



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD AUDIT COMMITTEE – 26 AUGUST 2020**

**2019/20 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 2019/20 annual audit report of Angus IJB and the IJB's audited annual accounts for the period to 31 March 2020. The External Auditor's annual audit 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 audit report for Angus IJB (including associated covering letter and the "Proposed Independent Auditor's Report" for the period to 31 March 2020. 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 2020 Audit Committee.

**2. BACKGROUND**

As a formally constituted body the IJB is required to produce a set of formal Annual Accounts under the Local Authority Accounts (Scotland) Regulations 2014 and Regulations under Section 106 of the Local Government (Scotland) Act 1973 and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20. 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 24 June 2020. Those accounts were subsequently available for public inspection during July 2020.

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 annual audit report (Appendix 2) and associated covering letter including the proposed audit opinion (Appendix 1).

The IJB's revised Audited Annual Accounts for 2019/20 are included at Appendix 3. There have been no material amendments to the accounts since they were shared with the Audit Committee in June 2020.

### **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 2019/20 Annual Audit report (Appendices 1 and 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 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 "2019/20 Annual Audit Report – Draft", sets out the External Auditor's findings arising from the 2019/20 audit of Angus IJB. The report is a final agreed draft, to be issued in final form after the Annual Accounts are signed. The scope was set out in the Annual Audit Plan presented at the December 2019 Audit Committee (report 72/19). Ten 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 2019/20"). This includes commentary re actions from the 2018/19 Action Plan – noting some of those actions are ongoing. 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.

2019/20 Annual Accounts (Appendix 3)

As noted above there have been no material amendments to the annual accounts since they were shared with the Audit Committee in June 2020. These have been some slight narrative clarifications, slight presentational changes and a number of other typographical 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, and as set out in the IJB's Standing Orders (report 3/20, February 2020 IJB), 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 audit report regarding the IJB's Annual Accounts for period to 31 March 2020, including noting the key recommendations and associated agreed management actions.

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

This year it has been confirmed that the IJB's Annual Accounts and associated letter of representation can be signed electronically.

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 annual audit report and a short covering note prepared by the Chief Finance Officer, will be shared with main IJB Board members and Finance contacts in Partner organisations soon after the approval of the Annual Accounts.

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**DATE: August 2020**

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 2019/20 Annual Accounts.  
Appendix 3- Angus Integration Joint Board's Audited Annual Accounts for period to 31 March 2020.