



REPORT TO: MORAY INTEGRATION JOINT BOARD AUDIT PERFORMANCE AND RISK COMMITTEE ON 19 SEPTEMBER 2019

SUBJECT: EXTERNAL AUDITORS' REPORT TO THOSE CHARGED WITH GOVERNANCE

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To request the Audit, Performance and Risk Committee to consider the reports to those charged with governance from the Board's External Auditor for the year ended 31 March 2019.

2. RECOMMENDATION

- 2.1 It is recommended that the Audit, Performance and Risk Committee considers and notes the reports from the External Auditor within Appendices 1 and 2.

3. BACKGROUND

- 3.1 The responsibilities of Audit Scotland as the independent auditor are established by the Local Government (Scotland) Act 1973, the code of Audit Practice (2016), which can be found at https://www.audit-scotland.gov.uk/uploads/docs/report/2016/code_audit_practice_16.pdf and supplementary guidance, and are supported by the auditing profession's ethical guidance.

4. KEY MATTERS RELEVANT TO RECOMMENDATION

- 4.1 The work carried out by Audit Scotland during 2018/19 has produced two reports that are subject to the consideration of those charged with governance. The reports are attached as follows:
- Independent Auditors Report to those charged with governance (**APPENDIX 1**)
 - The Annual Audit Report 2018/19 (**APPENDIX 2**)

- 4.2 The audit opinions expressed were all unqualified and are reported within the 'independent auditors report' included within **APPENDIX 1**.
- 4.3 The Annual Audit Report included at **APPENDIX 2** provides an Action Plan where recommendations for improvement are made, based on the findings of the review. These recommendations have been discussed with management and corresponding actions have been agreed, together with timescales for completion.
- 4.4 The Annual Audit Report provides a summary of the significant audit risks identified during planning. The results and conclusions of this work are noted within the report.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Commissioning Plan 2016 – 2019

The work of the external auditor and the production of these reports for those charged with governance have been completed within the specified timescales agreed.

(b) Policy and Legal

The Public Bodies (Joint Working) (Scotland) Act 2014 requires that the Moray Integration Joint Board (MIJB) is subject to the audit and accounts provisions of a body under Section 106 of the Local Government (Scotland) Act 1973.

(c) Financial implications

There are no direct financial implications arising from this report.

(d) Risk Implications and Mitigation

The external auditor, Audit Scotland, through the audit process, provides assurance to the Board that the Annual Accounts for 2018/19 give a true and fair view of the financial position. The Annual Audit Report highlights risks identified during the audit process and recommendations for action which have been agreed by management.

(e) Staffing Implications

None arising directly from this report.

(f) Property

None arising directly from this report

(g) Equalities/Socio Economic Impact

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

(h) Consultations

Consultation has taken place between Audit Scotland and the Chief Financial Officer of the MIJB in preparation of the Annual Audit Report. Any comments received have been considered in writing this report.

6. CONCLUSION

6.1 The External Auditor has issued an unqualified opinion for the 2018/19 Annual Accounts. The Annual Audit Report, Independent Auditors' Report and the Letter of Representation present the full findings.

Author of Report: Tracey Abdy, Chief Financial Officer
Background Papers: with author
Ref: