, and the inspection of services.

**55.** We have previously reported and recommended that the Annual Performance Report be prepared and presented to the IJB in a more timely fashion. The 2021/22 Report is due to be presented to the IJB at its September 2022 meeting. Our 2021/22 recommendation remains 'outstanding' and has been included in the action plan in [Appendix 1](#) (follow up of prior year recommendations).

**56.** From our review of the IJB's 2020/21 Annual Performance Report and accompanying Summary Report (published November 2022) we noted that the IJB responded well to the challenges and implemented new ways of working in response to the pandemic. Success factors for the IJB included:

- Use of online and telephone appointments to deliver services. This helped overcome some of the impacts of East Lothian's geography and dispersed communities especially during lockdown periods.
- An expanded and increased range of services at the East Lothian Community Hospital. This helped deliver one of the IJB's key ambitions of providing health services as close to home as possible for residents of East Lothian. The hospital also acted as a PPE hub for organisations and individuals; a Covid-19 test supply centre and was the East Lothian Covid-19 Vaccination Centre.
- Expansion of the Care When It Counts service from one GP practice to four, resulting in the service now being available to 47% of the East Lothian population.

**57.** Overall East Lothian's performance in 2020/21 was in line with the Scottish average. One indicator where the IJB performed significantly better than the national average was the additional days people aged 75+ spend in hospital when they are ready to be discharged per 1,000 population - 262 days compared to the national average of 488 days. As a result the East Lothian IJB was the fourth best performing in Scotland for delayed discharges

**58.** The IJB's 2020/21 Annual Performance Report Summary comprehensively summarises the key achievements of the full report. The Summary is easy to understand and includes staff and end-user, real-life examples of the impact the IJB has had.

## National performance audit reports

**59.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2021/22 we published some reports which may be of direct interest to the IJB as outlined in [Appendix 2](#).

**60.** The most recent and relevant national report published in June 2022 - [Integration Joint Boards: Financial analysis 2020/21](#) - will be of interest to the IJB. A brief summary of the report's main findings is below:

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### Funding to Integration Joint Boards increases, but significant risks and challenges ahead

Funding of Integration Joint Boards (IJBs) in 2020/21 increased by nearly 10 per cent in real terms, bringing total funding to £10.6 billion. This was mainly due to one-off Scottish Government funding to mitigate the impacts of Covid-19.

Reserves also tripled, reflecting unspent Covid-19 funding and the late allocation of specific funding for primary care, community, mental health and alcohol and drug support.

All Scotland's IJBs, however, face significant financial sustainability issues: uncertainty of future funding, rising demand and the potential impacts of a national care service. This means:

- across all 30 IJBs there remains a significant overall budget gap - this was £151 million in 2021/22, with some IJBs facing significant financial challenges
  - making recurring savings and delivering services differently is essential to addressing future budget gaps
  - 81 per cent of money held in reserves is ringfenced, creating a lack of flexibility in how IJBs can use this money
  - [Securing longer-term financial planning – only five IJBs have long-term financial plans](#)
- 

**61.** From attendance at the Board and Audit and Risk Committee meetings, we note that the IJB has arrangements in place for considering and reviewing national reports including any locally agreed actions.

# Appendix 1. Action plan 2021/22

## 2021/22 recommendations

62. There are no new recommendation for 2021/22 however we have carried forward two recommendations from the prior year:

## Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>4. Medium term financial plan update</b></p> <p>The medium-term (five year) financial plan covering the period 2021/22 – 2024/25 was prepared under a ‘business as usual,’ pre Covid-19 scenario. The plan is due to be refined and updated once there is further clarity on future service provision.</p> <p><b>Risk</b> – There is a risk that the IJB will not be able to deliver against its objectives, its strategic plan and deliver financial balance against its budget in the longer term.</p>	<p>The existing medium-term financial plan must be revised to take account of the impact, new challenges, and ways of working as a result of Covid-19.</p>	<p><b>In Progress</b></p> <p><b>Revised action:</b> The IJB financial plan is currently being produced as we now have more clarity regarding covid exit funding. This will be presented to the IJB before Dec 2022. Q1 report will have forecast and 5 year plan (from 22/23).</p> <p><b>Responsible officer:</b> Chief Finance Officer</p> <p><b>Agreed revised date:</b> December 2022</p> <p><b>Original implementation date:</b> March 2022.</p>
<p><b>5. Performance information provided to the IJB</b></p> <p>It is noted that ELIJB are taking advantage of the nationally agreed delay in producing the annual performance report.</p> <p><b>Risk</b> – There is a risk that the performance information for ELIJB is not reported to the</p>	<p>Ensure the annual performance report is prepared and presented to the IJB in a timely fashion to allow the members of the IJB to be aware of how it is performing as a whole</p>	<p><b>Outstanding</b></p> <p><b>Revised action:</b> The draft 2021/22 Annual Performance Report is due to be submitted for approval at the IJB Board meeting in September 2022.</p> <p><b>Responsible officer:</b> Chief Finance Officer</p>

Issue/risk	Recommendation	Agreed management action/timing
Board on a regular basis with the Board members not being able to see the whole picture of how the IJB is performing.		<b>Agreed revised date:</b> September 2022 <b>Original implementation date:</b> August 2022

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# Appendix 2: Summary of 2021/22 national performance reports

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May

[Local government in Scotland Overview 2021](#)

June

[Covid 19: Personal protective equipment](#)

July

[Community justice: Sustainable alternatives to custody](#)

September

[Covid 19: Vaccination programme](#)

January

[Planning for skills](#)

[Social care briefing](#)

February

[NHS in Scotland 2021](#)

March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

# East Lothian Integration Joint Board

## 2021/22 Annual Audit Report

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