

AGENDA ITEM NO: 4

Report To: Inverclyde Integration Joint

Board Audit Committee

Report No: IJBA/2019/LA

Date: 29 January 2019

Report By: Louise Long, Corporate

Director (Chief Officer)

Inverclyde Health & Social Care

Partnership

Contact Officer: Lesley Aird Contact No: 01475 715381

Subject: EXTERNAL AUDIT – PROPOSED AUDIT FEE 2018/19

1.0 PURPOSE

1.1 The purpose of this report is to present the proposed Audit Scotland External Audit Fee for 2018/19, for IJB approval.

2.0 SUMMARY

2.1 The proposed audit fee for 2018/17 is £25,000, a further £1,000 or 4.2% increase from 2017/18.

3.0 RECOMMENDATIONS

3.1 It is recommended that the IJB Audit Committee notes the proposed Audit Fee and authorises officers to write again to Audit Scotland direct querying this and asking for an urgent review of the proposed fee.

Louise Long Chief Officer Lesley Aird Chief Financial Officer

4.0 BACKGROUND & PROPOSED ACTION

- 4.1 The audit fee is set nationally by Audit Scotland based on an estimate of the number of days and work involved in the audit. The proposed audit fee for 2018/17 is again a flat fee for all IJBs regardless of size or audit complexity. The proposed 2018/19 fee is £25,000, a further £1,000 or 4.2% increase from 2017/18. The overall increase in the IJB audit fee since 2016/17 is £7,600 or 43%.
- 4.2 It is proposed that the Committee authorises officers to write again to Audit Scotland direct to query the proposed fee. A copy of the draft letter is enclosed at Appendix A.

5.0 IMPLICATIONS

5.1 **FINANCE**

There are no financial implications arising from this report.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From	Other Comments
N/A	IJB Op Costs	2018/19	£1,000		Funded from overall underspend

LEGAL

5.2 There are no specific legal implications arising from this report.

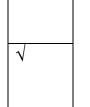
HUMAN RESOURCES

5.3 There are no specific human resources implications arising from this report.

EQUALITIES

5.4 There are no equality issues within this report.

Has an Equality Impact Assessment been carried out?



YES (see attached appendix)

NO – This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required.

5.5 How does this report address our Equality Outcomes

There are no Equalities Outcomes implications within this report.

Equalities Outcome	Implications
People, including individuals from the above	None
protected characteristic groups, can access HSCP services.	
Discrimination faced by people covered by the	None
protected characteristics across HSCP services is	None
reduced if not eliminated.	
People with protected characteristics feel safe within	None
their communities.	
People with protected characteristics feel included in	None
the planning and developing of services.	
HSCP staff understand the needs of people with	None
different protected characteristic and promote	
diversity in the work that they do.	
Opportunities to support Learning Disability service	None
users experiencing gender based violence are	
maximised.	
Positive attitudes towards the resettled refugee	None
community in Inverclyde are promoted.	

5.6 CLINICAL OR CARE GOVERNANCE IMPLICATIONS

There are no governance issues within this report.

5.7 NATIONAL WELLBEING OUTCOMES

How does this report support delivery of the National Wellbeing Outcomes

There are no National Wellbeing Outcomes implications within this report.

National Wellbeing Outcome	Implications
People are able to look after and improve their own	None
health and wellbeing and live in good health for	
longer.	
People, including those with disabilities or long term	None
conditions or who are frail are able to live, as far as	
reasonably practicable, independently and at home	
or in a homely setting in their community	
People who use health and social care services	None
have positive experiences of those services, and	
have their dignity respected.	
Health and social care services are centred on	None
helping to maintain or improve the quality of life of	
people who use those services.	
Health and social care services contribute to	None
reducing health inequalities.	
People who provide unpaid care are supported to	None
look after their own health and wellbeing, including	
reducing any negative impact of their caring role	
on their own health and wellbeing.	
People using health and social care services are	None
safe from harm.	

People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care and treatment they provide.	None
Resources are used effectively in the provision of health and social care services.	None

6.0 CONSULTATION

6.1 The draft plan was circulated by Audit Scotland to the Chief Financial Officer for comment and feedback and shared with the Chief Officer.

7.0 BACKGROUND PAPERS

7.1 None.



Our Ref: Your Ref:

Date: 30 January 2019

Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow G2 1BT
FAO David Jamieson, Senior Audit Manager

Dear David.

Inverclyde Integration Joint Board – Proposed Audit Fee in respect of the Financial Statements for the year ended 31 March 2018

Our IJB Audit Committee was disappointed to learn that the proposed audit fee for 2018/19 is £25,000, a 4.2% increase on the 2017/18 fee and 43% overall increase since 2016/17. Linked to this the Committee has asked me to write to you with the following comments and questions relating to the proposed fee:

- Audit Scotland fee structure is risk based, a flat universal fee structure does not reflect this.
 Larger IJBs often have significantly more complex arrangements which would require more
 audit time e.g. separate bank accounts, higher materiality levels etc. That is not the case in
 Inverclyde. Based on the activity over last 3 years we consider Inverclyde to be low risk
 therefore is likely to take less audit time.
- We understand that the 2016/17 Invercive audit was in line with budgeted time allowances and the 2017/18 audit appeared to be similarly straight forward so do not understand why we would see such an increase in the overall fee.
- We would have expected that the second and third years of an audit assignment would have seen a reduction not an increase in time required given the initial 'implementation' audits required in the first year 2016/17.
- It would be helpful to understand if the fees for our partner bodies, Inverclyde Council and NHSGG&C decreased linked to this IJB fee increase?

There is a concern that issues with other IJB audits in the first year have led to Inverclyde being effectively penalised with a higher flat rate charge which seems unfair. An explanation of the rationale and reconsideration of our 2018/19 fee would be greatly appreciated.

Louise Long Chief Officer