



ANGUS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD AUDIT COMMITTEE – 26 APRIL 2023
2022/23 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 2022/23 External Audit Annual Audit Plan.

1. RECOMMENDATIONS

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

- (i) Considers and notes the attached External Audit Annual Audit Plan.
- (ii) Approves the proposed audit fee of £31,470 and devolve authority for approval of any reasonable supplementary fees to the Chief Finance Officer.
- (iii) Notes the potential uncertainty about the timing of reporting arrangements and the need for a possible additional or re-arranged Audit Committee meeting to deal with the reviewing the final accounts and External Audit outputs.

2. BACKGROUND

2.1 Requirement to produce a formal set of Financial Accounts for 2022/23.

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.

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 the 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. 2021/22 was the final year of previous arrangements. For 2022/23 to 2026/27 new auditors have been appointed for Angus Council and Angus IJB. For this new 5-year period the External Audit provision will continue to be provided by Audit Scotland.

The Chief Finance Officer will have regular discussion with the External Audit team to discuss the planning, production and audit of 2022/23 annual accounts. This will build on the output of the 2021/22 Annual Audit Report, but recognising a new audit team is in place.

There is an annual audit fee associated with the work of Audit Scotland. A number of factors are considered by Audit Scotland in deriving this fee including the nature of the current audit market and the rising costs in delivering high quality audit work. There are increased regulatory expectations and risks placed on audit and its quality, as well as a widening in the scope of work audit must cover. The increase in fees compared to 2021/22 has already been subject of some national correspondence.

The proposed fee for 2022/23 is £31,470 (2021/22 - £27,960, increase of 12.5%) and, noting the above, 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 – 2022/23

Angus IJB's External Auditor have now produced an Annual Audit Plan for 2022/23. 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 4 in the attached Annual Audit Plan. In order to meet these timescales, the Audit Committee will require to approve the unaudited accounts on the 21st June 2023. The Audit Committee would then routinely be scheduled to meet at the end of August 2023. However, this may be too early to consider audited accounts and the Committee should note the need for a possible additional or re-arranged meeting to deal with the reviewing the final accounts and External Audit outputs.

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

3. CONCLUSION

The IJB Audit Committee requires to consider and note the attached External Audit Annual Audit Plan 2022/23, approve the annual audit fee and devolve authority for approval of any reasonable supplementary fees to the Chief Finance Officer.

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List of Appendices:
Appendix 1 – External Audit Annual Audit Plan 2022/23