



Dumfries and Galloway  
Integration Joint Board  
Audit and Risk Committee

7<sup>th</sup> September 2020

This Report relates to  
Item 5 on the Agenda

# External Audit Annual Report

*Paper presented by Katy Lewis*

*For Scrutiny and Review*

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<b>List of Background Papers:</b>	Not required
<b>Appendices:</b>	<b>Appendix 1</b> – External Audit Report for the Financial Year end 31 March 2020

<b>Direction Required to Council, Health Board or Both</b>	<b>Direction to:</b>	
	1. No Direction Required	X
	2. Dumfries and Galloway Council	
	3. NHS Dumfries and Galloway	
	4. Dumfries and Galloway Council and NHS Dumfries and Galloway	

## 1. Introduction

- 1.1 This paper provides the Integration Joint Board with an update on the work of the External Auditors.

## 2. Recommendations

### 2.1 The Integration Joint Board is asked to:

- **Scrutinise and review the attached report for Dumfries and Galloway Integration Joint Board/External Audit Annual Report to those charged with Governance and the Controller of Audit for the 2019/20 financial year.**

## 3. Background and Main Report

### 3.1 Background

- 3.2 The Audit and Risk Committee previously agreed the External Audit Plan set out by Grant Thornton as our External Auditors on how they will discharge their responsibilities as set out in the Audit Scotland Code of Audit Practice 2016, as well as requirements under International Standards of Auditing (ISA's) (UK and Ireland).

### 3.3 Main Report

- 3.4 A draft set of our accounts was issued to the auditors following the IJB the 30<sup>th</sup> June 2020, to enable the auditors to commence the external audit work during the July/August and conclude to provide final assurance for the Audit and Risk Committee on the 7<sup>th</sup> September 2020.

### 3.5 Their approach delivers:

- A robust challenge of the judgements and key aspects of the financial statements, in particular in relation to the significant and other audit risks outlined in their plan.
- A focus on wider scope arrangements across the four audit dimensions aligned to our key areas of risk: financial management; financial sustainability; governance and transparency and value for money.
- An understanding of Dumfries and Galloway Integration Joint Board and the strategic challenges, pro-actively engaging throughout the year with us.
- A clear and concise annual report addressed to those charged with governance and the Controller of Audit, reporting the outcome of their work during the year. The report will reflect the key judgements and conclusions over the arrangements as relevant to Grant Thornton's Audit Role.

- 3.6 The full report prepared by the External Auditors following their audit review for 2019/20 is set out in **Appendix 1**. The audit opinion provided is a unmodified audit opinion.

## 4. Conclusions

- 4.1 The Committee are asked to review the External Auditors Report as presented.

<b>5.</b>	<b>Resource Implications</b>		
5.1.	There are no resource implications identified.		
<b>6.</b>	<b>Impact on Integration Joint Board Outcomes, Priorities and Policy</b>		
6.1.	The development of robust External Auditing arrangements is a fundamental requirement of our overall governance arrangements.		
<b>7.</b>	<b>Legal and Risk Implications</b>		
7.1.	There are no legal or risk implications identified.		
<b>8.</b>	<b>Consultation</b>		
8.1.	Consultation Chief Finance Officer, Chief Officer.		
<b>9.</b>	<b>Equality and Human Rights Impact Assessment</b>		
9.1.	As this report does not propose a change in policy/strategy/plans, no impact assessment has been carried out.		
<b>10.</b>	<b>Glossary</b>		
10.1	All acronyms must be set out in full the first time they appear in a paper with the acronym following in brackets.		
	<table border="1"> <tr> <td>ISA</td> <td>International Standards of Auditing</td> </tr> </table>	ISA	International Standards of Auditing
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