



Dumfries and Galloway Integration Joint Board

**External Audit Annual Report to those Charged with Governance and the
Controller of Audit for the financial year ended 31 March 2018**

Integration Joint Board 27 September 2018 – Final Report

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Our audit at a glance



We have fulfilled our responsibilities per International Standards on Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice throughout our work and this final report to the Board and the Controller of Audit concludes our work.



Materiality has been updated based on the unaudited 2017/18 financial statements to £5.604 million (1.6% of gross 2017/18 expenditure).

Performance materiality is £4.203 million and we have reported to management everything identified over £250,000 (5% of materiality, capped at £250,000).



Significant audit risks were: management override of controls; and the risk of fraud in expenditure recognition as set out in International Auditing Standards (ISAs UK) practice note 10. Our risk assessment remained unchanged and we did not identify any adjustments in these two areas in our work.

An audit underpinned by quality



We have built on our relationship with IJB management, through our work with both the Dumfries and Galloway Health Board and Council, during the year and this has ensured an efficient audit process to allow for the audit to be concluded by the end of September 2018. Our audit opinion for the financial year 2017/18 is unqualified.



Our work was undertaken in accordance with our agreed timetable. The draft financial statements produced by management were of a good standard with complete information and underlying supporting information. We thank management for their support and assistance during our work



This report reflects our broader reporting obligations under the Code of Audit Practice. We have provided commentary against our specific wider scope risks as well as certain aspects of IJB arrangements as they relate to: financial management; financial sustainability; governance and transparency and value for money.

Overall the IJB continues to focus on performance and improved outcomes whilst recognising the financial pressures ahead.

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Adding value through our external audit work

First and foremost our objective is to ensure we deliver a quality external audit which fully complies with International Standards on Auditing (ISAs) UK and the Audit Scotland Code of Practice (2016). By ensuring our audit is efficient and effective, gives you assurance over our opinion.

Through this Annual Report we seek to provide insight and commentary over certain aspects of IJB's arrangements, sharing relevant practices with the Board and Management.

We have continued to build on our working relationship with management and our understanding of IJB as an organisation. During the year we have shared relevant publications with management, in particular from Audit Scotland.

Lastly we are committed to audit quality. We shared our Audit Scotland Transparency report with the IJB Audit and Risk Committee and will share lessons learned on an annual basis, as our reporting in this area evolves.

Introduction

This report is a summary of our findings from our external audit work for the financial year ended 31 March 2018.

Our work has been undertaken in accordance with International Standards on Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice 2016.

Our report is addressed to those charged with governance (IJB Audit & Risk Committee and Board) in their role as set out within the integration scheme and the Controller of Audit.

Once finalised this report will be made publically available on the Audit Scotland website (www.audit-scotland.gov.uk).

Our report is presented as a draft to the IJB Audit and Risk Committee on 11 September 2018. Once all outstanding matters are complete the report will be updated and finalised. Management intend to take this report alongside the final 2017/18 financial statements to the Board meeting on 27 September 2018, where the financial statements will then be signed for the IJB.

We would like to thank IJB management and the finance team for an effective year-end audit process and all their support and assistance in the audit process.

Structure of this report

As set out in our Audit Plan (December 2017) and in accordance with the Audit Scotland Code of Practice 2016, in addition to our core financial statements audit we provide conclusions on the four dimensions of wider-scope public audit.

Within our plan we considered certain IJB wider scope risks namely financial sustainability and our audit report considers the IJB's financial management and sustainability arrangements.

We note that Audit Scotland are undertaking a performance audit study in respect of Health and Social Care Integration later on in the 2018 calendar year and this study considers wider aspects of integrated care which will also be applicable to the IJB.



The audit process

A complete set of financial statements were made available to the public on 28 June 2018, meeting the statutory deadline of the end of June.

The draft financial statements were supported by good working papers and as the external auditors of both NHS Dumfries and Galloway and Dumfries and Galloway Council (delivery organisations) we were able to see both sides of the transactions and agree to underlying council and NHS Board records, making for an efficient audit.



We identified no changes to the financial statement balances and have no unadjusted differences to report to the Audit and Risk Committee and Board. We identified minor disclosure enhancements and these have been reflected in the financial statements.

Our Opinion

For the financial year ended 31 March 2018 we have issued an **unmodified audit opinion**

- True and fair view of the financial statements
- Other information in the annual report
- Other prescribed matters (which include the audited information in the remuneration report)



The financial statements audit



Our audit work was completed in accordance with International Standards on Auditing (UK) (ISAs) and the Audit Scotland Code of Audit Practice (May 2016). Based on our audit procedures performed we have issued an unmodified audit opinion on the financial statements including:

- they give a true and fair view
- have been properly prepared in accordance with relevant legislation and standards
- the wider information contained in the financial statements
- regularity of expenditure
- audited parts of the remuneration have been prepared in accordance with the guidance

Audit approach and materiality

Our audit approach was set out in our annual audit plan presented to the Audit and Risk Committee in December 2017. Our materiality calculations, set out in our plan, were based on the audited 2016/17 financial statements, this has been updated to reflect the unaudited 2017/18 financial statements. Overall materiality has been set at £5.604 million (1.6% of gross expenditure) and performance materiality is set at £4.203 million (75% of materiality). We report to management any audit difference identified over £250,000 (capped at £250,000 per Audit Scotland Code of Audit Practice).

The annual report and accounts follow the guidance prepared by LAASAC and CIPFA, the Audit Scotland Good Practice note in relation to improving the quality of integration joint boards annual accounts was also considered.

The financial transactions for the IJB are captured in the Dumfries and Galloway Health Board and Council financial ledger; separate from core transactions and used to produce the accounts.

We did not identify any additional significant audit risks from those identified in our audit plan. Our work completed in relation to the audit risks identified (management override of controls and risk of fraud in expenditure) is set out on page 7.

Internal control environment

During the year we have had a number of meetings with Management and attended the Audit and Risk Committees. This has enabled us to build on our understanding of the IJB and its key transactions and accounting arrangements.

Given the nature of the balances reflected in the accounts, we have tested these in full rather than undertake sampling. Therefore, we have not considered the design of key IJB controls.

As the external auditor of both NHS Dumfries and Galloway and Dumfries and Galloway Council we understand both parties arrangements in respect of the IJB and we have validated aspects of the control environment relevant to the IJB when undertaking these external audits.

No material weaknesses in the accounting and internal control systems were identified during the audit which could have an adverse impact on the IJB's ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements.

Under ISA's we are required to report to those charged with governance the main issues arising from our audit of the Annual Accounts and Report. This report discharges our obligations under the relevant ISA's.

Internal Audit

As set out in our plan we have not placed formal reliance on the work of Internal Audit during 2017/18. Internal Audit is currently provided to the IJB by the NHS Dumfries and Galloway in-house internal audit team. The overall input by internal audit is focused on key areas of control, recognising that there is some areas of the core NHS Dumfries and Galloway internal audit programme which is also of relevance to the IJB. The Chief Internal Auditor has attended the IJB Audit and Risk Committees during the year, presenting progress against the internal audit plan and relevant reports.

Looking forward, it is anticipated that NHS Dumfries and Galloway will continue to provide the internal audit service for the IJB, linking in with the Council’s internal audit team where relevant to ensure no duplication and that key IJB risks are covered by the internal audit planning process. We note that there is an opportunity for greater sharing with the IJB Audit and Risk Committee the Council’s internal audit arrangements and relevant reports.

Narrative elements of your annual accounts

In accordance with our responsibilities we have reviewed your narrative aspects of the Annual Accounts and Report. We have considered the consistency of this narrative with our understanding and the financial statements and have set out our observations below. We have also audited the required information in the remuneration report (marked audited) and have no matters we wish to bring to your attention.

Management commentary

- The Management commentary is in line with our understanding of IJB and in particular the vision and strategic priorities of IJB
- The Management commentary statement is clear and concise
- Financial Outlook and Key Risks are well articulated and aligned to IJB’s internal risk reporting i.e. demographic pressures

Remuneration Report

- The remuneration report has been prepared in accordance with Local Authority Accounts (Scotland) Regulations 2014.
- The Chief Officer and the Chief Finance Officers salary and pension details are set out in full noting that this is the full salary, and not apportioned for the IJB as this would be an arbitrary split.



Overall observations

- IJB continue to look at how the “front end” of the Annual Report and Accounts tells the story of IJB as an organisation including strategic priorities, risks and challenges and opportunities.
- We have considered the management commentary as well as audited the financial information included in the remuneration report and governance statement. We have no matters we wish to bring to your attention.

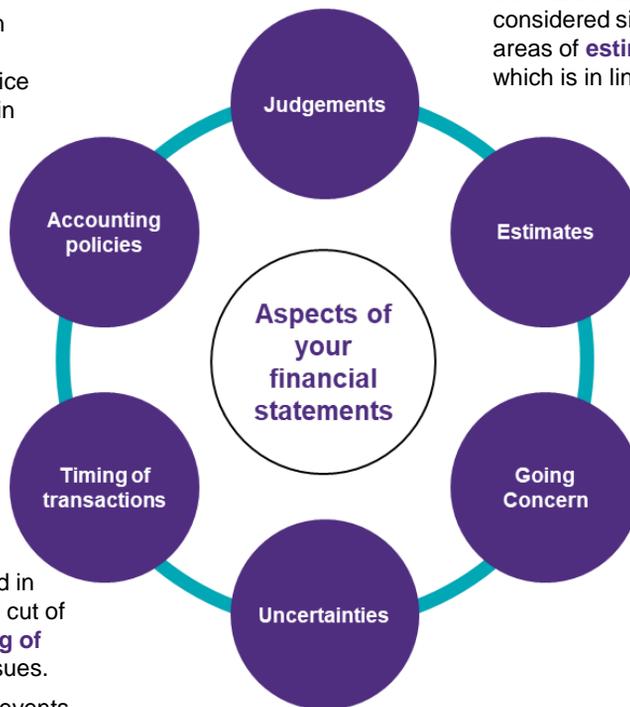
Governance Statement

- As required by the FReM the Governance statement is included in the annual accounts
- No material issues of governance in year that are required to be reported
- The governance statement is in accordance with the FReM
- The statement is supported by internal audit reasonable assurance over internal controls

Key aspects of your financial statements

As set out in our audit plan we consider particular aspects of your financial statements in relation to management judgements including estimates and where management may have particular options or choices in what accounting standards or disclosure requirements to apply. We have summarised where these apply, and our conclusions below.

IJB **accounting policies** are in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom and are consistent with the prior year .



Overall the IJB accounts are considered simple accounts with no areas of **estimate or judgement**, which is in line with our expectations.

In relation to the audit risk of fraud in respect of expenditure, we tested cut of arrangements in particular (**timing of transaction**) and identified no issues.

There are no post balance sheet events or legal uncertainties at year-end.

In terms of **uncertainties**, no uncertainties have been identified which have an impact on the final annual report and accounts.

Finally the IJB, as set out in the Note 1: Accounting policies (i. General principles) of the annual accounts, consider themselves a **going concern**.

The IJB has an agreed budget from NHS Dumfries and Galloway and Dumfries and Galloway Council and provides a specific function in the area governed by the agreed Integration Scheme. We have no reason to think this level of funding or Scottish Government commitment to the IJB concept will significantly change over the next 12 months from the date of signing the opinion.

Identified audit risks and our conclusions

Overview of our audit risks identified at planning and our proposed approach

	Risk of fraud in revenue and expenditure	Management override of controls
The Risk	<p>Under ISA 240 (UK) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue. The Financial Reporting Council's Practice note 10 (revised), states that for public sector entities, auditors should also consider the risk that material misstatements occur by the manipulation of expenditure recognition.</p> <p>Given the IJB's income comes from agreed levels of funding from NHS Dumfries and Galloway and Dumfries and Galloway Council, we have rebutted the presumed risk of improper recognition of revenue. However, we consider the risk of manipulation of expenditure incurred by the IJB.</p>	<p>As set out in ISA 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and preparing fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Therefore, there is a presumed risk that management override of controls is present in all entities.</p>
Our response	<ul style="list-style-type: none"> • Perform cut off at year end on pre and post year end transactions and recording • Walkthrough of the key expenditure controls in place including authorisation • Review of the Integration scheme and terms of funding, to ensure that expenditure has been incurred in accordance with these • Obtain confirmation of transactions during the year and any balances held at 	<ul style="list-style-type: none"> • A focus on understanding how/where management override of controls may occur • Review of the controls over journal entries • Understanding key areas of judgement within the Financial statements and the basis for these judgements and the application of accounting policies • Reviewing unusual and/or significant transactions
Our conclusion	<p>Based on our testing we did not identify any areas of concern in our testing;</p> <ul style="list-style-type: none"> • We did not identify any incorrect recording or classification of operating expenditure in the annual accounts based on our substantive audit testing. • Our testing confirmed expenditure recorded in the annual accounts was incurred in accordance with the purpose and nature of the IJB, in accordance with the Integration scheme. As a "commissioning" body we confirmed money transferred from the IJB to either the Council or the NHS was done for a purpose set out in the integration scheme. How the money was then spent by the respective bodies relates to the laws and regularity of that body. • However, as respective auditors of both bodies we could see both sides of the transaction and confirmed we did not identify any transactions that would be considered out with the remit of the IJB. 	<ul style="list-style-type: none"> • We made inquires of those members of staff who can post and authorise journals related to inappropriate or unusual activity with no concerns noted. IJB transactions are journalled into the relevant trial balance codes within the financial ledger, we reviewed all journals and considered these to be appropriate. • Through our substantive audit testing we did not identify any significant transactions out with the normal course of business for the IJB. • IJB's financial statements do not include judgements or estimates, beyond a small CNORIS balance, which reduces the risk of management override. • We did not identify any unusual or significant transactions in year.

Wider scope commentary

Key observations



IJB's financial position

The IJB achieved a surplus financial position of £2.516 million in 2017/18, with expenditure of £350.117 million against partners funding contributions of £352.746 million.

When the surplus is added to the reserves brought forward, the IJB finished 2017/18 with reserves of £6.811 million.

The IJB can retain these reserves for 2018/19 with the intention to use reserves in the management of pressures within social care as well as development and transformation of new services across the partnership to support the objectives of the strategic plan.

All of NHS Dumfries and Galloway's Acute services are integrated into the IJB and as a result there was increased expenditure in 2017/18 due to the new hospital and initial double running costs. In addition, Primary Medical Services which were previously not included in the IJB in prior year were integrated in this year.

In accordance with the integration scheme any overspend in the IJB is required to be met by the organisation with the overspend. For 2017/18 this was not applicable as the IJB showed a surplus financial position. However, a proportion of the surplus is ring-fenced and relates to specific health and social care monies.



Finances – The future

As a direct result of the financial pressures face by both Partners (the NHS Board and the Local Authority), the IJB faces ongoing service and cost pressure.

A financial gap of £15.8 million was identified within the current revenue plan for 2018/19. This gap is reduced to £5.3 million once savings plans are considered.

Management have deemed the in year gap not a position which can currently be managed within the assessed financial position, and therefore not forecasting a breakeven position at this stage, highlighting a range of significant financial risks in the current position.

The management of financial risks during 2018/19 will continue to be critical for the IJB, and are in part driven by the wider requirements on NHS Dumfries and Galloway to achieve financial savings across all services alongside the likelihood of further reductions in Local Government funding.



IJB Strategic Plan

The IJB Health and Social Care Strategic Plan sets out the vision and purpose of the IJB and has been developed with services users as well as people who work in health and social care and third and independent sector partner organisations.

The plan considers the key challenges, priority areas of focus and commitments until 2019. During 2017/18 the strategic plan was reviewed and considered still relevant and the underlying strategic priorities remain unchanged, and this has been extended until 2021.

We will consider the IJB's progress against its strategic priorities during our 2018/19 external audit in particular considering how outcomes are captured and evaluated.

Key observations



IJB Performance

In July 2018 the IJB published its second Annual Performance report covering the Dumfries and Galloway Health and Social Care Partnership. This is a detailed publication, setting out the partnership and IJB delivery against the 9 national health and wellbeing indicators. The publication is easy to read, contains an assessment of performance alongside a number of case studies focused on the patient experience and outcomes. Section 10 of the Annual Report sets out the financial position of the IJB, how resources are delegated and explains actual expenditure for 2017/18 against future budgeted expenditure in the context of shifting the balance of care. In 2017/18 the IJB was the only IJB to have a public Annual Review and this will continue annually to demonstrate the IJB's commitment to governance and transparency as well as the continued focus on achieving outcomes.

The annual report graphically shows whether the IJB is meeting or exceeding targets, within 3% of targets (amber) or more than 3% away from targets (red). Areas where performance is amber or red compared to Scotland include: proportion of children in P1 classes at risk of being overweight, Adult support and protection, proportion of people supported at home who have telecare, and infections acquired in a hospital setting.



Business transformation programme

The strategic plan for the IJB outlines that a significant change programme is required to support the level of redesign required across Health and Social care services to support the demographic, workforce and financial challenges.

The IJB has established a business transformation programme which is reported to the IJB Board and the Performance and Finance Committee. The detailed scrutiny and review takes place at the Performance and Finance Committee at each committee meeting.

All service reviews apply the IJB's 6 principles of service planning, alongside 4 core aspects: quality, sustainability, affordability and safety. The latest update paper is detailed and outlines good progress to date (as at 12 July 2018).

For each programme identified there is a lead manager/director, a description of the planned saving/service redesign, financial impact of the saving and a status. This information is summarised, alongside a full breakdown of the proposal including risks, timescales/milestones and potential impact on the 4 core aspects.

From reviewing the transformation programme papers it is clear significant work has taken place to attempt to identify and quantify saving schemes. A number of these come with associated risks and may take over 12 months to implement in full as relate to a change in wider service provision. The papers provided to the Finance and Performance committee are detailed, and of sufficient detail to allow informed decisions.

Key observations



Other matters

In addition we would highlight:

- The IJB Audit and Risk Committee and the IJB Board continue to focus on the risk management arrangements specific to the IJB and the preparation an individual risk register for the IJB. Earlier versions have been prepared and this is an evolution as there is iterations to separate out IJB specific risks that are directly controllable and manageable by the IJB, from specific health and social care risks captured within the NHS risk register and the social care risks within the Council risk register, alongside operational Health and Social Care Partnership risks. The Audit and Risk Committee have agreed a further risk workshop during 2018/19, alongside a deadline of an agreed way forward and an initial register by December 2018.
- The IJB Good Practice Note produced by Audit Scotland was discussed at the September 2018 Audit and Risk Committee and agreed there will be a seminar for the IJB Board members on evaluating how the IJB demonstrates value for money/best value and this will take place in 2018/19 resulted in a completed checklist and where relevant an action plan.
- During 2017/18 continued progress has been made between the Council and the NHS in respect of data sharing and significant steps forward have been made from an IT perspective in greater facilitation of data sharing, agreeing the principles and the ability in both Council and NHS systems to see the patient CHI numbers, which have been validated by ISD. Regular updates on this are provided to the IJB.
- The annual governance statement for 2017/18 is underpinned by a series of assurances given by both the NHS Chief Executive, Council Chief Executive and the two Chief Internal Auditors and a more formal approach than in prior year.

The agreed way forward by both the Council and the NHS on data sharing and the future vision for joint working using IT Solutions is a good example of how both parties are working together to facilitate integration and improve decision making for the service user.

Compared with prior year, progress has been made over the wider IJB governance arrangements in respect of the assurance framework to support the Governance statement and the work ongoing in respect of risk management is evidence of this continued governance journey.

Appendices

Audit adjustments

Action plan and follow up of 2016/17 recommendations

Independence, fees and fraud responsibilities

Communication of audit matters with the Accountable Officer

Audit adjustments

Uncorrected and corrected misstatements

We are pleased to report that there were no uncorrected misstatements to the financial statements arising during our audit.

Disclosure misstatements

In accordance with auditing standards we are required to highlight significant disclosure misstatements to allow Audit Committees to evaluate the impact of these matters on the financial statements.

There were no material/significant disclosure misstatements identified we wish to bring to your attention. Minor changes included:

- enhancing the disclosure in relation to the narrative contained within the annual report to provide greater focus on 'telling the story' of the IJB during the year and linking to the performance information reported during the year for the IJB

Action plan and follow up of 2016/17 external audit recommendations

We have set out below, based on our audit work undertaken in 2017/18, those risks and recommendations we consider are of a higher risk to IJB that Management may wish to consider in the future. We have also completed follow up of our 2016/17 recommendations and this is reflected below for information.

Recommendation

Agreed management response

Internal Audit

Currently the IJB only see relevant NHS Internal Audit reports, the IJB do not get anything from Council Internal Audit and there are potential areas of Council internal audit activity which could be relevant. Therefore, Council Internal Audit reports should go to the IJB Audit and Risk Committee for information and consideration, or the Council Internal Audit Plan should be presented as a minimum so the IJB Audit and Risk committee gets a complete picture of assurance activity relevant to the IJB.

Management response: Relevant Council Internal Audit reports will be brought to the IJB Audit and Risk Committee for consideration commencing with the Council and NHS 2018/19 Internal Audit Plans to the December 2018 meeting. This will be supplemented with quarterly meetings between NHS/Council/IJB Audit and Risk Committee chairs and Chief Internal Auditors

Action owner: The IJB Chief Internal Auditor

Timescale for implementation: December 2018

Follow up of 2016/17 External Audit Recommendations

Action as at September 2018

Management Commentary

Complete

The management commentary has been updated and reviewed in accordance with best practice guidance issued by Audit Scotland. Based on our 2017/18 external audit work we agree the front of the accounts is in line with the recommended practices.

Audit and Risk Committee – Quorate

Complete

Based on our attendance at Committee we note there have been no quorate issues in 2017/18 and the Committee has a new Chair and Vice-Chair which has contributed to improved effectiveness.

Internal Audit – Governance Report

Complete

The governance statement and assurance statements have been reviewed during the last 12 months with an update on progress presented to both the June and September Audit and Risk Committees.

Fees, independence, fraud arrangements

External Audit Fee

Service	Fees £
External Auditor Remuneration	16,470
Pooled Costs	1,460
Contribution to Audit Scotland costs	1,050
Contribution to Performance Audit and Best Value	5,020
2017-18 Fee	24,000

The audit fee was calculated in accordance with guidance issued by Audit Scotland and agreed with Management.

The above fee has not changed and our final fee was £24,000

Fees for other services

Service	Fees £
We can confirm there are no non-audit fees for the 2017/18 financial year	Nil

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

We are required by auditing and ethical standards to communicate any relationships that may affect the independence and objectivity of the audit team.

We can confirm no independence concerns have been identified.

Fraud arrangements

In assessing our audit risks, the audit team was alert to the possibility of fraud at IJB.

As part of our audit work we are responsible for:

- identifying and assessing the risks of material misstatement of the financial statements due to fraud in particular in relation to management override of controls.
- Leading a discussion with those charged of governance (for IJB this is assumed to be the Audit and Risk Committee) on their view of fraud. We did this when presenting our audit plan and in the form of management and those charged with governance questionnaires
- designing and implementing appropriate audit testing to gain assurance over our assessed risks of fraud
- responding appropriately to any fraud or suspected fraud identified during the audit. – None were identified in-year

As auditors we obtain reasonable but not absolute assurance the financial statements as a whole are free from material misstatement, whether due to fraud or error.

We will obtain annual representation from management regarding managements assessment of fraud risk, including internal controls, and any known or suspected fraud or misstatement.

It is IJB's responsibility to establish arrangements to prevent and detect fraud and other irregularity. This includes:

- developing, promoting and monitoring compliance with standing orders and financial instructions
- developing and implementing strategies to prevent and detect fraud and other irregularity
- receiving and investigating alleged breaches of proper standards of financial conduct or fraud and irregularity.

Throughout the audit we worked with IJB to review specific areas of fraud risk, including the operation of key financial controls.

We also examined certain policies in place, strategies, standing orders and financial instructions, as relevant to the fraud framework, to ensure that they provide a reasonable framework of internal control.

No suspected frauds or irregularities have been identified by Management and reported in-year.

Communication of audit matters with the IJB

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, including planning assessment of audit risks and wider scope risks	•	
Confirmation of independence and objectivity	•	•
We are independent of IJB and have not identified any conflicts of interest		
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
We have not incurred any non-audit fees during the year and no threats to independence identified		
Significant matters in relation to going concern	•	•
No significant going concern matters identified		
Views about the qualitative aspects of IJB accounting and financial reporting practices, including accounting policies, accounting estimates and financial statement disclosures		•
Set out in the Financial statements section of our report		
Significant findings from the audit		•
No significant findings from our audit		
Significant matters and issues arising during the audit and written representations that have been sought		•
Letter of representation will be shared and signed by the Chief Officer and IJB Board Chair when signing the financial statements. This is our standard, unmodified letter of representation.		
Significant difficulties encountered during the audit		•
No difficulties encountered		
Significant deficiencies in internal control identified during the audit		•
None identified		
Significant matters arising in connection with related parties		•
None identified		
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
None identified. A nil fraud return was submitted to Audit Scotland in April 2018 in accordance with the planning guidance.		
Non-compliance with laws and regulations		•
None noted		
Unadjusted misstatements and material disclosure omissions		•
None noted. Minor disclosure amendments only and these were not material in nature		
Expected modifications to the auditor's report, or emphasis of matter		•
None, an unqualified opinion		

International Standards on Auditing (UK) (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table above.

We communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to IJB Management and the Audit and Risk Committee.

