



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD AUDIT COMMITTEE – 28 AUGUST 2019
2018/19 AUDITED ANNUAL ACCOUNTS
REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

This report sets out the output from the Integration Joint Board's External Auditor's annual report of Angus IJB and the IJB's audited annual accounts for the period to 31 March 2019. The External Auditor's annual report and then the annual accounts now need to be considered by the Audit Committee.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board Audit Committee:-

- (i) consider and accept the External Auditor's annual report for Angus IJB (including associated covering letter and the "Proposed Independent Auditor's Report" for the period to 31st March 2019. Specifically this includes noting the key audit report recommendations and accepting the associated agreed management actions;
- (ii) consider the annual accounts and then approve the audited annual accounts for signature by the Chair, Chief Officer and Chief Finance Officer of the IJB; and
- (iii) request that updates regarding management actions are reported to the December Audit Committee.

2. BACKGROUND

As a formally constituted body the IJB is required to produce a set of formal Annual Accounts. The accounts have been produced in line with LASAAC (Local Authority Scotland Accounts Advisory Committee) guidance "Additional Guidance on Accounting for the Integration of Health and Social Care" (revised March 2019), with reference to the template for IJB Annual Accounts produced by CIPFA (Chartered Institute of Public Finance and Accountancy) and taking into account the "Good Practice Note on Improving the Quality of Local Authority Annual Accounts (Integration Joint Boards)" produced by Audit Scotland, April 2018.

The Audit Committee considered the IJB's unaudited Annual Accounts at the Audit Committee meeting of 26 June 2019. Those accounts were subsequently available for public inspection during July 2019.

The IJB's annual accounts have now been audited by the IJB's External Auditor (Audit Scotland) and the IJB has received feedback in the form of the attached External Auditor's report (appendix 2) and associated covering letter (appendix 1).

The IJB's revised Audited Annual Accounts for 2018/19 are included at Appendix 3.

3. CURRENT POSITION

The Audit Committee should now consider the External Auditor's report regarding the Annual Accounts and the revised Audited Annual Accounts.

External Auditors 2018/19 Annual Audit report (Appendix 1 & 2)

Appendix 1 is a covering letter to the External Auditor's Annual Audit Report. This letter includes, as appendix A, a copy of the proposed Independent Auditors Annual Report that also appears in the final version of the Annual Accounts. The covering letter also has an appendix B, Letter of Representation that will be signed by the Chief Finance Officer after the Audit Committee. This letter provides confirmation to the External Auditors regarding a series of issues relating to the completion of the IJB's final annual accounts.

Appendix 2, the External Auditors "2018/19 Annual Audit Report – Draft", sets out the External Auditor's findings arising from the 2018/19 audit of Angus IJB. The scope was set out in the Annual Audit plan presented at the December 2018 Audit Committee. Eight key messages are included in the report (page 4). The audit report also includes a series of issues/risks with recommendations for improvement (an "Action Plan 2018/19"). The recommendations have now been considered by the IJB and agreed management responses are included in the report. Updates regarding these management responses/actions will be reported to future IJB Audit Committees. Updates, where relevant, to prior year recommendations are also included.

2018/19 Annual Accounts (Appendix 3)

There have been a number of revisions to the IJB's Annual Accounts since the June Audit Committee. These have been points of increased narrative clarification regarding the IJB's financial position during 2018/19 (with revisions in the Management Commentary), slight presentational changes and a number of other minor corrections.

These changes largely reflect the feedback received from External Auditors during the audit period.

4. CONCLUSIONS

The IJB's Audit Committee has responsibility to scrutinise the IJB's Annual Accounts. As was the case in previous years, this also includes final approval of those Annual Accounts after consideration of the External Auditor's report.

The IJB's Audit Committee needs to consider and accept the External Auditor's annual report on the IJB's Annual Accounts for period to 31 March 2018, including noting the key recommendations and associated agreed management actions.

Following consideration of the External Auditor's Annual Report and associated covering letter, the Audit Committee are requested to consider the Annual Accounts and then approve the audited Annual Accounts.

The Audit Committee should request that updates regarding management actions are reported to the December Audit Committee.

The Audit Committee should also note that the IJB's audited Annual Accounts, along with the External Auditor's report and a short covering note prepared by the Chief Finance Officer, will be shared with main IJB Board members soon after the approval of the Annual Accounts.

REPORT AUTHOR: ALEXANDER BERRY, CHIEF FINANCE OFFICER
EMAIL DETAILS: hscianguis.tayside@nhs.net
DATE: August 2019

List of Appendices:

Appendix 1- Covering letter to the External Auditors Annual Audit Report.

Appendix 2- Annual Audit Report by the External Auditor on the IJB's 2018/19 Annual Accounts.

Appendix 3- Angus Integration Joint Board's Audited Annual Accounts for period to 31 March 2019.