Feedback: 2021/22 public sector monitoring reviews

QUALITY ASSURANCE DEPARTMENT (QAD)

OCTOBER 2022
Summary

• Audit work continues to be of a generally good standard.

• The ICAEW Quality Assurance Department undertook 17 reviews:
  - 15 were either good or generally acceptable.
  - One audit required improvement.
  - One audit required significant improvement.

• Same grading profile as the previous year.

• Reviews of audits signed off in the 2021 calendar year.

• VfM continues to be of a good standard.

• ICAEW continues to identify and share examples of good practice.
Results – financial audit

88% of audits “good” or “generally acceptable”
Results – Value for Money

100% either “good” or “generally acceptable”
Summary of key findings

- Investment property classification and valuation
- Audit of cashflow statement
- Challenge of management
Summary of other findings

- Financial statement disclosure
- Audit evidence
- Writing out accumulated depreciation
- Misstatements in Defined Benefit Pensions disclosures
Summary of other findings

- Financial statement disclosure
- Audit evidence
- Audit reporting
- Substantive analytical review
- Agreement of balances exercise
- Accounting for revaluations
- Challenge of management
Good practice

- Property, plant and equipment
- Planning and risk assessment
- Fieldwork
- VFM
Other public sector reviews – key findings

- Insufficient audit testing
- Inadequate quality control review procedures
Other public sector reviews – summary of other findings

- Planning and risk assessment
- Audit evidence
- First year audits
- Risk assessment procedures
- Risk identification
Other public sector reviews – summary of other findings

Planning and risk assessment
Audit evidence
Sampling

Valuation of land and buildings
Completeness and accuracy of data
Data analytics
Inventory
Other public sector reviews – summary of other findings

- Planning and risk assessment
- Audit evidence
- Sampling
- Documentation
- Reporting and completion
Root cause analysis

Key points to consider:

• Risk assess your audit portfolio.

• Ensure sufficient resources for effective manager and partner review.

• Review procedures and ‘things that you do’ to assess whether they are effective in addressing potential quality risks.
Useful ICAEW resources

- Webinars and webcasts – icaew.com/auditreresources
  - Ethical standards
  - Group audits
  - Accounting estimates valuations, impairments and the use of experts
  - Fraud
  - Substantive testing – substantive analytical review and tests of detail

- ICAEW training films – icaew.com/films
- Helpsheets – icaew.com/helpsheets
- UK public sector audit hub
Thank you for listening