



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD AUDIT COMMITTEE – 23 AUGUST 2023**

**2022/23 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 2022/23 annual audit report of Angus IJB and the IJB's audited annual accounts for the period to 31 March 2023. 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 (Appendix 2), including the associated covering letter (Appendix 1) which includes the "Proposed Independent Auditor's Report", for the period to 31 March 2023. 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 2023 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 accordance with Local Authority Accounts (Scotland) Regulations 2014 and Regulations under Section 106 of the Local Government (Scotland) Act 1973.
- 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).
- Reflecting the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23.
- Reflecting technical guidance issued by LASAAC and others re financial treatment of COVID-19 related costs (continuing to use guidance issued for 2021/22).
- In line with CIPFA Bulletin 05 (April 2020) which provided guidance as to how to reflect the impact of COVID-19 in annual accounts with the major impact for Angus IJB being to ensure the impact of COVID-19 is adequately reflected in narrative commentary.

The Audit Committee considered the IJB's unaudited Annual Accounts at the Audit Committee meeting of 21 June 2023. Those accounts were subsequently available for public inspection during July 2023.

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 the associated covering letter (Appendix 1) which includes the "Proposed Independent Auditor's Report" (Appendix A of Appendix 1).

The IJB's revised Audited Annual Accounts for 2022/23 are included at Appendix 3. While there have been some improvements made to the accounts (as described below), there have been no material amendments since they were shared with the Audit Committee in June 2023.

At the point of compiling this report and associated appendices, there were no known post Balance Sheet date updates that would have any impact on the IJB's Accounts.

### **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 2022/23 Annual Audit report (Appendices 1 and 2)

Appendix 1 is a covering letter to the External Auditor's Annual Audit Report. The covering letter itself includes a copy of the "Proposed Independent Auditors Report" (Appendix A) which summarises the outcomes of the External Annual Audit. This Independent Auditors Report then also appears in the final version of the Annual Accounts.

There is a further Appendix B of the covering letter, a Letter of Representation, which will be signed and submitted to the External Auditors by the IJB's Chief Finance Officer after the Audit Committee. This Letter of Representation 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 "2022/23 Annual Audit Report – Draft", sets out the External Auditor's findings arising from the 2022/23 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 April 2023 Audit Committee (report 19/23).

Eleven key messages are included in the report (page 3). The audit report also includes a series of issues/risks with recommendations for improvement (an "Action Plan 2022/23", page 19). This includes commentary re actions from the "2021/22 Action Plan" – noting some of those actions are effectively ongoing and roll forward into 2022/23 actions. The recommendations have now been considered by the IJB's management team and agreed management responses are included in the report. Updates regarding these management responses/actions will be reported to future IJB Audit Committees.

2022/23 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 2023. However there have been a number of improvements /minor amendments. These include: -

- Updating of performance information reflecting the publication of the IJB's Annual Performance Report and a correction in previous year data regarding Emergency Bed Days information.
- The inclusion of a paragraph in Note 3 "Critical Judgements" reflecting the IJB's position with regard to accounting guidance about disclosing information relating to the impact of an accounting change that will be required by a new accounting standard that has been issued but not yet formally adopted. Noting the position was that it was judged this is not applicable to the IJB's annual accounts for 2022/23.
- A number of punctuation, wording, rounding and hyperlink adjustments.

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

All dates shown in the audited annual accounts are currently displayed as “23 August 2023”. This reflects an assumption of approval on the day of the Audit Committee.

#### **4. PROPOSALS**

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 33/22, June 2022 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 2023, 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.

The Audit Committee should request that updates regarding management actions are reported to the December 2023 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.

#### **5. EQUALITY IMPACT ASSESSMENT**

An Equality Impact Assessment is not required.

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List of Appendices:

Appendix 1- Covering letter to the External Auditors Annual Audit Report (includes Appendix A and Appendix B).

Appendix 2- Draft Annual Audit Report by the External Auditor regarding the IJB’s 2022/23 Annual Accounts.

Appendix 3- Angus Integration Joint Board’s Audited Annual Accounts for period to 31 March 2023.