

West Lothian Integration Joint Board Audit Risk and Governance Committee

Date: 31 March 2017

Agenda Item: 6

EXTERNAL AUDIT PLAN 2016/17

REPORT BY CHIEF FINANCE OFFICER

A PURPOSE OF REPORT

The purpose of this report is to inform the IJB of the external auditor's 2016/17 annual audit plan.

B RECOMMENDATION

It is recommended that the Audit Risk and Governance Committee notes the external auditor's 2016/17 annual audit plan.

C TERMS OF REPORT

C.1 Background

In May 2016, the Accounts Commission appointed Ernst and Young (EY) as the IJB's external auditor for the five year period to 2020/21. EY's annual plan, which is appended, sets out the work they propose to undertake in relation to the 2016/17 audit.

C.2 Annual Audit Plan

As set out in the EY audit plan, auditors in the public sector give an independent opinion on the 'truth and fairness' of the financial statements. Section three of the plan sets out EY's approach to the audit of the financial statements and significant risks identified.

The auditors also report on the four dimensions of public sector audit which comprise the wider scope audit work. Section four of the plan sets out the wider scope work relating to financial sustainability, financial management, governance and transparency and value for money. The wider scope audit work, and the judgements and conclusions reached in these areas will contribute to the overall assessment and assurance on Best Value.

Section 6 of the plan sets out EY's audit team, timeline and deliverables. The auditors will aim to certify the annual accounts by the 30 September 2017. In terms of the audit fee, it is noted that due to the nature of the IJB, with this being the first full year of operation, no expected fee has been set centrally yet. The fee will be agreed with Chief Officers on completion of the audit planning and understanding of the year-end audit requirements.

Appendices to the plan set out audit independence and objectivity requirements and communications that will be provided to the IJB.

D CONSULTATION

Relevant officers in NHS Lothian and West Lothian Council.

E REFERENCES/BACKGROUND

Local Government (Scotland) Act 1973

Public Bodies (Joint Working) (Scotland) Act 2014

F APPENDICES

Ernst and Young Annual Audit Plan 2016/17

G SUMMARY OF IMPLICATIONS

Equality/Health	The report has been assessed as having little or no relevance with regard to equality or the Public Sector Equality Duty. As a result, equality impact assessment has not been conducted. The relevance assessment can be viewed via the background references to this report.
National Health and Wellbeing Outcomes	None.
Strategic Plan Outcomes	None.
Single Outcome Agreement	None.
Impact on other Lothian IJBs	None.
Resource/Finance	The audit fee for 2016/17 is still to be agreed subject to the completion of audit planning.
Policy/Legal	Under the Local Government (Scotland) Act 1973, the Account Commission is responsible for appointing the external auditors of local government bodies including councils, joint boards and bodies falling within section 106 of the Act. The Public Bodies (Joint Working) (Scotland) Act 2014 specifies that Integration Joint Boards should be treated as if they were bodies falling within section 106 of the 1973 Act.
Risk	None

H CONTACT

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