



# Item No. 6

Meeting Date

Wednesday 26<sup>th</sup> October 2022

## Glasgow City Integration Joint Board Finance, Audit and Scrutiny Committee

**Report By:** Sharon Wearing, Chief Officer Finance and Resources

**Contact:** Sharon Wearing

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### Update on Audit of Annual Accounts

**Purpose of Report:**

The purpose of this report is to provide an update on the Audit of the Annual Accounts.

**Background/Engagement:**

The IJB prepares its Accounts on an annual basis to 31 March and is required, by the Local Authority Accounts (Scotland) Regulations 2014, to submit their Accounts to the appointed auditor by 30 June.

The regulations require that the audited annual accounts should be considered and approved by the IJB or a committee of the IJB whose remit includes audit and governance having regard to any report made on the audited annual accounts by the proper officer or external auditor by the 30 November immediately following the financial year to which the accounts relate. In addition, any further report by the external auditor on the audited annual accounts should also be considered by the IJB or committee of the IJB whose remit includes audit and governance.

**Governance Route:**

The matters contained within this paper have been previously considered by the following group(s) as part of its development.

- HSCP Senior Management Team ☐  
Council Corporate Management Team ☐  
Health Board Corporate Management Team ☐  
Council Committee ☐  
Update requested by IJB ☐  
Other ☐  
Not Applicable ☒

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<b>Recommendations:</b>	<p>The IJB Finance, Audit and Scrutiny Committee is asked to:</p> <ul style="list-style-type: none"><li>a) note the update on the audit of the annual accounts; and</li><li>b) approve the delegation of the remits outlined in section 4.1 in relation to the approval of the audited accounts and consideration of the external auditor report are returned from IJB Finance, Audit and Scrutiny to the IJB to allow the auditor report and the audited annual accounts to be given proper scrutiny.</li></ul>
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<b>Relevance to Integration Joint Board Strategic Plan:</b>
The annual accounts identify the financial performance of the IJB. This includes the level of usable funds which are being held in reserve to manage unanticipated financial pressures from year to year which could otherwise impact on the ability to deliver the Strategic Plan.

### Implications for Health and Social Care Partnership:

<b>Reference to National Health &amp; Wellbeing Outcome:</b>	None.
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<b>Personnel:</b>	None.
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<b>Carers:</b>	None.
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<b>Provider Organisations:</b>	None.
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<b>Equalities:</b>	None.
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<b>Fairer Scotland Compliance:</b>	None.
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<b>Financial:</b>	None.
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<b>Legal:</b>	<p>The IJB prepares its Accounts on an annual basis to 31 March and is required, by the Local Authority Accounts (Scotland) Regulations 2014, to submit their Accounts to the appointed auditor by 30 June.</p> <p>The regulations require that the audited annual accounts should be considered and approved by the IJB or a committee of the IJB whose remit includes audit and governance having regard to any report made on the audited annual accounts by the proper officer or external auditor by the 30 November immediately following the financial year to which the accounts relate. In addition, any further report by the external auditor on the audited annual accounts should also be considered by the IJB or committee of the IJB whose remit includes audit and governance.</p>
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<b>Economic Impact:</b>	None.
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<b>Sustainability:</b>	None.
<b>Sustainable Procurement and Article 19:</b>	None.
<b>Risk Implications:</b>	The Annual Accounts identify the usable funds held in reserve to manage unanticipated pressures from year to year.
<b>Implications for Glasgow City Council:</b>	None.
<b>Implications for NHS Greater Glasgow &amp; Clyde:</b>	None.

### 1. Purpose

- 1.1. The purpose of this report is to provide an update on the Audit of the Annual Accounts.

### 2. Background

- 2.1. The IJB prepares its Accounts on an annual basis to 31 March and is required, by the Local Authority Accounts (Scotland) Regulations 2014, to submit their Accounts to the appointed auditor by 30 June.
- 2.2. The regulations require that the audited annual accounts should be considered and approved by the IJB or a committee of the IJB whose remit includes audit and governance having regard to any report made on the audited annual accounts by the proper officer or external auditor by the 30 November immediately following the financial year to which the accounts relate. In addition, any further report by the external auditor on the audited annual accounts should also be considered by the IJB or committee of the IJB whose remit includes audit and governance.

### 3. Update from Audit Scotland

- 3.1 In their plan for the 2021/22 audit, Audit Scotland highlighted that the continuing pressures associated with the Covid-19 pandemic meant they would be unlikely to meet the audit planning guidance deadline of 31 October 2022 for certification of accounts. While their work programme has progressed, the auditor confirmed that at the time of preparing this report they are not in a position to provide a proposed opinion on the financial statements. Resource challenges across the wider audit portfolio have impacted on their completion of IJB specific testing, alongside a requirement to undertake additional audit procedures as a consequence of the appointment of a new audit engagement lead in August of this year. The auditor anticipates work will be completed in early November, allowing them to formally report to the IJB on 30 November. A verbal update on progress will be provided by the auditor as part of this agenda item.

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### 4. Approval of Audited Accounts

4.1 The IJB Finance, Audit and Scrutiny Committee has the following remit delegated from the IJB in relation to the annual account process:-

- Monitoring internal financial control, ensuring that appropriate financial controls are in place
- Receiving and considering summaries of internal and external audit reports which relate to any issue falling within the remit of the Integration Joint Board
- Approval of the Annual Accounts and Annual Governance Statement prior to presentation to the Integration Joint Board
- To consider the external auditor's annual letter and associated reports and to report on these to the IJB
- To advise on the effectiveness of relationships between external and internal audit and other inspection agencies

4.2 To ensure that the IJB meets its statutory deadlines it is proposed that the remits in relation to the approval of the audited accounts and consideration of the external auditor report are delegated back to the IJB for the meeting take place in November. This will require the IJB to perform these scrutiny duties in relation to the annual accounts in order to meet the requirements of the 2014 Regulations.

### 5. Recommendations

5.1. The IJB Finance, Audit and Scrutiny is asked to:

- a) note the update on the audit of the annual accounts
- b) approve the delegation of the remits outlined in section 4.1 in relation to the approval of the audited accounts and consideration of the external auditor report are returned from IJB Finance, Audit and Scrutiny to the IJB to allow the auditor report and the audited annual accounts to be given proper scrutiny.