

the audit of procurement and contracts

A programme of training for auditors
working in the public services



about the course

The training need

The need to enhance the management skills in public sector procurement and contracts has never been more pressing. The opportunities for efficiencies and cost reductions in the procurement of goods and services by organisations are hugely significant, particularly in the current economic environment.

The Government's policy agenda, National Audit Office and Audit Commission reports and statements from the Public Accounts Committee point to massive savings that could be made through innovative, collaborative and consistent procurement practices.

The challenge then is for auditors to increase their knowledge and skills in specialist areas enabling them to undertake reviews and provide assurance on the effectiveness of controls. This will further enhance their role, particularly in advice they can offer to managers on how efficiency and effectiveness in procurement and the management of contracts could be improved to reduce cost whilst increasing quality.

The programme

Developed by CIPFA in response to these urgent requirements **The Audit of Procurement and Contracts Programme** is accredited by the Institute of Administrative Management (IAM) and has been designed to:

- Present practical guidance for undertaking reviews by highlighting the key issues
- Provide the basis of audit programmes to be used when auditors return to base
- Analyse a number of areas of good practice against which public sector organisations should provide evidence of control assurance in procurement
- Impart ideas on how auditors can evidence the degree to which their organisations are getting the best value for money from their procurement processes
- Provide the skills and knowledge to encourage improvements in delivery and reduce costs

Accreditation

Accreditation will be provided by IAM to those completing all modules in the programme and providing a Portfolio of Evidence, including learning from each module and from the workplace. Participants will also undertake a viva voce to ensure that the Portfolio provides an accurate reflection of his/her work.

When and where

Delivered by experts in their field, this modular training is extremely flexible in that it can be delivered on an 'open' basis, at various locations on specific dates, or as a cost effective training solution to one or more organisations on an in-house basis.

The open programme of training will run between December 2010 and May 2011. The costs for attending individual modules are £310 + VAT (one-day) and £595 + VAT (two-day). For those wishing to gain accreditation by completing all modules, the price is £2,950 + VAT. The cost of delivering a two-day module on an in-house basis to one or more organisations is £5,900 + VAT for up to 20 delegates.

Subscribers to CIPFA's Better Governance Forum can use a subscription place for each day of the training.

To book

For further details and booking arrangements, please contact Alistair Steenson at alistair.steenson@cipfa.org.uk or 07833 091300.

The CIPFA Procurement and Contract Audit Forum (PACAF) was established in 2008 to facilitate the identification, development and widespread adoption of best practice in procurement and contract audit. The objectives of the Forum include promoting the required audit skills through training and development opportunities, sharing of knowledge through the PACAF network, and the identification and discussion of relevant topical issues.

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Module One – Fundamentals of Contract and Procurement Auditing (2 days)

This module will provide an overview of best practice in procurement and the audit of contracts and focus on:

- key issues associated with the management of procurement expenditure and the control of individual contracts
- key risk areas and the audit approach to reviewing procurement expenditure to provide the basis for an audit programme

Module Two – Strategy, Governance and Control (2 days)

If procurement and contract management processes and procedures are to be successfully implemented across organisations, there must be a coherent, clear and well communicated strategy. This module will:

- address risk areas arising from an organisation's strategic approach to procurement and contracting
- highlight the key risks associated with failure to corporately manage procurement processes, and how such risks can be mitigated
- examine the key issues that need to be incorporated within corporate policies and systems of control to manage an organisation's procurement expenditure
- identify an audit approach to the top-level review of procurement policies

Module Three – Project Management (2 days)

The delivery of successful projects is dependent upon the adoption of robust project management arrangements and the implementation of best practice guidance. In many cases a lack of a robust process results in projects that are over time and over budget. This module will:

- highlight the essential attributes of good practice in the management of projects in the public sector and identify and address risk areas
- examine the important role that good project planning plays and how progress should be measured and controlled
- analyse, at each stage of the process, how risk management should be embedded within the project management methodology and how auditors should approach their work in gaining assurance on internal control processes

Module Four – Managing Risk (2 days)

To increase the likelihood of projects being completed on time, within budget and delivering stakeholders' expectations, it is vital that risks inherent with the operation of contracts are adequately managed. This module will:

- present an overview of best practice in operational risk management and provide auditors with the understanding to undertake reviews in this important area

- describe the key benefits and pitfalls associated with the various risk management approaches and techniques that are available in project delivery and highlight how such operational risks can be mitigated
- provide auditors with the opportunity to consider a complete and robust risk management process and an audit approach to risk management for their organisations

Module Five – Partnering arrangements (2 days)

Collaborative or partnering arrangements to secure more cost effective service delivery and value for money in the procurement of goods and services need to be based on proper governance structures and management processes. This module will:

- address risk areas arising from an organisation entering into a partnering arrangement
- introduce tried and tested partnering tools and techniques to provide the necessary background and understanding needed by auditors
- explain the various stages of a partner arrangement and the role that auditors can play to assist in the development and implementation of a partnering arrangement

Module Six – Capital management and monitoring (1 day)

As public sector expenditure comes under increased scrutiny with a greater focus on how public sector organisations plan and manage capital expenditure, a proper system of appraisal, monitoring and control of capital expenditure is essential. This module will:

- address risk areas arising from strategic asset planning and capital monitoring arrangements
- provide an analysis of the methodologies of evaluating performance of capital projects and how value for money can be assessed
- examine how auditors can add value, not only through their controls assurance role, but also in the support they can offer to managers through advice and guidance

Module Seven – PPP/PFI Contracts (1 day)

Many services are now being delivered through complex long-term PPP/PFI type agreements, many of which are the focus of intense public scrutiny. This module will:

- examine the key risks inherent in such agreements and how public sector organisations can ensure the proper delivery of services under the terms of the contract
- include an outline of the key areas upon which auditors should focus their reviews
- examine the ways in which auditors can address controls, risk and assurance issues when their organisations enter into such arrangements



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