

Report to	Audit Committee
Date	20 June 2011
By	Director of Corporate Services
Title of Report	CIPFA Audit Conference
Purpose of Report	To report on the CIPFA Audit Conference “Audit in a new era of change”

Recommendation: The Committee is recommended to note the content of the conference

1. Introduction

- 1.1 To describe the Chartered Institute of Public Finance and Accountancy (CIPFA) conference “Audit in a new era of change” and the main topics which were discussed.

2. Background

- 2.1 The CIPFA conference “Audit in a new era of change” was held on 11-12 May 2011 and three representatives from the SDNPA attended the first day. These were Norman Dingemans (Chair) , Kenneth Hunt and John Beckerleg (Director of Corporate Services).
- 2.2 The programme was wide ranging dealing with public spending generally, the government’s approach to audit and some specific sessions in relation to the work and effectiveness of Audit Committees.

3. Programme content

- 3.1 Baroness Hanham, Parliamentary Under-secretary of State for Communities and Local Government spoke about:
- Reduced budgets but with a reduction in the proportion of funding that is ring fenced;
 - An agenda of localness: - local targets, local accountability and local transparency;
 - The disbandment of the Audit Commission (see separate report); and
 - The tight local government grant settlement.

Her session produced quite a debate about the merits and feasibility of a substantial increase in the number of independent members on the audit committees.

- 3.2 Tony Travers, Director of Research, London School of Economics then spoke about the public spending challenge. He dealt with the government’s reform programme across all aspects of the public sector and assessed the spending consequences. He highlighted that public spending as a % of GDP was planned to fall from 48% to 41% by 2015-16 but did not rule out further spending cuts to come.
- 3.3 The Financial Audit Director, Mike Suffield, of the National Audit Office explained the role of the NAO in central government audits and ensuring value for money. He developed this in the context of the NAO playing a greater role in the future audit of local government.
- 3.4 Marek Grabowski, the Executive Director of the Auditing Practices Board of the Financial Reporting Council gave a detailed explanation of some specific changes affecting audit committee, although this had a more private sector focus.

- 3.5 Two presenters – Chris Wobschall, Deputy Director, HM treasury and Joyce Drummon-Hill, Head of internal Audit and Assurance, Ministry of Justice – gave a presentation on improving assurance reporting to the audit committee. This gave some helpful pointers to the strategic assurance framework and the steps in the assurance framework:
- Establish objectives
 - Identify key risks
 - Identify key controls
 - Obtain assurance
 - Report and address
- 3.6 Various assurance models were illustrated which the Audit Committee may wish to consider at a future meeting or workshop.
- 3.7 There were then two practical workshops addressing:
- Improving your audit committee effectiveness
 - Seeking assurance on the key risks.
- 3.8 These sessions drew out the importance of effective risk management and also of the Audit Committee being proactive, challenging information and seeking appropriate assurances.

4. Next steps

- 4.1 The major benefit from the conference was an updating on current developments and specifically the DCLG consultation on Local Public Audit. There is a separate report on this elsewhere on this agenda.
- 4.2 It was helpful also to understand how other organisations were working to develop risk management and assurance frameworks. It will be possible to bring the information in these sessions into the future meetings and workshops for this Committee.

5. Resources

- 5.1 There are no direct resource implications arising from this report.

6. Risk management

- 6.1 None

7. Human Rights, Equalities, Health and Safety

- 7.1 There are no implications arising from this report

8. External Consultees

- 8.1 None

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Appendices	None
SDNPA Consultees	Chief Executive Officer, Chief Finance Officer, Deputy Chief Finance Officer, Monitoring Officer & Senior Solicitor.