

# Year end Audit 2022/23

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#### Audit Wales

Content

- Key items affecting the accounts
- Timetable

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- International Standards on Auditing (ISA) 315 identifying and assessing the risks of material misstatement
- Objective
  - Identify and assess the risks of material misstatement [...] thereby providing a basis for designing and implementing responses to the assessed risks of material misstatement (ISA135.11)
- Why
  - Increased complexity + Corporate audit failures => New ISA 315 to identify and assess risks of material misstatements in accounts

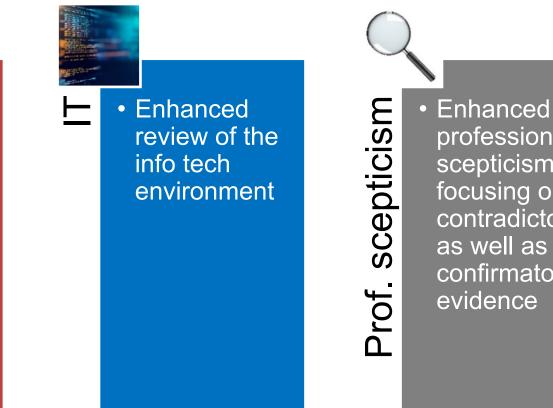
### • When

- Effective for audits of financial statements for periods beginning on or after 15 December 2021
- Applies to all entities regardless of their nature, size or complexity



• What it means for Audit Wales?





professional scepticism focusing on contradictory as well as confirmatory

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• What it means for us?



- Risk assessment
- More enquiries at planning including on:
  - business model & use of IT
  - our risk assessment process & SIC
  - how transactions are initiated, processed and reported
  - discussions to support inherent risk assessment



- More enquiries on IT environment:
  - relevant IT applications
  - IT infrastructure
  - IT processes
  - IT personnel
  - Operation of IT controls
  - Information requests in a different format to facilitate use of automated tools on the audit

 Additional enquiries where auditors identify information which appears to contradict previous evidence

scepticism

rof.

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#### Impact on audit plans

- Outline audit plans in March and April
- Detailed plans in April and May
- Holistic audit approach (performance and financial audit)

### Impact on audit fees

- Higher level of auditor judgement
- Richer skill mix
- Increase in audit fees

## Impact on timing of accounts audit work

- More planning time
- Interim audit testing reduced
- More audit time needed at final accounts

#### Key items affecting the accounts

- IFRS 16 accounting for leases
- Quinquennial valuation
- Provisions clinical negligence and other
- Accruals and cut off
- Senior officer remuneration and related party transactions
- Regularity opinion (scheme pays etc)

Identified by Audit Wales in preliminary audit risk assessment but would be the areas highlighted by Hywel Dda

- Areas of judgement
- Dental contracts underperformance

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GIG | Bwrdd Iechyd Prifysg



- 05 May 2023 Submission of draft accounts
- 09 May 2023 Audit of accounts commences
- 11 May 2023 Review of draft accounts by ARAC
- 26 July 2023 Sign off of final accounts by ARAC (TBC)
- 27 July 2023 Approval of accounts by the Board (TBC)
- 31 July 2023 Audit General certification of accounts

Next Steps

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• Completion of the draft accounts by 5 May 2023

• Review of draft accounts by ARAC 11 May 2023

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