



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 26 MAY 2022

SUBJECT: EXTERNAL AUDIT PLAN FOR THE YEAR ENDING 2021/22

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

1.1. To inform the MIJB Joint Board of the Auditor's Annual Plan for 2021/22.

2. RECOMMENDATION

2.1. **It is recommended that the MIJB Joint Board considers and notes the contents of the External Auditor's Annual Plan for 2021/22.**

3. BACKGROUND

3.1. In September 2016, Audit Scotland was confirmed as the external auditor of the Moray Integration Joint Board (MIJB). The appointment was for financial years 2016/17 to 2020/21 inclusive. Due to the significant disruption of Covid-19, the Auditor General for Scotland and the Accounts Commission for Scotland announced in June 2020 an intention to extend the current audit appointments by one year in the first instance. This has since been confirmed and so Audit Scotland will remain the MIJB's auditors through to the audit of the 2021/22 year.

3.2. Audit Scotland work together with the Auditor General and the Accounts Commission to deliver public audit in Scotland and provide independent assurance to the people of Scotland that public money is spent appropriately and provides value. Audit work is carried out in accordance with International Standards on Auditing, the Code of Audit Practice https://www.audit-scotland.gov.uk/uploads/docs/report/2016/code_audit_practice_16_0.pdf and any other relevant guidance.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

4.1. An Annual Audit Plan for 2021/22 has been received from Audit Scotland and is attached at **APPENDIX 1** to this report. The Plan sets out the scope of the audit work and the auditors approach to the audit. The Plan details the initial risks identified by Audit Scotland and planned work to be undertaken for the audit of the financial statements for the year ending 2021/22. Audit Scotland also aim to add value to the MIJB through its work.

- 4.2. The Audit Plan identifies the main risks for the MIJB which will be the focus of audit testing and are outlined in Exhibit 2 on page 6 of the Plan.
- 4.3. On page 12 of the Audit Plan, Audit Scotland has shown the External Audit fee for 2021/22 as being £27,960. This fee is consistent with the charges being made by Audit Scotland across the country and represents a 2.3% increase on the previous year.
- 4.4. The annual accounts timetable, including key deadlines are shown in Exhibit 5 on page 11 of the audit plan and requires the MIJB to submit the Unaudited Annual Accounts along with supporting working papers to Audit Scotland by 30 June 2022 following consideration by those charged with governance at the meeting of the MIJB on 30 June 2022. The MIJB will be asked to approve the audited annual accounts and to consider the Annual Audit Report at its meeting of 24 November 2022.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and MIJB Strategic Commissioning Plan 'Moray Partners in Care' 2019 – 2029

The work undertaken by External Audit seeks to provide assurance to the MIJB on the financial governance and resource management. It will express a view on the key risks to be managed in order to secure operational efficiency in line with the Strategic Plan 2019 - 29.

(b) Policy and Legal

The external audit is conducted in terms of statutory powers afforded to the appointed External Auditor and in accordance with Audit Scotland's Code of Practice.

(c) Financial implications

The annual audit fee set for 2021/22 by Audit Scotland and paid by the MIJB is £27,960.

(d) Risk Implications and Mitigation

The risks associated with the Audit Plan have been identified and categorised within the Plan under section 'Exhibit 2'.

(e) Staffing Implications

Preparation of the MIJB's financial statements will require input and coordination from the MIJB Chief Financial Officer and the finance teams of both Moray Council and NHS Grampian which forms part of the scheduled work.

(f) Property

None arising directly from this report.

(g) Equalities/Socio Economic Impact

None arising directly from this report as there has been no change to policy.

(h) Directions

None arising directly from this report.

(i) Consultations

The content of the Plan has been discussed with the Chief Officer, Chief Internal Auditor and Senior Managers prior to production and their comments have been incorporated where appropriate.

6. CONCLUSION

- 6.1. The Annual Audit Plan informs the MIJB, its Committees and officers of the work to be undertaken by External Audit (Audit Scotland) in the year ahead.**

Author of Report: Deborah O'Shea

Background Papers: with author

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