



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

2020 Audit Plan – **Wales Pension Partnership**

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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2020 Audit Plan

Our duties

- 1 We complete work each year to meet the following duties.

Audit of financial statements

- 2 This will be the first year that the Wales Pension Partnership will be producing full financial statements and we will be auditing these financial statements to make sure that public money is being properly accounted for.

Value for money

- 3 The Wales Pension Partnership has to put in place arrangements to get value for money for the resources it uses, and we have to be satisfied that it has done this.

Continuous improvement

- 4 The Wales Pension Partnership also has to put in place arrangements to make continuous improvements and we also check if it has done this.

Audit of financial statements

- 5 It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on their 'truth and fairness':
 - we plan to give an opinion on the Wales Pension Partnership's financial statements by 31 July 2020.
 - assess whether the Wales Pension Partnership's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. We also review whether they were consistent with the financial statements prepared by the Wales Pension Partnership and with our knowledge of the Partnership.
 - responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary).
- 6 There have been no limitations imposed on me in planning the scope of this audit.
- 7 Further information about our work is provided in our Statement of Responsibilities, which is available on our website (www.audit.wales).

Financial Statement Audit Risks

8 The following table sets out the significant risks I have identified for the audit of the Wales Pension Partnership.

Exhibit 1: financial statement audit risks

Audit risk	Proposed audit response
Significant risks	
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
Other areas of audit attention	
<p>As the Wales Pension Partnership will be preparing accounts for the first time, there is an increased risk that the draft statements submitted for audit do not comply fully with relevant accounting standards.</p>	<p>We will carry out detailed audit testing on all material balances and transactions.</p>
<p>As a newly established organisation, there is increased risk that internal financial governance arrangements may not be fully developed and/or operating as intended. The organisation needs to ensure that robust procedures exist in the following areas:</p> <ul style="list-style-type: none"> • internal financial controls such as comprehensive financial regulations and strong budgetary control; • standards of financial conduct; and • arrangements to ensure that the Wales Pension Partnership only enters into transactions where there is specific legal provision for them to do so. 	<p>We will carry out detailed audit testing to ensure that transactions are accurately recorded, relate to the financial period and there is a specific legal provision to enter into the transaction.</p>

Fee, audit team and timetable

- 9 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with the agreed timescales, to the quality expected and have been subject to a robust quality assurance review;
 - information provided to support the financial statements is in accordance with the agreed audit deliverables document;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
 - all appropriate officials will be available during the audit; and you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation and controls assurance reports addressed to me.
- 10 If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee

- 11 Your estimated fee for 2020 is set out in [Exhibit 2](#). There have been some small changes to my fees rates for 2019, however my audit teams will continue to drive efficiency in their audits to ensure any resulting increases will not be passed to you.

Exhibit 2: audit fee

Audit area	Proposed fee (£) ¹
Audit of accounts ²	£5,856
Providing assurance to Pension Fund auditors	£2,502
Total fee	£8,358

- 12 Planning will be ongoing, and changes to my programme of audit work and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Chief Finance Officer.
- 13 Further information on my [fee scales and fee setting](#) can be found on our website.

¹ Notes: The fees shown in this document are exclusive of VAT, which is not charged to you

² Payable November 2019 to October 2020.

Audit team

14 The main members of my team, together with their contact details, are summarised in **Exhibit 3**.

Exhibit 3: my audit team

This table lists the members of the local audit team and their contact details.

Name	Role	Contact number	E-mail address
Ann Marie Harkin	Engagement Director	02920 320500	Ann-Marie.Harkin@audit.wales
Jason Garcia	Audit Manager	07792 015416	Jason-garcia@audit.wales
To be decided	Audit Lead – Senior Auditor	n/a	n/a

Timetable

15 Financial accounts work will be undertaken over the period February to July 2020.

16 I can confirm that my team members are all independent of the Wales Pension Partnership and your officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

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