



Northern Ireland Audit Office

QUALITY ASSURANCE REVIEW 2021 EXECUTIVE SUMMARY

Scope

The Quality Assurance Department (QAD) of the Institute of Chartered Accountants in England & Wales (ICAEW) undertook an independent quality assurance review of the financial audit work carried out by the Northern Ireland Audit Office (NIAO) in accordance with the terms of the contract between ICAEW and NIAO dated 12 June 2020 and a subsequent variation of terms dated 22 November 2021.

The scope of our work is set out in the contract and this was our second review at NIAO. Our work focuses solely on financial audits carried out by the NIAO financial audit practice and does not cover other activities of NIAO.

In accordance with the contract and subsequent variation of terms, we reviewed three financial audits to assess the quality of audit work and compliance with clarified International Standards on Auditing (UK) (ISAs), APB Practice Note 10 (PN10) and the NIAO Code of Audit Practice (the Code). Our reviews include a review of the financial statements, audit planning, reporting, completion and principal areas of risk.

Summary

Quality of audit work

Audit work on the three files we reviewed was of a generally acceptable standard and we did not identify any significant matters or themes to highlight this year. Some other aspects were identified on these audits where there is scope for some improvement, but these findings did not detract significantly from the overall quality of the audits. These related to evaluating the work of management expert on each file reviewed (both valuer and actuary); improvements in relation to the application of data analytics (two files); improvements to the testing of accruals and assets under construction (one file); and a reconsideration of whether the statement of responsibilities adequately address the preconditions for audit contained within ISA 210.

Good practice

We identified good practice related to the:

- identification of risks and audit response in relation to grant handling activity arising from Covid-19; and
- comprehensive documentation in relation to the technical consultation on modifications to the audit opinion

Adequacy of response to matters we raised

NIAO has accepted the matters we raised in our current visit and its response sets out details of actions to address them.

Overall conclusion

The files we reviewed demonstrate that generally acceptable levels of audit quality continue to be achieved.

A handwritten signature in black ink, appearing to read 'T. Smith', written in a cursive style.

Trevor Smith
Director, Quality Assurance
Institute of Chartered Accountants in England & Wales
April 2022