



**REPORT TO: PERFORMANCE & AUDIT COMMITTEE – 14 MARCH 2017**  
**REPORT ON: AUDIT SCOTLAND – ANNUAL AUDIT PLAN 2016/17**  
**REPORT BY: CHIEF FINANCE OFFICER**  
**REPORT NO: PAC11-2017**

**1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to note and approve the proposed Dundee City Integration Joint Board Annual Audit Plan 2016/17 as submitted by the IJB's appointed External Auditor (Audit Scotland)

**2.0 RECOMMENDATIONS**

It is recommended that the Performance & Audit Committee (PAC):

2.1 Notes and approves the proposed Audit Plan for 2016/17 as submitted by Audit Scotland

**3.0 FINANCIAL IMPLICATIONS**

None

**4.0 MAIN TEXT**

4.1 Dundee Integration Joint Board's (IJB) assigned External Auditor for 2016/17 is Audit Scotland who have produced their Annual Audit Plan in relation to the 2016/17 financial year (see Appendix 1). This plan contains an overview of the planned scope and timing of their audit work and is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and any other relevant guidance. This plan identifies the auditors work to provide an opinion on the financial statements and related matters and meet the wider scope requirements of public sector audit. The wider scope of public audit contributes to conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

4.2 In preparing this audit plan, Audit Scotland has drawn from a wide range of information such as IJB reports and other published documentation, attendance at IJB meetings and discussions with the Health and Social Care Partnership's management team and have identified a number of main risk areas in relation to Dundee IJB. These are categorised as being financial risks and wider dimension risks with associated audit testing noted within the plan under Exhibit 1. These risks are summarised below:

Financial:

- 1) Risk of management override of controls
- 2) Risk of fraud over expenditure
- 3) Financial Statements timescales
- 4) Preparation of financial statements

Wider Dimension Risks:

- 5) Financial sustainability
- 6) Governance and assurance arrangements
- 7) Corporate Support
- 8) Transparency

4.3 Once the audit is complete, Audit Scotland will submit an independent auditor's report to the members of Dundee IJB and the Accounts Commission, summarising the results of the audit of the annual accounts. They will also provide the IJB and the Controller of Audit with an annual report on the audit containing observations and recommendations on significant matters which have arisen in the course of the audit.

4.4 The auditor will give an opinion on the financial statements prepared by the IJB as to whether they:

- give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of the affairs of the IJB as at 31 March 2017 and of the income and expenditure of the IJB for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, as interpreted and adapted by the 2016/17 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

4.5 These reports will be presented to the meeting of the Performance and Audit Committee to be held on 12 September 2017.

4.6 The annual audit fee set for Integration Joint Boards is £17,400 for 2016/17.

## **5.0 POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Equality Impact Assessment and Risk Management. There are no major issues.

## **6.0 CONSULTATIONS**

The Chief Officer and the Clerk were consulted in the preparation of this report.

## **7.0 BACKGROUND PAPERS**

None

Dave Berry  
Chief Finance Officer

DATE: 06/03/2017