



Northern Ireland Audit Office

QUALITY ASSURANCE REVIEW 2022 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. Our work focuses solely on financial audits carried out by the NIAO financial audit practice, does not cover other activities of NIAO and has explicitly excluded consideration of contracted-out audits, even where the results of such audited entities are aggregated with the results of a non-contracted-out audits.

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 & Ireland) (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

Overall, the audit work we reviewed continues to be of a good standard, with each of the three engagements reviewed being generally acceptable. We did not identify any significant matters or themes to highlight this year. We identified some other aspects of these audits where there is scope for some improvement, but these findings did not detract significantly from the overall quality of the audits.

Good practice

We identified good practice on each of the files reviewed. This related to:

- clear and well documented testing of the Statement of Assembly Supply, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Taxpayers' Equity.
- good assessment of whether a material valuation uncertainty was fundamental to the user understanding of the accounts and should be referred to in the Certificate and Report of the Comptroller and Auditor General.
- good evaluation of whether it was appropriate to delegate the engagement director role to an engagement manager.
- the procedures performed by the audit team to review narrative sections of the annual report.

Adequacy of response to matters we raised

NIAO has provided a response to the matters we raised, setting out its planned approach to understand the root cause of each matter and documenting and implementing action plans to address each of the findings.

Overall conclusion

The files we reviewed demonstrate that good levels of audit quality continue to be achieved, with all files being generally acceptable.

A handwritten signature in dark ink, appearing to read 'T. Smith', with a stylized flourish at the end.

Trevor Smith

Director, Quality Assurance

Institute of Chartered Accountants in England & Wales

May 2023