



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD AUDIT COMMITTEE – 20 APRIL 2022
2021/22 EXTERNAL AUDIT ANNUAL AUDIT PLAN
REPORT BY ALEXANDER BERRY, CHIEF FINANCE OFFICER

ABSTRACT

To present a report to Integration Joint Board (IJB) Audit Committee members with information regarding the 2021/22 External Audit Annual Audit Plan.

1. RECOMMENDATION

It is recommended that the IJB Audit Committee:-

- (i) Considers and notes the attached External Audit Annual Audit Plan.
- (ii) Approves the proposed audit fee of £27,960 and devolve authority for approval of any reasonable supplementary fees to the Chief Finance Officer.
- (iii) Notes the uncertainty about the timing of reporting arrangements and adds a provisional additional, or potentially replacement, Audit Committee into the diary for 28 September 2022.

2. BACKGROUND

2.1 Requirement to produce a formal set of Financial Accounts for 2020/21.

As IJB Audit Committee members will be aware, Angus IJB is required to produce a set of Financial Accounts. These will be produced in accordance with any updated guidance from Integrated Resources Advisory Group (IRAG) and The Local Authority Scotland Accounts Advisory Group (LASAAC).

In line with the guidance, Angus IJB's annual accounts will be produced in a manner consistent with Local Authority accounting requirements, and in compliance with The Code of Practice on Accounting for Local Authorities in the United Kingdom. As the IJB's annual accounts are produced in line with Local Authority principles, support in the production of these accounts will be provided by Angus Council as part of the Corporate Support Services arrangements.

2.2 External Audit Arrangements

As the accounts are being produced in accordance with Local Authority accounting principles, so the national position has been determined that the External Audit of the IJB's accounts will be undertaken by the relevant Local Authority's existing External Auditor. For Angus IJB and Angus Council this continues to be Audit Scotland.

The Accounts Commission is a statutory body which appoints external auditors to Scottish local government bodies. Audit Scotland is a statutory body which provides audit services to the Accounts Commission and the Auditor General. Audit appointments are generally for a 5 year period. 2020/21 was the final year of a planned 5 year cycle, however the cycle has been extended into a 6th year (2021/22) due to COVID-19 impacts.

The Chief Finance Officer will have regular discussion with the External Audit team to discuss the planning, production and audit of 2021/22 annual accounts. This will build on the output of the 2020/21 Annual Audit Report.

There is an annual audit fee associated with the work of Audit Scotland. A number of factors are taken into account by Audit Scotland in deriving this fee. The proposed fee for 2021/22 is £27,960 (2020/21 - £27,330, increase of 2.3%) and it is recommended that the IJB Audit Committee approves this fee. It is further recommended the IJB Audit Committee devolves authority for approval of any reasonable supplementary fees to the Chief Finance Officer.

2.3 External Audit Plan – 2021/22

Angus IJB's External Auditor has now produced an Annual Audit Plan for 2021/22. This is attached at Appendix 1 for consideration and noting. The audit will be undertaken to meet statutory reporting requirements. As previously verbally intimated; timescales are extended from standard years and are as set out in exhibit 5 in the attached Annual Audit Plan. In order to meet these timescales, the Audit Committee will require to approve the unaudited accounts on the 22 June 2022. The Audit Committee would then be scheduled to meet at the end of August 2022. However this may be too early to consider audited accounts and it is now recommended that an additional, or potentially replacement, Audit Committee is added into diaries for the 28 September 2022 (12 noon, Teams Meeting).

The Audit Committee should note that its remit regarding annual accounts is "to scrutinise and approve the annual accounts and Governance Statements".

2.4 External Audits from 2022/23

As noted above, this is the final year of Audit Scotland's term of auditing the IJB. At a national level plans are now progressing to appoint auditors to all Local Authorities, Health Boards and IJBs. Angus IJB's External Auditors for 2022/23 onwards are expected to be confirmed in about May/June. In due course, most likely after the completion of this year audit process, handover arrangements with new auditors will be put in place.

3. CONCLUSION

The IJB Audit Committee requires to consider and note the attached External Audit Annual Audit Plan 2021/22, approve the annual audit fee and devolve authority for approval reasonable supplementary fees to the Chief Finance Officer.

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List of Appendices:
Appendix 1 – External Audit Annual Audit Plan 2021/22