



Integration Joint Board
Audit and Risk Committee

11th September 2018

This Report relates to
Item 6 on the Agenda

External Audit Annual Report

(Paper presented by Katy Lewis)

For Scrutiny and Review

Approved for Submission by	Katy Lewis Chief Finance Officer
Author	Katy Lewis Chief Finance Officer
List of Background Papers	Not applicable
Appendices	Appendix 1 – External Audit Report to those charged with Governance and the Auditors General of Scotland

SECTION 1: REPORT CONTENT

Title/Subject: External Audit Annual Report
Meeting: Audit and Risk Committee
Date: 11th September 2018
Submitted By: Katy Lewis
Action: For Scrutiny and Review

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 Audit and Risk Committee 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, 2017/18 financial year.**

3. Background

- 3.1 The Audit and Risk Committee previously agreed the External Audit Plan set out by Grant Thornton as our External Auditors 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).

4. Main Body of the Report

- 4.1 The Chief Finance Officer met with Grant Thornton on 1st June 2018 to finalise the plan for the external audit for 2017/18. A draft set of accounts was issued to the auditors following the Audit and Risk Committee on the 21st June 2018, with the external audit work taking place during July/ August and conclude to provide final assurance for the Audit and Risk Committee in September 2018.
- 4.2 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 cope arrangements across the four audit dimensions aligned to your key areas of risk: financial management; financial sustainability; governance and transparency and the value for money.
- An understanding of Dumfries and Galloway Integration Joint Board and the strategic challenges, pro-actively engaging throughout the year with you.
- A clear and concise annual report addressed to those charged with governance and the Controller of Audit, reporting the outcome of our work during the year. The report will reflect the key judgements and conclusions over the arrangements as relevant to our audit role.

4.3 The full report prepared by the External Auditors following their audit review for 2017/18 is set out in appendix 1. The audit opinion provided is a clean audit opinion. There are no management actions identified in this external audit.

SECTION 2: COMPLIANCE WITH GOVERNANCE STANDARDS

5. Resource Implications

5.1. There are no resource implications identified.

6. Impact on Integration Joint Board Outcomes, Priorities and Policy

6.1. The development of robust External Auditing arrangements is a fundamental requirement of our overall governance arrangements.

7. Legal & Risk Implications

7.1. There are no legal and risk implications identified.

8. Consultation

8.1. Consultation Chief Finance Officer, Chief Officer.

9. Equality and Human Rights Impact Assessment

9.1. As this report has not proposed any changes to policy/strategy/plans, no impact assessment has been carried out.

10. Glossary

ISA International Standards of Auditing