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By email to: h.osullivan@frc-apb.org.uk

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Dear Hazel O'Sullivan

Exposure Draft Practice Note 11 (Revised) The audit of charities in the United Kingdom

CIPFA welcomes the opportunity to comment on this exposure draft, which has been reviewed by CIPFA's Accounting and Auditing Standards Panel.

We support this revision to Practice Note 11 which aligns the guidance with the text in the clarified ISAs (UK & Ireland) that were issued in October 2009, and also incorporates other changes in legislation and statutory arrangements, including guidance on the criteria for determining the existence of a duty to report to a regulator, and updating the guidance in respect of money laundering suspicions.

We have one minor observation to make on the Practice Note, relating to page 110, footnote 56. This states that, for charities operating under the statutory arrangements for England and Wales, the threshold above which there is a requirement to submit annual accounts to the Charity Commission is £10,000. This figure is out of date, and does not reflect the legislation and regulations that had been published at 30 September 2010. Footnote 56 should instead reflect a higher threshold of £25,000. The lower threshold applies only to accounting periods ending before 1 April 2009.

We have no other comments to make on the content of the revised Practice Note.

As we observed in our response to the previous consultation in 2008, it seems slightly anomalous that the guidance on reports to regulators is cross-referred to ISA (UK & Ireland) 250 Section B: The Auditor's Right And Duty To Report To Regulators In The Financial Sector. While we accept that it is fully explained in the Practice Note, it does seem strange that the wider applicability of the UK specific material in ISA 250 (UK & Ireland) to other sector regulators is not explained in Section B itself.



INVESTOR IN PEOPLE

I hope this is a helpful contribution to APB's finalisation of the revised Practice Note. If you have any questions about this response, please contact Steven Cain (e: steven.cain@cipfa.org.uk, t: +44(0)20 7543 5794).

Yours sincerely

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