

City and County of Swansea Pension Fund

Outline Audit Plan 2023

Audit year: 2022-23

Date issued: May 2023



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions. Audit Wales is not a legal entity and itself does not have any functions.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.




Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

About Audit Wales

Our aims:

Assure	Explain	Inspire
		
the people of Wales that public money is well managed	how public money is being used to meet people's needs	and empower the Welsh public sector to improve

Our ambitions:

			
Fully exploit our unique perspective, expertise and depth of insight	Strengthen our position as an authoritative, trusted and independent voice	Increase our visibility, influence and relevance	Be a model organisation for the public sector in Wales and beyond

Contents

Introduction	5
Fees and audit team	6
Audit timeline	7
Audit quality	8
Appendix 1 – key changes to ISA315 and impact	9

Introduction

This Outline Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice. It also sets out details of my audit team and key dates for delivering my audit team's activities and planned outputs. I intend sharing a Detailed Audit Plan later in the year following the completion of my planning work. It will set out my estimated audit fee and the work my team intends undertaking.

My audit responsibilities

I am required to certify whether City and County of Swansea Pension Fund's financial statements are 'true and fair'. The audit work I undertake to fulfil my responsibilities responds to my assessment of risks. This allows us to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the Pension Fund financial statements as a whole.

I also have responsibility to receive questions and objections to the financial statements from local electors.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to you in my Detailed Audit Plan.

I will report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).



Adrian Crompton
Auditor General for
Wales

Fees and audit team

In January 2023 I published the fee scheme for the year, approved by the Senedd Finance Committee. This sets out my fee rates and also highlights the impact of the revised auditing standard ISA 315 on my financial audit approach. More details of the revised auditing standard and what it means for the audit I undertake are set out in **Appendix 1**.

I will provide an estimate of your fee in my Detailed Audit Plan in the summer, following completion of my detailed risk assessment.

Your engagement team:

Derwyn Owen	Engagement Director
Gillian Gillett	Audit Manager
Leanne Malough	Audit Lead

We confirm that our audit team members are all independent of the Authority and your officers.

Audit timeline

We set out below key dates for delivery of our audit work and planned outputs.

Planned output	Work undertaken	Report finalised
Outline Audit Plan 2023	March 2023	April 2023
Detailed Audit Plan 2023	May – July 2023	July 2023
Audit of financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on the Financial Statements	October – November 2023	November 2023

Audit quality

My commitment to audit quality in Audit Wales is absolute.

I believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this.

We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD¹ and our Chair acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2022](#).



Our People

The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review



Arrangements for achieving audit quality

The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



Independent assurance

The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.

- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

¹ QAD is the Quality Assurance Department of ICAEW.

Appendix 1 – the key changes to ISA315 and the potential impact on the Pension Fund

Key change	Potential impact on the Pension Fund
<p>More detailed and extensive risk identification and assessment procedures</p>	<p>Your finance team and others in the Pension Fund may receive a greater number of enquiries from our audit teams at the planning stage of the audit. Requests for information may include:</p> <ul style="list-style-type: none"> • information on the Pension Fund’s business model and how it integrates the use of information technology (IT); • information about the Pension Fund’s risk assessment process and how the Pension Fund monitors the system of internal control; • more detailed information on how transactions are initiated, recorded, processed, and reported. This may include access to supporting documentation such as policy and procedure manuals; and • more detailed discussions with the Pension Fund to support the audit team’s assessment of inherent risk.
<p>Obtaining an enhanced understanding of the Pension Fund’s environment, particularly in relation to IT</p>	<p>You may receive more enquiries to assist the audit team in understanding the IT environment. This may include information on:</p> <ul style="list-style-type: none"> • IT applications relevant to financial reporting; • the supporting IT infrastructure (eg the network, databases); • IT processes (eg managing program changes, IT operations); and • the IT personnel involved in the IT processes.

Key change	Potential impact on the Pension Fund
	<p>Audit teams may need to test the general IT controls and this may require obtaining more detailed audit evidence on the operation of IT controls within the Pension Fund.</p> <p>On some audits, our audit teams may involve IT audit specialists to assist with their work. Our IT auditors may need to engage with members of your IT team who have not previously been involved in the audit process.</p>
<p>Enhanced requirements relating to exercising professional scepticism</p>	<p>Our audit teams may make additional inquiries if they identify information which appears to contradict what they have already learned in the audit.</p>
<p>Risk assessments are scalable depending on the nature and complexity of the audited body</p>	<p>The audit team's expectations regarding the formality of your policies, procedures, processes, and systems will depend on the complexity of your Pension Fund.</p>
<p>Audit teams may make greater use of technology in the performance of their audit</p>	<p>Our audit teams may make use of automated tools and techniques such as data analytics when performing their audit. Our teams may request different information or information in a different format from previous audits so that they can perform their audit procedures.</p>