

Protocol for Auditor Assurance 2025/26

Integration Joint Boards



 AUDIT SCOTLAND

Prepared for appointed auditors of integration joint boards and constituent authorities

February 2026

Contents

Introduction	3
Financial information provided to IJB	5
Appendix 1. Illustrative letter - request	9
Appendix 2. Illustrative letter - response	11

Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Introduction

Purpose of protocol

1. The purpose of this protocol from Audit Scotland's Innovation and Quality (I&Q) is to set out an agreed framework within which auditors of integration joint boards (IJBs) can be provided with information by auditors of health boards and councils for 2025/26.

Context

2. IJBs depend on information for their financial reporting which is provided by systems hosted by the constituent health board and council (constituent authorities).

3. Auditors therefore need to obtain sufficient appropriate audit evidence which may not be held by the IJB. Where auditors of an IJB decide to request information from the auditor of a constituent authority, this protocol sets out an agreed framework.

Scope and application of protocol

4. IJBs are responsible for being satisfied in relation to the accuracy and completeness of the information included in their financial statements. Auditors should establish the controls in place at their IJB in respect of information related to financial reporting held by the constituent body, and evaluate the extent to which the controls are sufficient, before seeking information from other auditors.

5. Auditors of IJBs may judge that it is not necessary to request any information from other auditors in which case this protocol has no practical effect.

6. Where the same firm or appointment lead is the auditor of both the IJB and the constituent authorities, this protocol does not require any particular actions.

7. For the avoidance of doubt, this protocol sets out the potential range of information but does not compel any specific information to be sought. It is not expected that any information outwith the specified range will generally be requested but that will be a matter for local agreement in 2025/26. However, it is not considered necessary for an IJB auditor to seek information in respect of expenditure incurred by the constituent authority in delivering the services as that does not impact on the IJB's financial statements.

Arrangements for fee for any additional work

8. I&Q does not expect the procedures required to be performed by auditors to provide the information to be significant. However where an auditor considers it necessary to make a charge for the work, they should refer to section 3 of Audit Scotland's [Audit Management and Quality Guidance](#).

Consulting with Innovation & Quality

9. Auditors should consult with I&Q by completing an [enquiry form](#) and submitting it to TechnicalQueries@audit-scotland.gov.uk

Financial information provided to IJB

Introduction

10. Guidance on potential misstatements in IJB annual accounts are outlined in the [Technical Guidance Note on potential misstatements 2026/1](#) (Module 13). It also briefly explains that:

- the constituent authorities delegate functions and contribute funding to the IJB in respect of those functions
- the IJB commissions services from, and makes payment to, the constituent authorities for delivery of those services

11. The various related transactions are summarised in a table at paragraph 16 of Module 13 (replicated below):

Transaction	IJB treatment	Constituent authority treatment
Funding contribution to IJB	Income	Expenditure
IJB operation costs (where support services provided for consideration)	Expenditure	Income
Service commissioning	Expenditure	Income
Service delivery	-	Expenditure

12. This protocol covers the income and expenditure set out in the first three rows of the above table. The funding contribution is based on budgeting information provided to the IJB by the constituent authorities. IJB auditors may therefore wish to obtain information regarding the systems providing that budgeting information.

13. An IJB commissions services from the constituent authorities; this is distinct from the IJB exercising operational control of the staff and assets of a constituent authority to deliver the services itself. It is the cost of commissioning the services that is the expenditure recognised by the IJB rather than the expenditure incurred in delivering the services. In I&Q's view, it is therefore not necessary for an IJB auditor to seek information (e.g. information on transaction testing) in respect of expenditure incurred

by the constituent authority in delivering the services (the fourth row in the above table) as that does not impact on the IJB's financial statements. However, IJB auditors will want to evaluate the IJB's contract monitoring arrangements.

14. Depending on the terms of the integration scheme, there may be balances between the IJB and the constituent authorities where an IJB under or overspends on services commissioned relative to funding received. The treatment by the IJB and the constituent authority for these under and overspends are summarised in the following table:

	IJB treatment	Constituent authority treatment
Underspend	Debtor	Creditor
Overspend	Creditor	Debtor

Planning

15. IJB auditors should plan their approach to obtaining information at an early stage. Where auditors decide to request information from constituent authority auditors, they should communicate with the relevant auditors in good time to enable them to appropriately tailor their procedures.

Range of requested information

16. I&Q has consulted with IJB auditors on the information likely to be requested from the constituent authority auditor. The range of potential information is summarised in the following table:

Assurance area	Explanation
Confirmation of transactions	Confirmation that the income and expenditure recognised by the IJB is consistent with the corresponding expenditure and income recognised by constituent authorities.
Confirmation of balances	Confirmation that any debtor or creditor balances recognised by the IJB is consistent with the corresponding amount recognised by constituent authorities.

Assurance area	Explanation
Controls	<p>An outline of the system(s) at the constituent authority for the budgetary information provided to the IJB in deciding on the funding contribution.</p> <p>An evaluation of the suitability of the design of the related controls.</p> <p>The results of any relevant controls testing and the auditor's conclusion as to the operating effectiveness of those controls.</p>
Laws and regulations	Information regarding the auditor's knowledge of any non-compliance with laws and regulations which may impact on the audit opinion on the financial statements of the IJB.
Fraud	Any other significant matters, including any instances of fraud.

17. An illustrative letter for requesting information for 2025/26 is provided at Appendix 1 of this protocol along with an illustrative response at Appendix 2. They should be tailored as appropriate by the IJB auditor for the actual information requested (which should not generally be outwith those listed above) and by the auditor of the constituent authority for the information that has been provided.

18. It is important that auditors of constituent authorities provide an initial response either agreeing that the requested information will be provided or commencing a discussion on the actual information that can be provided.

19. Where auditors of constituent authorities have not carried out sufficient procedures to fully satisfy the information requested by the IJB auditor, further procedures may be required. It is more efficient if the procedures are performed by the auditor of the constituent authority but, in the event this is not possible, arrangements should be made with the constituent authority for the auditor of the IJB to perform the procedures directly.

Timescales for requesting and providing information

20. The timescales for requesting and providing the information in 2025/26 reflect the planning and completion target dates that apply generally. The latest dates for auditor action in the main stages of the process are summarised in the following table:

Target date	Action
24 April 2026	Auditors of IJBs to request required information from constituent authority auditors.
29 May 2026	Auditors of constituent authorities to provide an initial response indicating the information that they intend to provide and the timescales (any significant delays should be communicated as they arise)
7 August 2026	Auditors of constituent authorities to provide agreed information in a substantive response.
21 August 2026	Auditors of constituent authorities to provide any required clarifications or responses to follow up queries.

Appendix 1. Illustrative letter - request

Introduction

I am writing to you in respect of the financial statements for the year ended 31 March 2026 of [Insert name of IJB].

[Insert name of IJB] is responsible for the preparation of financial statements that give a true and fair view of its financial position and performance. [Insert name of constituent authority] is responsible for provision of financial information which form part of those financial statements.

[Insert name of appointed auditor of IJB] is the appointed auditor for the [Insert name of IJB]. This letter is a request for you in your capacity as appointment lead in the audit of [insert name of constituent authority] to provide information in relation to the arrangements in place at the body for the provision of financial information to the IJB. This request is made in accordance with Audit Scotland's Protocol for Auditor Assurance 2025/26 – Integration joint Boards.

Requested Information

To assist [insert name of appointed auditor of IJB] in forming a conclusion on the arrangements at [insert name of constituent authority], please provide [tailor the list as appropriate]:

- an outline of the system of control in relation to the preparation of accurate and complete financial information to the IJB in deciding on their required funding
- your evaluation of the suitability of the design of the controls related to the system for the accuracy and completeness
- the results of any tests of controls and your conclusion as to the operating effectiveness of those controls
- total amounts in relation to funding contributions paid to and commissioning income received from the IJB, the recharge of support costs, and any year end balances

- information regarding your knowledge of any non-compliance with laws and regulations of which you are aware which may impact on our audit opinion on the financial statements of [insert IJB name]
- any other significant matters arising during your work, including any instances of fraud or suspected fraud.

Responsibilities and acknowledgements

[Insert name of appointed auditor of IJB] acknowledges that:

- your work was not initially planned in contemplation of the audit of [insert name of constituent authority]
- your audit of [insert name of constituent authority], in accordance with the Code of Audit Practice, would not necessarily identify matters in which [Insert name of appointed auditor of IJB] may be primarily interested
- it is for [insert name of appointed auditor of IJB] to conclude on the work required to support the opinion on the financial statements of [insert name of IJB] and your work does not substitute for the audit procedures set out in International Standards on Auditing (ISAs); and
- it is for [insert name of appointed auditor of IJB] to consider the extent to which additional procedures should be performed in order to comply with ISAs.

Timescales

In accordance with timescales set out in the Protocol for Auditor Assurances 2025/26 – Integration Joint Boards, I should be grateful if you would:

- confirm by 29 May 2026 that you are able to provide the information requested in this letter
- provide the requested information by 7 August 2026 at the latest.

Please inform me of any expected delays. If you respond to this letter based on interim results, please provide an update of your responses if, on conclusion of your work, material differences have been identified.

Appendix 2. Illustrative letter - response

Introduction

I am writing to you in my capacity as appointment lead for the audit of [insert name of constituent authority] in accordance with your request under Audit Scotland's Protocol for Auditor Assurances 2025/26 – Integration Joint Boards, in relation to your audit of [insert name of IJB].

As stated in your letter of xx April 2026, [insert name of constituent authority] is responsible for the provision of financial information to the IJB and these amounts form part of the IJB financial statements.

[Insert name of IJB] remains responsible for the preparation of financial statements that give a true and fair view of its financial position and performance.

It is for individual auditors to conclude on the work required to support their opinion on the financial statements of their audited bodies. Our work does not substitute for your own audit procedures in accordance with International Standards on Auditing.

Information

[Tailor the list to reflect actual information requested and extent of information actually provided]

- An outline of the systems at [insert name of constituent authority] for the accurate and complete financial information provided to the IJB is set out in Appendix 1.
- In my opinion, the related controls are suitably designed to achieve the control objectives.
- [We did not perform any tests of controls/Our tests of controls did not identify any significant issues with their operating effectiveness/Our controls testing identified the following significant weaknesses with their operating effectiveness].
- Total amounts in relation to funding contributions paid to and commissioning income received from the IJB, recharge of support costs, and balances at 31 March 2026 are as follows:

- The audit of [insert name of constituent authority] is not yet complete, but at this stage there is nothing to report in relation to non-compliance with laws and regulations or other significant matters including fraud or suspected fraud.

Responsibilities and acknowledgements

This letter is supplied on the understanding that it is for the sole use of the persons to whom it is addressed and for the purposes stated.

Our work was not initially planned in contemplation of your audit of [insert name of IJB] and our audit in accordance with the Code of Audit Practice would not necessarily identify matters in which you may be interested. Additional procedures were however undertaken in order to provide you with your requested information.

It is for you to consider the extent to which you should perform additional procedures in order to comply with International Standards on Auditing.

Protocol for Auditor Assurance 2025/26

Integration Joint Boards



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit.scot
www.audit.scot