

# the account

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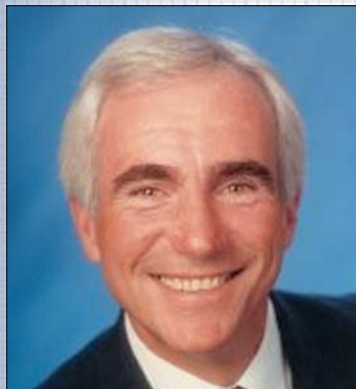
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## CIPFA NI CONFERENCE



*John Cassis*



*Lady Marie Stubbs*

The 2005 CIPFA Northern Ireland Conference is already attracting huge interest even before the official launch of the Programme! To date, over 120 delegates have booked places to attend.

The theme of Conference 2005, which is being held on 29 and 30 September at the Slieve Donard Hotel in Newcastle, is Transforming Public Services - Accountability and Affordability.

As always, the CIPFA conference programme provides a platform to address topical issues affecting public services in Northern Ireland, such as the Appleby review into health service spending, the role of

the Accounting Officer (Bill Jack) and developments in central government.

In addition, the conference is an occasion to learn best practice from inspirational leaders, such as John Cassis, David Henshaw and Lady Marie Stubbs, who are prominent in their field and come with national and international reputations.

As usual, the conference programme has a broad and meaningful appeal across the various public services and 'not for profit' organisations, so there will be something for everyone.

A summary of the conference programme can be seen on pages 12 and 13.

# CIPFA NI IN ACTION

## Cross Border achievers

The first cross border training programme for public officials from Northern Ireland and the Republic of Ireland in the 85-year old history of each jurisdiction was successfully completed on 7 April 2005. Twenty senior executives, 10 from the North and 10 from the South, completed the innovative programme and received their certificates of completion that are endorsed by the Institute of Leadership and Management. The prize for the best project was received by Michael McCartan and Caroline Brady for their analysis of the impact of redeveloping the Ulster canal across the border between Monaghan and Middleton.



*Ian Pearson MP Parliamentary Under Secretary of State in Northern Ireland and Brendan Smith TD, Minister for Agriculture with Michael McCartan and Caroline Brady*

Government Ministers from North and South paid tribute to the joint development and delivery of the programme by CIPFA Northern Ireland, Cooperation Ireland and the Centre for Cross Border Studies.



*Cross Border programme course participants with Government Ministers*

## 'New Thinking on Corporate Governance' seminar

Much has happened in the last two years in corporate governance and this seminar aims to update Board members, Chief Executives, Directors of Finance and auditors on latest thinking and new initiatives on corporate governance.

The seminar will be held on 6 September at the Hilton Hotel, Templepatrick and keynote speakers include Professor Andrew Likierman on the new Treasury Code of Good Practice on Corporate Governance in Central Government Departments, Lynton Barker, the author of Building Effective Boards, Sir Kenneth Bloomfield, former Head of Northern Ireland Civil Service, John Dowdall, C&AG for Northern Ireland and Jane Steele, Head of Public Interest Research, Office for Public Management.

To book a place on the seminar, please contact Emily Brown on 028 9026 6774 or via e-mail at [emily.brown@ipf.co.uk](mailto:emily.brown@ipf.co.uk)

## Arts Council provides best practice guidance



*Paul Burns (left) and Lorraine McDowell from the Arts Council of Northern Ireland inspect a copy of the compendium of corporate policies with Steve Mungavin*

The Arts Council of Northern Ireland has ordered copies of the Compendium of Policies and Procedures for a Best Practice Organisation (see 'The Account' Issue no. 35) for all its funded bodies.

## On Board England

CIPFA Northern Ireland recently launched the On Board training programme in London with four public courses scheduled for 15 February, 17 March, 14 June and 11 October. Despite the success of On Board in Scotland, there was some uncertainty as to how a Northern Ireland-led governance programme would be received in London.

However, these fears proved to be completely unfounded with attendances and delegate feedback exceeding all expectations. 80 delegates booked on to the first four programmes from a diverse range of NDPBs (including such delights as the Lindsey Marsh Drainage Board and the Home Grown Cereals Authority), Primary Care Trusts, Further Education bodies and government departments.

The first in-house programme took place on 2 March 2005 for the new Parole Board for England and Wales and negotiations are well advanced with several other public bodies for in-house course provision. A selection of quotes from delegates gives a flavour of the success of the training to date:

“Thank you so much for the excellent (in-house) On Board training day. My colleagues and I on the Parole Board for England and Wales were all very pleased with the day and feel that we greatly benefited from it, as well as enjoying the case study discussions and the excellent anecdotes”

*Professor Sir Duncan Nichol, Chairman, Parole Board for England and Wales*

“Excellent use of case studies and examples. Made a potentially dry subject very interesting!”

*Trish Haines, Chief Executive, Reading BC*

“Good content, pace and coverage. Group work effective and illuminating. Participants well managed and satisfied”

*Jeremy Fitt, Board Member, Basic Skills Agency*

“An excellent day. The Course was very informative and I learned a lot as well as being reassured”

*Brenda Mortimer, Clerk to the Biotechnology and Biological Science Research Council*

“David (Nicholl) was very knowledgeable and well prepared. He has an excellent training and delivery

style and uses his experience to support the course material with practical working examples. This brought the course alive - I would certainly be keen to use David to provide input into the Boards that I am connected with”

*Paul Taylor, Board Member, Durham Dales PCT*

## Grant skills improved

The first group of participants to successfully complete the Grants Skills Training Programme received their Diplomas at the CIPFA Northern Ireland Presentation Ceremony held at Belfast City Hall in April.

Feedback received from both students and employers has highlighted the many improvements that have been made to grant funding systems and procedures as a result of the Programme. Joanne Cleary from NIO's Community Safety Unit comments:

“The Programme opened my eyes to the ever changing roles of Government funders, the need for flexibility and understanding of your clientele. It has enabled me to revisit and improve on current programmes within my own organisation for the benefit of all concerned.”

The CIPFA Grant Skills Training Programme is continually updated as changes in both the grant funding environment and grant making practices occur. The next Programme will start in September 2005. For further information, contact Emily Brown on 028 9026 6774 or via e-mail at [emily.brown@ipf.co.uk](mailto:emily.brown@ipf.co.uk)



*Joanne Cleary receives her award from CIPFA President, Mike Barnes*

## Praise for CIPFA's Advanced Professional Certificate in Investigative Practice

*Mike Braithwaite, Fraud Prevention and Investigation Officer in the Legal Services Commission, was one of the first people in Northern Ireland to successfully complete the Advanced Professional Certificate in Investigative Practice. Mike summarises his experience of the course below.*

Having been involved in investigation work for over 30 years, I took up my current post in 2001. The then Legal Aid Department, (now the Northern Ireland Legal Services Commission), had no Counter Fraud facility at that time. The unit was initially very small and work was limited but as the work of the unit became known so the workload increased. I had been looking for some way to modernise and standardise our procedures.

I heard about the Advanced Professional Certificate in Investigative Practice (APCIP) through CIPFA and decided that it could provide me with the knowledge and skills that I required. The course is intense and requires a great deal of private study and course work but the pre reading material provided by the facilitators is of tremendous benefit.

Since achieving the qualification and using the skills learned, I have restructured the investigative processes within the Commission. We now have a formal regulated system of investigation with a fully documented audit trail for each investigation. I have been involved in training one of my colleagues in investigative practice and we are hoping to be able to fund him to undertake the APCIP later this year.

The work of the counter fraud unit has grown year-on-year and our case load is now much higher. Using our new processes, we are able to deal with these effectively. In the year ended March 2002, there was no significant saving to the Legal Aid Fund from counter fraud activity. In the year ended 31 March 2005, we have recorded savings of £500,000 to the Fund. The Commission has now adopted a zero tolerance policy in respect of suspected fraud.

*CIPFA's public APCIP course is scheduled to run in Northern Ireland from September to December 2005.*

## Training bulletin

To date, 2005 has proved to be a record year for CIPFA Northern Ireland for the number of training days provided to the Northern Ireland public services. In total, over 550 days training are scheduled to be delivered during 2005.

\* \* \* \*

A listing of the public courses being run this Autumn is included as an insert in this edition of 'The Account' and more information can be found at [www.cipfa.org.uk/regions/ni](http://www.cipfa.org.uk/regions/ni)

\* \* \* \*

Scottish Enterprise, Scotland's main economic development agency, has commissioned CIPFA Northern Ireland to provide a bespoke Audit Skills training programme to support its staff within Finance Network Compliance.

\* \* \* \*

Fifteen leading executives from a variety of public bodies have signed up for the Public Sector Senior Executive Programme being run in conjunction with the Institute of Directors that starts in October this year. A limited number of places are still available for this inaugural programme.

\* \* \* \*

Professional accountancy courses start again in the autumn with training to support CIPFA's Professional Qualification modules for December examinations. Training for AAT Intermediate and Technician levels also commence in September. The Foundation level of AAT starts in January 2006.

\* \* \* \*

The next intake for CIPFA's Diploma in Public Audit will be in September 2005.

\* \* \* \*

NIO's Community Safety Unit is seeking to enhance the financial management skills of Community Safety Officers and has commissioned CIPFA Northern Ireland to provide a suite of training courses leading to the award of a Certificate in Management Practice (Financial Skills).

\* \* \* \*

For further information on any of these programmes, please contact Alistair Steenson on 028 9026 6776 or via e-mail at [alistair.steenson@ipf.co.uk](mailto:alistair.steenson@ipf.co.uk)

# ROLE OF THE ACCOUNTING OFFICER

*Gerry Keenan is the Chief Executive of the Social Security Agency and also the Accounting Officer. As the role of the Accounting Officer has come into sharp focus in recent times, Gerry Keenan shares his own experiences in this article, which is based on his presentation at CIPFA's Lunchtime Event in April.*

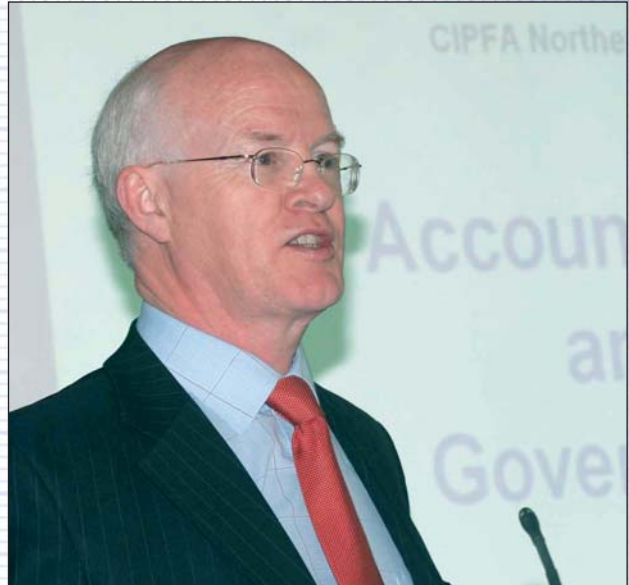
Let me firstly set my current Accounting Officer (AO) role in a business context. The Social Security Agency with 6,000 staff is responsible for the delivery of social security benefits to all of the people of Northern Ireland. We maintain a caseload of 1¼ million people; we process half a million claims a year; and we make nearly 40m payments amounting to £3.2bn. We also provide a 'back office' service to 120,000 people in London on behalf of the Department for Work and Pensions.

Our running costs are almost £200m. However, our accounts have been qualified for years because of losses through benefit fraud and error - last year to the tune of £112m. So I am no paragon of virtue and I am the AO for all of that.

Appointment as an AO is grounded in statute and derives from the Government Resources and Accounts Act (Northern Ireland) 2001. My Permanent Secretary is the Principal AO for the whole Department and he has appointed me as Agency AO.

The appointment sets out the following specific responsibilities in an Accounting Officer Memorandum:

- sign annual accounts and in doing so accept personal responsibility
- ensure proper procedures and accounting practices are followed
- ensure public funds are properly managed and safeguarded
- avoid waste and seek economy, efficiency and effectiveness



*Gerry Keenan*

- observe instructions in Government Accounting Northern Ireland (GANI)
- understand that judgement as an Agency AO on matters for which you are responsible may only be overridden by the Minister or by the Public Accounts Committee (PAC) and
- you are liable to be summoned to appear before PAC.

All of this is reinforced in that favourite book of bedtime reading for all AOs - Government Accounting Northern Ireland (700 pages). Some pages of elegant prose and a subtle hint of humour! So how can I remember all this?

The truth is I don't - not in detail - but I am very clear about the thrust of it and what it means for me and my organisation. The Comptroller and Auditor General once set out some handy 'rules of thumb':

- can I justify this to Parliament? More importantly could I make sense of this to the man in the street?
- can I show that this is value for money?

- is there any conflict of interest or impropriety? (even a hint of this is unacceptable) and finally
- would I do this with my own money?

Another important rule is that under no circumstances should you overspend.

My first memory of all the AOs for whom I worked in the past was not about what they should do - but about what they should not do - overspend. It was simply not an option.

To be accountable, according to the author of the 'Devil's Directory' Ambrose Bierce is "to be liable to an abatement of pleasure and exposed to the peril of a penalty".

My first letter of appointment as AO in the Child Support Agency in 1998, and subsequent appointments, also highlighted the possibility (or in the case of SSA the probability) of appearing before PAC. But I can tell you that the prospect brings grown men and women close to breakdown.

A friend of mine once happened on a group of Northern Ireland Permanent Secretaries in the ante-room in Westminster as they waited in turn to appear before PAC. They were a nervous looking bunch and he speculated about what such a group might be called:

- a pride of Permanent Secretaries: no, that didn't fit
- a gaggle of Permanent Secretaries: no, that didn't fit either

"I know, a panic of Permanent Secretaries!"

Unfortunately, for him, he speculated out loud at which point they were more of a 'pack of Permanent Secretaries' in the way they turned on him. His own elevation to appointment as an AO was long delayed!

Different AOs take different approaches to PAC hearings. Some are rather urbane and mandarinish. Some are combative, and most of us just stumble through. It's like being in medieval stocks - just when you start to get to grips with one issue another rotten cabbage hits you. And if I may say so, some members of PAC can be quite intimidating.

Being an AO is a very serious business indeed. But having described the 'what' of being an AO, it is worth saying something about the 'how' - and of the 'how I do it'.

First of all, on each of my two appointments as AO, first in 1998 in the CSA, and in 2004 in the SSA, I have sought out an opportunity to set my standard - pin my colours to the mast to make my point.

One of the first things I have done in each post was to put out instructions about the rules on giving and receiving hospitality. For example, I routinely politely refuse invitations to dinner, even things like the CBI dinner, from consultancy firms or potential suppliers. And I expect my staff to behave similarly. A kill joy? - something of a Jesuitical approach? I don't think so. It is as equally important to avoid the perception of impropriety as it is to avoid impropriety itself.

Although this is a token example, it is an important one in a leadership context. What is equally important is the need for a robust governance system.

In the CSA in 1999, we developed one of the most comprehensive governance frameworks in the Northern Ireland Civil Service. In the CSA and the SSA, we have continued to develop and strengthen that framework. We introduced Assurance Certificates which managers are required to sign monthly stating that either they are meeting the requirements or, if not - and that is always to be expected, if not - to say what they are doing to get back on track.

Life is full of delays and upsets to plans. The important thing is to monitor them and plan how to recover. We are not expecting perfection but we are expecting our managers to manage - not just observe them.

In maintaining a robust governance regime, I can tell you frankly that, as an Accounting Officer, I emphasise the primacy of the Finance Director's role - mine is my right-hand (wo)man and I regard Internal Audit and, indeed, the NIAO as my allies. An AO needs to have the support and be able to rely on as many independent sources as possible. And I repeat the mantra as often as possible throughout the organisation - "Good news is nice but we need to hear bad news quicker".

And we keep repeating that there are no penalties for 'bad news'. In my view, it is most important that staff, at all levels, feel that they can convey bad news - and that they will not be penalised for it. In my view, it is vital to provide a 'safe environment' for staff in that way. An AO needs to hear about things as early as possible.

These approaches impinge on and overlap perhaps with leadership and cultural issues but I believe that leadership is an important dimension to the AO's role. It is about setting the tone and the standard and setting an example in personal and professional behaviour.

It is about creating an understanding of what it means to be a public servant - at any level in the organisation - entrusted by the citizens, who are sometimes clients, to manage their money carefully and in a way which stands up to public scrutiny. If you cannot answer the question "would I do this with my own money?" in a positive way - then you've probably got it wrong.

And who, at home, would commit to a course of action or a project, without working out the financial implications and whether it can be afforded? Again, this is part of our governance system.

No significant policy proposals are put before the Agency's Board without an assessment of the resource implications. And they are then subject to a series of questions. Affordability is just one. There might well be enough money but is it good VFM? Would the public want us to spend it in that way? Having just enough money is a good discipline and having plenty of money, in my view, breeds a culture of laziness and sloppiness and undermines governance systems. Having too much money can be an unwelcome scenario for an AO.

That is why I believe that Budget 2004 is good for organisations like the Agency. It makes us re-examine how and why we do things and whether our actions sit well with the C&AG's 'rules of thumb'. Budget 2004 set the SSA a very tough task indeed, with the need to live within a budget which is some £20m less than we need over three years, indicative of job losses of 700 staff.

We could do that. Easy. We could just cut frontline services and blame it on the politicians. But is that what the public pays us to do? Does that pass the

AO test of 'good VFM'? What the public wants us to do is to cut into our own comfort zones in Headquarters, cut back on the frills, reduce waste, work better. In other words, they want us to take the hit, not them.

That is also what a good AO should do. A good AO in my view, should think like a politician and the man in the street at the same time. In my view, a good AO should think of his organisation as his personal enterprise and keep asking him/herself - is this the best I can do - is this how I should spend my money?

This sense of very personal responsibility is what it means to me to be an AO, and it is what breathes life into governance systems, fraud policies, etc. This is the beating heart of it.

A room full of accountants discussing business is not known for its passion but to be a good AO requires a passion. It is not just about preparing accounts and avoiding qualification (although chance would be a fine thing for the Agency!), it is not about governance systems, accounting practices and bureaucracy important though these are.

It is about understanding and believing in the true nature of the responsibility - that of acting on behalf of the citizen and elected representatives. "Is this what they would want me to do?"

It is about leadership to get those around you, and cascading throughout the organisation, to believe and act similarly. And it is about ensuring that your actions and decisions are consistent with the highest standards expected of the AO.

To discharge the duty of an AO, in my view, you need to be uncompromising in the standards you set and in ensuring they are met. And you need good systems and good people to support you. Even some accountants. As John Mortimer said, when reflecting on his life:

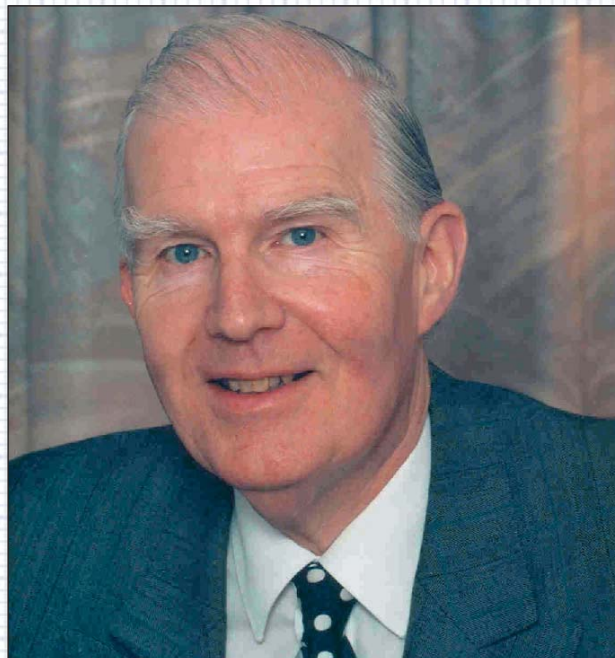
"And what have I achieved? Three women in my life and one of them turned out to be a chartered accountant over 30". We must not take that too badly to heart. He also said of lawyers, of whom he was a most distinguished one: "No brilliance is needed in the law. Nothing but common sense and clean finger nails".

# CROSS BORDER COOPERATION

*Sir George Quigley is a well respected and prominent figure in public life in Northern Ireland. His career has spanned the public and private sectors - he is currently Chairman of Shorts Bombardier and a former Chairman of the Ulster Bank as well as being a former Head of the Northern Ireland Civil Service.*

*As a former President of the Dublin-based Economic and Social Research Institute and Chairman of Cooperation Ireland, he is well placed to provide a commentary on cross border cooperation.*

*In this article, Sir George Quigley provides a background to his cross border experiences, comments on recent progress and identifies new opportunities to improve cooperation on a global basis.*



*Sir George Quigley*

## Origins of cooperation

I was introduced to North/South contact in the 1960s when as a young Assistant Secretary, I was heading up the Government's industrial training programme in Northern Ireland. My opposite number in Dublin was Jack Agnew. The North was a few months into a major drive in this area as a key element of a new regional economic strategy; the South was just at the starting gate. It was a personally very agreeable and mutually profitable relationship, culminating in the General Manager of the North's training centre network sitting in on the South's recruitment process for its own training centres and welcoming the first recruits for a period of secondment to our centres to gain experience. I don't recall thinking twice about it; it was totally unselfconscious for both Jack and myself; it simply seemed the sensible thing to do.

Then, in the 1980s, I was the official in the North responsible, along with my opposite number in Dublin (Eamon O'Tuathail) for negotiating in Washington the setting up of the International Fund for Ireland and, later, for advising the Board (comprising senior figures from both parts of the

island) as implementation got under way. Again it seemed entirely natural that there should be a joint secretariat and that working groups comprising officials from both jurisdictions should work out the details of programmes within the areas identified for priority attention and undertake the subsequent administration. The pioneering role of the IFI project in these terms is often overlooked.

During the 80s, as the Permanent Secretary of the Department of Finance and Personnel, I participated fully in the annual conference of chief officers of Departments and public bodies North and South to share our experience and insights as practitioners in the field of public administration at a time when getting value for money and doing more for less were the burgeoning themes.

I then jumped over the wall, as it were, and entered the private sector, becoming Chairman of Ulster Bank in 1989. Here I could see at first hand the operations of a company which, from its roots in Belfast in 1836 (and still headquartered in Belfast), had established a very well-regarded business all over the island - the most successful example,

indeed, in the North, of a genuinely island company. I saw its smoothly working governance structure, at Board and executive level, reflecting full participation from both parts of the island. I saw the growth of its business reflect, as you would expect, the pattern of growth on the island, with the 50/50 share of business North/South becoming 40/60 by the end of the decade as the Celtic Tiger got into its stride.

Being Chairman of the Bank entailed becoming very familiar with people and markets on both sides of the border and it seemed to me that the wider opportunities for synergy through greater interaction between the two parts of the island were being largely ignored. Hence my advocacy of the case for thinking in terms of a vibrant Belfast/Dublin economic corridor of the kind which you would expect to see developing anywhere in the world between two such cities. I made it clear that this was to be seen in the context of much enhanced island-wide interaction. I became convinced that conventional thinking which focused on linkages between and within the Border counties was far too restrictive. The future welfare of the Border counties depends on their being at the heart of a strong island economy rather than at the periphery of the two parts of a bifurcated economy.

The various business bodies picked up the theme and strong personal and business links were forged. The ceasefires helped. A chairman of a very successful Dublin company told me ten years ago that he had begun sending his people North and that they were discovering businesses and opportunities they had not even known existed.

My involvement in the South brought me into close contact with the Economic and Social Research Institute. I regarded it as a great honour to become its President and to have the good fortune to be so during its 40th Anniversary year. I got insights I could never otherwise have gained into the origins and the dynamic of the process that produced the Celtic Tiger.

I was glad to be able to participate actively (including a period as Chairman) in the work of Cooperation Ireland. Early in the 1990s, Cooperation Ireland was undertaking studies in the scope for economic synergy, including one which I led. Too little credit is given to the businessmen North and South, led by Dr Brendan O'Regan, who in the 1970s, long before I

was involved, put their heads above the parapet and, against the tide, took very practical steps to build bridges between people North and South. I benefited greatly from our debates as to how this is best done. Is it simply a matter of bringing people together, thereby risking merely polite, superficial encounter, or do you have to expose the differences and tackle them openly and frankly if any real learning is to take place?

Like most people, I try to snatch time for reading, reflection and observation and my thinking on the North/South project was undoubtedly also shaped by that. I was impressed by Kenichi Ohmae's notion of the existence of vibrant economic zones in various parts of the world which overlapped and transcended political boundaries. Had the island of Ireland the potential to be such a zone and, if so, what barriers needed to be removed?

On the same theme, I went on to look more deeply at the emergence of growth triangles in Asia - groupings of parts of two or more countries which were illustrating a new type of regional economic cooperation. Credit for coining the term in 1989 goes to the Deputy Prime Minister of Singapore who gloried in the name of Goh Chok Tong.

Taiwan and China (not the most obvious of bedfellows) now exemplify this concept in outstanding fashion. Despite their sabre-rattling and shadow boxing, they have been described as being so entangled in economic terms to their mutual benefit that neither could risk damaging the other without significantly damaging itself. Taiwan now has 38 billion dollars of investment in China and 60% of China's IT hardware exports are made in China by Taiwanese companies, 28 of which feature in China's list of top 200 export companies.

Taiwanese companies employ 10 million people in China. Taiwan is second only to Japan as a source of Chinese imports and China is Taiwan's biggest export market. The China/Taiwan syndrome is the ultimate test of the proposition that the economic dynamic is irresistible, regardless of political tensions. A fortiori in the benign political climate which now exists for the release of that dynamic here in Ireland, as exemplified in the contributions to the recently published Year 6 Yearbook of the Centre for Cross Border Studies.

And of course, like everybody else, I was very conscious of developments within the European Union with the creation of The Single Market and the removal of barriers to trade in 1992. But it was also clear that removal of impediments was not enough: positive steps had to be taken to establish the economic circuitry and get the current flowing. It seemed to me bizarre that Ireland should risk distinguishing itself by its failure to capitalise on these new opportunities.

I was also intrigued by the new governance model that Europe was introducing to the world - neither federation nor confederation but network, which is capable of being infinitely nuanced to suit emerging circumstances. And we were clearly in the world of the post-modern state where old notions of sovereignty are no longer relevant. States exercise influence not from a free-standing power base but from their ability to participate effectively in the larger groupings of states of which they elect to be part.

## **Progress to date**

Despite the inevitable ups and downs attributable to economic conditions, trade has roughly doubled in the past decade. The growth North to South has been particularly sustained and the South is now Northern Ireland's main export market.

Inter-Trade Ireland has been extremely effective. I think, for example, of its encouragement of enterprise through its Seedcorn and Fast Fifty Competitions and its promotion through Equity Network of private equity in an island context to accelerate business growth.

I have not seen the figures for 2004, but 2003 represented a 5-year high for Irish Venture Capital Investment activity. The potential is far from being exhausted. I was interested to read remarks last Autumn by the former CEO of Qubis Ltd to the effect that he would like to see more investors making the trip north to see for themselves what's going on in Queen's and the University of Ulster, where there are deals waiting to be done.

It is also good to see the linkage initiatives at local level. I think particularly of the steps being taken by Newry and Dundalk to become a node of growth on the Belfast/Dublin corridor and ensure that this important axis is in reality a corridor and not a tunnel.

One also thinks of the recent Micro Enterprise Development Programme funded through the EU Programme for Peace and Reconciliation administered by Cooperation Ireland and involving 36 businesses from Leitrim, Ballymoney and Limavady.

Inter-Trade Ireland's recent review of the All-island Financial Services Sector breaks new ground by being the first major detailed profile of the sector and sets out 18 recommendations designed to help it identify and capitalise on cross-border market opportunities.

The nine universities are more closely linked than ever before and the Centre for Cross Border Studies is playing a pivotal role in enhancing the effectiveness of that linkage. This should be an increasingly important element in the North/South economic project since universities are now seen worldwide as serious economic players. Their cooperation amongst themselves to enhance their role as an economic power house for the island and their cooperation with business to help promote innovation-driven growth are critical.

Transport featured largely in business' North/South discussions throughout the 90s. It was pointless to talk of releasing latent economic synergy through island-wide economic and business interaction if communications were as lamentably poor as they then were. Immense strides have been made in roadbuilding. The journey south to Dublin has been transformed and the next few years will see a revolution in the quality of mobility services linking Dublin and the rest of the island.

It is encouraging to read that Translink and Irish Rail are in talks regarding possible acquisition of new trains which would enable an hourly service to be provided. Speed and reliability on this Enterprise service need to be greatly enhanced. It should be a one-hour, genuinely commuter journey.

So, much has been done, though the island is still far from being the integrated production platform which I adumbrated as the aim. Mindsets which - both North and South - were fixed instinctively and almost exclusively on an East-West rather than a North/South axis have adjusted to new possibilities. This mindset was backed by patterns of activity which long preceded partition. Trade flows in Ireland were

largely horizontal, from far-flung hinterland to East coast ports. Railway and port development, far from opening up the economy, simply provided conduits for imports. The industrial cluster in the North-East was exceptional but its supply base and markets were overwhelmingly local and global.

## **New opportunities**

New opportunity arises from the fact that both North and South have to make the transition from the stage of investment-driven to that of innovation-driven growth. Hitherto, like many economies in rapid catch-up mode, both have boosted growth by importing technology and harnessing it to local production through Foreign Direct Investment. The immigrant company had researched global markets and done the R&D. It was then for a range of putative host locations to persuade it of the advantages of implementing the project with them. The South was spectacularly successful and has particularly strong ICT and pharmaceutical clusters.

Such investment will still take place but incoming firms will be increasingly on the lookout for locations which can generate intellectual capital as well as absorb it. Beyond that, both parts of the island will be more reliant than before on stimulating world class indigenous businesses which capture front-end innovation and have the ability to become the most valuable link in new value chains. The less valuable parts may well be outsourced offshore - a reversal of much of the traditional pattern. The prizes will go to those who become masters of an entrepreneurial, proactive, product-led business strategy, and are adept at reading the global technology road map and handling technology management inside their own companies.

A vital catalyst will be constant engagement between such companies and the universities and research institutions. The future lies with places characterised by cross-fertilisation of ideas, networking and collaboration. A number of universities in Ireland are actively developing centres of research excellence in areas such as the life sciences and ICT. Nanotec Northern Ireland, for example, is an interesting collaborative venture between Queen's and the University of Ulster; there are more than 150 researchers now active in the field.

Science Foundation Ireland, backed by a substantial budget, has a pivotal role in the South in catalysing all that is needed to enrich the R&D effort and promote the essential interpenetration of business and the research institutions.

I have already asked elsewhere the question whether, in this emerging new phase of economic development, both parts of the island could capitalise better on the strategic value of their proximity. There is contact between the Centres of Excellence and some shared membership of governance structures. But is there a joint planning team somewhere considering whether, so far as the public authorities have a role to play - and they at least have a role in setting the scene - the innovation-driven growth project should be promoted and facilitated within an island context?

Specialist cluster development? Exploring global technology trends? Positioning ourselves in that global landscape? Mapping global markets? I have had the privilege of being involved in discussions North and South on these issues and they cover almost precisely the same terrain. Are there no advantages of scale or possibilities for mutual reinforcement which arise from tackling some of these things together?

I mentioned mapping global markets. China and India each still account for only 1% of UK exports and yet these are the major growth areas of this century, both in terms of productive capacity and consumer demand. Both parts of the island are exploring these markets and impressive figures were reported recently for exports from the South to Hong Kong. But, again, is exploration of such markets best done separately? Joint trade missions would be another means of accelerating the process of business from North and South getting to know each other and perhaps on occasion identifying how by concerting forces they could pack more punch.

Finally, on the theme of further development of the North/South project, I believe that at some stage - and sooner rather than later - the issue of tax harmonisation on the island has to be seriously addressed so that major differences in fiscal regime cease to be a compelling factor in economic decision-making.

# CIPFA NORTHERN IRELAND A

Sponsored by Sellick Partnership

## Conference speakers

### John Cassis

A world-class business guru, former professional athlete and pre-game motivator for the Chicago Bears football team, who has hands-on experience of producing a winning team.

### Sir David Henshaw

Award-winning Chief Executive of Liverpool City Council who has transformed public services in the city that has become a model of good practice.

### John Appleby

Chief Economist at the Kings Fund who is conducting a review of health and social care provision in Northern Ireland.

### Paul Murray

A motivational coach, Paul has spent the last ten years improving performance of organisations by developing staff from ground level through to the Boardroom.

### Rob Whiteman

Chief Executive of the London Borough of Barking and Dagenham, Rob is passionate about public services being of the highest quality and optimal cost and has a track record of using technology to join up a range of public services.

### Lady Marie Stubbs

The former Headteacher of St George's Secondary School in London, who saved the notorious school from closure through her no nonsense approach that led to improved efficiency and restoration of pride, wonderfully portrayed by Julie Walters in the BBC drama 'Ahead of the Class'.

### John Hunter

Permanent Secretary of the Department of Finance and Personnel in Northern Ireland who will assess the relationship between accountability and affordability in the search for improved public services.

### Matt Gallagher

Head of the Mayor's Office, Baltimore City, USA, Matt has pioneered huge improvements in performance of localised public services.

### Ed Straw

Partner in the Government and Public Services practice of PricewaterhouseCoopers LLP, Ed is an acknowledged expert in public policy and reform.

### Dr John Park

From Aberdeen Business School and a professional musician, John is a leading speaker on creativity and enterprise who will demonstrate, in a very practical way, how to unlock the creative juices that can be transferred to the work place.

### Dr Bill Jack

Former Permanent Secretary and Comptroller and Auditor General in Northern Ireland, who conducted the recent enquiry into financial management in two of our Education and Library Boards.

### Allan Pease

From Australia, an international best selling author and master of communication and body language. In his unique and at times hilarious style, Allan will ensure 'Communication for Results' that will change the way you look at yourself and others.



Allan Pease



John Appleby



David Henshaw



Matt Gallagher



Paul Murray



John Hunter

# ANNUAL CONFERENCE 2005

## Finance Recruitment Specialists

### Conference Programme

#### Thursday 29 September

		3.00 pm	<b>Can we Afford Accountability?</b>
9.30 am	<b>Conference Welcome</b>		John Hunter Permanent Secretary, Department of Finance and Personnel
	Diane Colley, CIPFA President & Heather Cousins, Chair CIPFA Northern Ireland Branch		
		3.30 pm	Tea/Coffee
9.45 am	<b>Catching a Second Wind</b>	4.00 pm	<b>Increasing Accountability and Performance</b>
	John Cassis Former athlete and motivational speaker		Matt Gallagher Head of Operations, Mayor's Office, Baltimore City
11.00 am	Tea/Coffee		
11.30 am	<b>Putting the Customer at the Heart of the Organisation</b>	4.45 pm	Close of Day 1

#### Friday 30 September

		9.15 am	<b>Registration (Tea/Coffee)</b>
12.15 pm	<b>Conference Tracks</b>	9.45 am	<b>The Death of the Generalist</b>
	<b>A Review of Health and Social Care Provision in Northern Ireland</b>		Ed Straw Partner, PricewaterhouseCoopers LLP
	John Appleby Chief Economist, Kings Fund	10.30 am	<b>Conference Tracks</b>
	<b>Managing Change ... Improving Accountability</b>		<b>Creativity Rocks!</b>
	Paul Murray Motivational Consultant, PCM Consulting		Dr John Park Aberdeen Business School and Professional Musician
	<b>The Reality of New Localism</b>		<b>Practical Lessons for an Accounting Officer</b>
	Rob Whiteman Chief Executive, London Borough of Barking and Dagenham		Dr Bill Jack Former Permanent Secretary and Comptroller and Auditor General in Northern Ireland
1.00 pm	Lunch	11.15 am	Tea/Coffee
2.15 pm	<b>'Dreams, Keys and Teeth' - A Lesson in Transformational Leadership</b>	11.45 am	<b>Communication for Results</b>
	Lady Marie Stubbs Former Headteacher of St George's Secondary School in London		Allan Pease International best selling author
		1.00 pm	Conference Close and Lunch

# PROFILE OF BARNEY McGAHAN

*The Child Support Agency came into existence in April 1993 to offer a new approach to a long-standing issue of maintenance payments for children. Over the ensuing years, the Agency has been heavily criticised, sometimes justifiably and sometimes not, because of complexity, inequity and poor customer service. Barney McGahan took up the post of Chief Executive of the Agency in January 2004.*

*Continuing our series featuring leaders of public services in Northern Ireland, Steve Mungavin talks to Barney McGahan about his job and how he is working hard to put things right.*



*Barney McGahan*

## ***What was the path you took to become Chief Executive of the Child Support Agency?***

When I started work, my first job was as an Administrative Officer in the Benefit Allocation Branch which was responsible for recovering rent and rates arrears from people on benefit.

Nearly 30 years later, as Chief Executive of the CSA, there are similarities to my first job - trying to get money from reluctant payers; having difficulties in identifying information; meeting problems with a lack of joined up working between benefit branches; and experiencing great camaraderie between staff.

In between my first job and current post, I became a qualified accountant and held a number of Finance posts in the health service. In 1991, I was appointed as Director of Financial Management in the Department of Health and Social Services with responsibility for securing, allocating and accounting for resources used in the health and social services in Northern Ireland.

After 22 years in finance, I felt the time was right for a career move and in 1999 I was appointed Director of Operations in the Social Security Agency. This

provided me with a varied and challenging time and also gave me an introduction to the Child Support Reforms, as our work overlapped.

When the Chief Executive post at the Agency became available, it was a good opportunity for me to apply the lessons in customer service that I felt had helped improve the performance of the Social Security Agency.

I do still rely on my professional accountancy skills, as control of public funding and obtaining good value for money is really important in today's environment. However, I deliberately try not to dabble in financial matters any more than required because I have a good team of experts to carry out the finance function.

## ***What is your role and responsibility?***

Our basic purpose is 'getting money to kids'. Parents have an obligation to provide for and look after their children. This does not change if fathers and mothers live apart. The person who lives apart from the children should provide financial support for those children.

My job as Chief Executive is primarily about developing a vision for the Agency, leading the team in that direction and having overall responsibility for what goes on. The Agency in Northern Ireland is also responsible, under a service level agreement with the Department for Work and Pensions, for the eastern business unit of the Agency in Great Britain, a total of around 2,000 staff and a budget of around £44m.

People have said to me that a Chief Executive's job can be lonely at times and sometimes it can lead to being unpopular. My view is that it is straightforward making easy decisions, but it is much harder to make tough decisions and this is where leadership qualities have to be demonstrated.

Being a Chief Executive can sometimes leave you between a 'rock and a hard place', being pushed and pulled different ways by the public, staff, political masters and the media. As we have seen in recent times, a Chief Executive has to 'carry the can' and take responsibility even though they may not have been personally involved in some of the decisions that have been taken.

***You are also the Chairman of a Further and Higher Education College. What is the main difference you find between being the Chairman of a public body and a Chief Executive?***

Yes, as well as my 'day job', I am also Chairman of the Governing Body of Armagh College of Further and Higher Education. I find this very enjoyable and a change from the Agency. The fact that they are different organisations allows me to think about totally different issues. The Further Education sector is going through considerable change at the moment and should be well positioned to meet an increased emphasis on vocational education.

The Chairman's role is very different from that of a Chief Executive. It is to ensure the Board provides good governance, guides the development of the college, challenges key strategic assumptions and monitors progress. The role of a board and executive staff might lead to conflict if respective responsibilities are not clear and, as Chairman, I make sure that this conflict does not arise.

***What is your approach to the main challenges that the Agency faces?***

We face a number of major challenges at the Agency. We have a number of problems with our IT systems that are frustratingly beyond our control. In addition, in 2003 we reformed our assessment process to make it simpler and easier to understand. This means that we have cases assessed under 'old rules' and cases assessed under 'new rules'. Due to technical IT systems problems, we have not been able to migrate old cases to the new rules and have to operate both in parallel.

The effects of these problems has led to a sapping of the morale of front line staff which in turn has led to high turnover, absences and difficulties in recruitment.

It is my job to overcome the difficulties that are within my control. I move the staff resources to increasing levels of business to ensure that they are appropriately resourced; provide training to enhance the skills and expertise of staff; and make sure I get the public and our various stakeholders to understand about the work we are doing. Unfortunately, I can do nothing about national issues such as rates of pay and the legislation.

We are a people-based service and I believe we can tackle our difficulties through strong leadership and good people management - if we can empower managers to ensure that the simple things happen, everything else will fall into place.

***How would you describe your management style?***

I try to stay at a strategic level, take an overall view of the Agency, understand the key issues to be addressed and work with the management team to implement our plans. I then monitor performance regularly through management information and one-to-one meetings that identify what is going well and what is not.

Some people may see me as somewhat autocratic and at times I am. However, I do recognise the importance of involving other people to arrive at the

right decision. I think I am much less autocratic than I was 10 years ago.

One of the important, and perhaps most challenging, things I like to do is to meet regularly with groups of staff. Staff are not afraid to ask the hard-nosed questions - they want to know what people at the top are doing. They also make good suggestions and we have frank exchanges to provide a better understanding all around.

#### ***How do you ensure customer satisfaction?***

Our philosophy is quite simple, we put the customer at the heart of our business. A few years ago, the Agencies here and in Great Britain focused their efforts on technology. Decisions were quite often taken without asking "what does this mean for the customer?" In my time as Chief Executive, I have been able to get this question back to the forefront of everyone's mind.

Of course, all our cases have two customers and what suits one might challenge the other. We need to give a quality service to both while ensuring the rights and responsibilities of each. It is not easy where acrimony exists between the parties and one party does not like the outcome of the assessment. So, although we know that we cannot please everyone, our task is to work professionally, letting people understand the basis of assessment and treating them with respect.

#### ***What do you feel you have achieved since your appointment?***

I mentioned earlier the business we do for Great Britain. Two years ago we were sixth out of six regions, as determined by almost all key performance measures, bottom of the league.

Recently, because of the efforts of staff, our business performance has shot up dramatically to the extent that we are now in third place. We are delighted with this progress and staff, who can now see the benefit of their hard work, are happier being part of the Agency.

Add to this improvement our good results with our Northern Ireland business and you have an organisation on the up wave. I know we have more to do and I am confident we can get even better.

#### ***Are there any lessons learned that you could pass on to other large public bodies?***

It is easy to look back with the benefit of hindsight, but when it comes to large-scale projects I would advise organisations not to bite off more than they can chew. There is plenty of evidence of difficulties with IT projects across the public sector. Such systems need to be integrated with office processes and not be too complicated.

Another lesson is not to assume efficiencies from new IT systems before they are realised. I would be foolish to make staff cuts before achieving efficiencies through good management or by finding smarter ways of operating. If you are in a financial hole, there is no point in getting rid of staff without thinking about the service implications. You'll probably just find yourself in a deeper hole.

#### ***Do you have any sympathy for 'Fathers 4 Justice'?***

I understand the problems that some fathers have around the issue of access. What some people don't realise is that our Agency has no influence over access rights of fathers to their children. The issue of maintenance payments and access is not connected, we only determine maintenance.

I believe all parents should have a right of access to their children and so I support the principle of their argument, but I do not believe the way to get access is by withholding payments that at the end of the day will penalise their children.

#### ***What are your interests outside work?***

I think that it is really important to balance work with leisure interests. In my spare time I enjoy walking, reading, music, chess and most importantly spending time with my family.

# BRANCH NEWS

## Lunchtime events

The 2005 series of lunchtime events continues to prove popular for those interested in topical issues affecting public services in Northern Ireland. At an event on 11 April, John Dowdall, Comptroller and Auditor General explained accountability arrangements in public bodies while Gerry Keenan, Chief Executive of the Social Security Agency, provided a practical and at times humorous perspective from the view of the Accounting Officer.

Sir Hugh Orde, Chief Constable of the Police Service of Northern Ireland, addressed the lunchtime event on 9 June on the impact of the criminal justice review.

As well as outlining the changes to the way PSNI operates as a result of the review, Sir Hugh explained some of the wider changes affecting the police service, such as the setting up of District Command Units and the need to operate in a business-like fashion.

He emphasised the need to maintain levels of training of police officers despite pressure to reduce the training budget and also paid tribute to CIPFA for providing training to enhance the financial skills of Business Managers in PSNI.



*Heather Cousins, Chair of the CIPFA Northern Ireland Branch, chats to Sir Hugh Orde, Chief Constable of the Police Service of Northern Ireland*

The next lunchtime event will be held on 9 September in the Spires Centre, Belfast when Dr Malcolm McKibben, Chief Executive of the Roads Service, will speak about managing sickness absence.

For more information about this event, please contact Barbara Scott on 028 9026 6777 or via e-mail at [barbara.scott@cipfa.org](mailto:barbara.scott@cipfa.org)

## Students on board at AGM

Two CIPFA students have joined the Northern Ireland Branch Executive Committee following their election at the 2005 Annual General Meeting. Gerry Campbell (Head of Corporate Services, Northern Ireland Social Care Council) and Philip Tweedie (Systems Support Officer, Belfast City Council) join 11 other elected members on the Committee.

Heather Cousins, Chair of the Branch Committee said: "We are very pleased that Gerry and Philip put their names forward and were elected to the Branch Committee. With a growing student body in Northern Ireland, it is important not only that their views are represented at regional level but that they also have a first hand insight into the wider activities of the Institute here."

The AGM, which was held following the Branch lunchtime event on 11 April, provided CIPFA National President Mike Barnes with an opportunity to update members on the progress of the consolidation of CIPFA with the Institute of Chartered Accountants in England and Wales.

## Top UK whistleblower calls for leaders to set an example

A former print worker from Glasgow, who blew the whistle on Robert Maxwell when he raided the Daily Mirror's pension fund, called for leaders of public and private bodies to set an example when it comes to implementation of their policy on whistleblowing.

Harry Templeton, Director of Public Concern at Work in Scotland, addressed budding accountants and their employers at a joint Association of Accounting Technicians (AAT) and Chartered Institute of Public Finance and Accountancy (CIPFA) Northern Ireland event held on 11 May to launch the AAT/CIPFA Fast Track scheme.

In addition to sharing his own very personal experience of Maxwell's shenanigans on the Board of the Mirror Group pension fund, Templeton outlined some current 'whistleblowing' issues. He also emphasised the vital role of professionally qualified executives in helping organisations establish and maintain high ethical standards.



*Christine Woodrow, Elizabeth Hunter and Mark Kilpatrick at the AAT/CIPFA event*

The joint AAT and CIPFA event saw the launch of a new fast track route that enables an AAT member to qualify as a CIPFA accountant in just two years. For more information about the AAT fast track route to the CIPFA Professional Qualification, please contact Steve Mungavin at 028 9026 6778 or via e-mail at [steve.mungavin@ipf.co.uk](mailto:steve.mungavin@ipf.co.uk)

## **National accolade for four of the best**

Four public services from Northern Ireland were represented amongst the finalists of the Public Servants of the Year Awards at a glittering Awards Ceremony in the Grosvenor House Hotel in London on 21 April 2005, presented by newsreaders Dermot Murnaghan and Mary Nightingale.

The team from Belbclean were announced as winners of the Education category in recognition of their training and development programmes that

resulted in a 15% increase in productivity. Joanne Blacklock and Ann Thompson from Belbclean also collected the overall Outstanding Team of the Year Award on behalf of Belbclean.

James McCarron, a School Governor in the Holy Child Primary School in the Creggan Estate, won the 'On Board' award, which recognises a non-executive's contribution. Jim has special responsibility for pastoral care at the Holy Child Primary School and has dedicated himself to tackling the many social problems that its families face.



*Mark McBride, CIPFA Northern Ireland Branch, Heather Ogle, Sperrin Lakeland Trust and husband Robert Ogle, Ann Thompson and Joanne Blacklock, Belbclean, Jim McCarron, Holy Child Primary School, David Graham, PSNI Transport Services and Trevor Salmon, National CIPFA Council Member and Vice President of the AAT*

Other nominations from Northern Ireland included:

- David Graham, a chief engineer and head of transport services for PSNI, was nominated for the 'Breaking New Ground' Award, which recognises individuals who have used an imaginative or innovative policy or way of working that has produced significant improvement in organisational, resource or service delivery terms.
- Heather Ogle, a District Nursing sister at Sperrin Lakeland Health and Social Care Trust was nominated for the 'Making a Difference to People' Award in recognition of her innovative work among older patients who suffer from painful leg conditions.

For information about the Public Servants of the Year Awards, contact Helen McDonnell on 0207 543 5872 or via e-mail at [helen.mcdonnell@cipfa.org](mailto:helen.mcdonnell@cipfa.org)

# PHOTOCALL

Below is a selection of photographs from CIPFA Northern Ireland's Presentation Ceremony held on 11 April in Belfast City Hall, and the Annual Luncheon in Belfast Castle on 18 February.



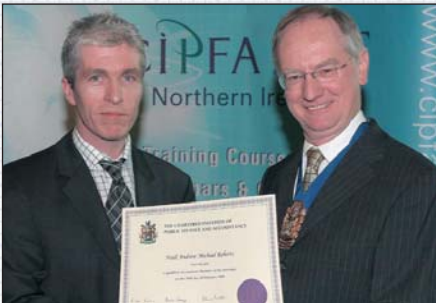
Participants from the Northern Ireland Court Service who completed the Financial Skills Training Programme



Participants from the DVTA who completed the Advanced Professional Certificate in Investigative Practice, with Mike Barnes, CIPFA President and David Wilson, Director, DVTA



Philip McConn who successfully completed the CIPFA Professional Qualification, with his wife Anne



Niall Roberts who successfully completed the CIPFA Professional Qualification is congratulated by Mike Barnes, CIPFA National President



Sharon Brown, (top row, second from right) of CIPFA with the first group of participants who completed the Grants Skills Training Programme



Heather Cousins with Graham Whitehead of BT, keynote speaker at the Annual Luncheon with Ciara Kenny, Director, Brightwater Selection



Kate Sloan, CIPFA Northern Ireland chats to Ciara Kenny, Director, Brightwater Selection who sponsored the Annual Luncheon



CIPFA Northern Ireland members and guests gather for the Annual Luncheon at Belfast Castle



Guests enjoy the company of Wendy Austin at the drinks reception prior to the Annual Luncheon



David Nicholl, Head of CIPFA Northern Ireland with guests Bill Brackenridge, Chairman of the Scottish Ambulance Service (right) and Edgar Jardine

# STAGES, EXCEPTIONS AND TOLERANCES

*Clive Billinness is a Senior Manager with KPMG LLP. He is practitioner-qualified in the use of the Office of Government Commerce's PRINCE Project Management Method. In the latest of a series of articles, Clive considers how to divide up a project into manageable pieces and what to do when things go wrong.*

Shakespeare wrote that "All the World's a Stage", whereas to a Project Manager everything they do is divided into a series of stages. How daunting it can be when the Project Manager and the Project Board sit down for the first time to contemplate the project they must deliver. One way to reduce the rising feeling of panic at the enormity of the work ahead is to partition a project into a series of 'phases'.

In PRINCE terminology, these are referred to as 'Stages', and are marked by 'End Stage Assessments', conducted by the Project Board which then decides how, and if, the project should proceed. Before considering these assessments in more detail, let us consider how to divide a project into stages.

There are two possible ways of dividing up a project into stages, based either around those things which are to be delivered (referred to as the Technical Stages) or key management decision points - perhaps relating to the commitment of resources or expenditure on the project (referred to as Management Stages).

The PRINCE method favours the use of Management Stages, arguing that to centre decision-making around Technical Stages shifts the focus of the project away from delivering user requirements towards the purely technological aspects.

In addition, focusing decision points around technical matters increases the risk that the Project Board will be compelled to make decisions about a

project based primarily on issues which they will find too complex to consider in depth.

Although technical and management stages do frequently coincide, where they do not, PRINCE recommends subdividing the technical stages to fit with the management ones.

There are no hard and fast rules for deciding what constitutes a Stage. The minimum number of Stages for any project is 2: An Initiation Stage to approve plans, budgets and outputs; and a Second Stage which contains the remainder of the project activities.

Given that the purpose of a Stage is to create an opportunity for the exercise of management control over the project by the Board at key moments, in identifying Stages, it is necessary to identify the key decision points where such management control might be required.

Typical key decision points might focus around:

- The approval of major capital expenditure. A Project Board would probably not approve the procurement of a new capital item before holding an end-stage assessment of the tendering process.
- The clarification and review of previously identified major risks to the project - for example, the outcomes of an election which might have a major impact on the policy environment surrounding the implementation of a new service.
- The clarification of a previously unknown or poorly understood part of the project - for example, the time required to develop a brand-new system might only be clearly understood after completion of the first development phase.

In all the above cases, the Project Board need to assess the continuing viability of the project before authorising the next, critical Stage. This point is known as a Stage Boundary, when progress to date is reported, the Business Case is reviewed, Project Risks are re-evaluated, and either plans, deliverables and budgets for the next stage are approved or the project is terminated as being no longer viable.

Monitoring project viability is a continuous process and is based on checking progress and expenditure against plans authorised by the Board at the start of a Project Stage and also assessing risks and issues which either arise or escalate during a Stage.

As soon as a Project is forecast to exceed its authorised timescales and/or budgets, even if it has not actually done so yet, it is in Exception. At this point, the Project Board must be consulted in order to either formulate an Exception Plan to take the Project to the end of that Stage or to terminate it immediately.

The problem with exception planning is that if a budget is forecast to be exceeded by £1 or is forecast to finish 1 day late, then in theory it is in Exception and requires Project Board intervention. This is clearly undesirable, and is remedied by providing the Project Manager with Tolerances.

These are delegated limits by which a project may exceed or under-run its costs or timescales without requiring reference to the Project Board. Typical Project Tolerances during a stage might be  $\pm 10\%$  of the Stage Budget (costs or expected Business Benefits) and  $\pm 1$  or 2 weeks of the Stage Time Plan.

Under-runs are as important as over-runs since early delivery of items of work might have an impact on contractual payments and cost profiles, and cost under-runs in one area may imply either reductions in quality of the deliverables or poor overall cost estimating which might have a negative impact in other areas.

As stated above, when a project is in Exception, the objective is to navigate it to the end of the defined Stage and then pick up and carry on with the rest of the project using the existing stage structure, unless a complete re-planning of the project is required.

To achieve this, the Project Manager will present the Project Board with an Exception Plan, explaining what has happened to bring the project into Exception, what will happen if no action is taken, what options are available to the Project Board together with the Manager's recommendation and the impact of the recommended action(s) on the Project Plan, the Business Case and the Project Risks.

Even an Exception Plan might be capable of containing tolerances, although these might well be somewhat tighter than those allowed in a normal Stage Plan.

To summarise, a Project should be divided up into stages which correspond with major management decision points within it. Each Stage must be completed by an approval by the Project Board to proceed with the next Stage. Before a Stage is authorised, a detailed activity and resource plan should be presented to the Board for approval.

If, during a Stage, time or resources are forecast to deviate from plan by more than a pre-authorised tolerance, then the Project is in Exception and an Exception Plan to take it to the end of the Stage should be authorised - unless complete project re-planning is required or the project is to be terminated early.



*Clive Billenness*

# CIPFA (STUDENT) MEMBER PROFILE

*In this edition of 'The Account', we profile Joy Hadden, Director of Corporate Services in the Rural Development Council, who is also a CIPFA student currently at the final stages of the professional accountancy qualification.*

*Joy has a strong interest in the Institute, being a member of the CIPFA Northern Ireland Branch Committee and also a representative on the National Students' Forum (NSF).*

## **What does the Rural Development Council do?**

The Northern Ireland Rural Development Council (RDC) is an independent organisation operating at a regional level across rural Northern Ireland. The RDC was established in 1991, under the Department of Agriculture's Rural Development Programme, and is presently managed by a 13 member Council comprised of rural community representatives drawn from private sector, local government, ministerial appointees, environmental interests, community banking and the agriculture industry. This voluntary input provides strong corporate governance to a staff team of over 30.

We are involved in the delivery of support services, both financial and practical, to the organisations involving people locally in planning regeneration projects that meet the real needs of rural communities. In addition, we are also involved in gathering and analysing data, research and information from a range of sources, sharing of information and building effective partnerships.

## **What is your background and current job?**

Since graduating with a Business Studies degree from the University of Ulster, my first job was working on a EU-funded LEADER programme before joining the Rural Development Council in 1996 as an

administrative officer dealing with the new Peace 1 Programme. I worked my way up the ladder to become Director of Corporate Services in 2002.

As Director of Corporate Services and a member of the Senior Management Team, I have responsibility for a range of functions including Information Technology, Human Resources, Finance, Audit, Accommodation, Strategic Development and Secretariat to Council.

During this current EU Programme Period, the RDC has responsibility for approximately £1m on running costs and £15m to £20m of grant aid for rural development projects that are wide ranging from local economic projects to local identity projects. As we have been oversubscribed by 20 times the amount of funding available, we have to ensure a rigorous and fair assessment of all funding applications and requests.

## **What are the highs and lows of the job?**

I really enjoy the diversity of what I do, and the challenges that I meet on a daily basis whether it is keeping up with new legislation for personnel development or managing a risk management process within the organisation. No two days are the same and changing priorities can sometimes upset my daily work plans.

My job is fairly structured but within a Corporate Services environment a set of ongoing targets has to be met, which can sometimes add to the pressure. My days are busy and varied but rarely boring!!!

Although accountability is crucial for both EU and public funding, this brings a bureaucracy of processes and documentation. Within the RDC, we have developed a workbook called 'Finance Matters' to help ourselves and other organisations work through the EU accountability system.

'Finance matters' has been very effective as community groups will usually be managing and monitoring finances from more than one source and it is good practice to have clear financial systems for recording when money is received and how it is used. Having such financial systems in place ensures that all activities are fully and accurately accounted for and that the books of accounts and supporting documentation are transparent.

We also provide other resource packs, for example on Community Building covering stages such as the planning, construction and management of a community building; Cultural Heritage to assist community groups develop and plan culture, heritage or local identity projects which meet a real community need; and Environmental Projects to assist groups develop and plan environmental projects.

### ***Why embark on the CIPFA PQ?***

I originally considered embarking on a Masters degree but felt that a professional qualification would give a set of practical skills that are recognised and respected in the job market. Given the financial nature of my job, doing an accountancy qualification makes sense.

I chose the CIPFA qualification for two main reasons. Firstly, the relevance to the public sector appealed; and secondly, the syllabus covers a broad range of skills. Although the course is built around the hardcore accountancy modules, it also ensures you gain skills in important disciplines such as strategy, leadership and audit.

I have found the course very stimulating and at times entertaining. Like any professional qualification, it is hard going and requires dedication and discipline but I do enjoy the opportunity to interact with other students which is an important part of learning.

### ***Why get involved in the wider aspects of the Institute?***

I am the type of person that, if I join an organisation, likes to be as active as possible so I was very interested in the work of the CIPFA Northern Ireland Branch Committee and the National Students' Forum.

I also wanted to raise the profile of students within the Institute. The Institute recognises that we are an important group of members now and in the future and has taken a radical step to support the NSF and provide us with a voice on the ruling Council.

I am currently in discussion with other students about setting up a Student Society in Northern Ireland that will bring learning benefits and also put some structure to the networking opportunities that exist.

### ***What are your leisure interests?***

Although I have a busy job and have to set aside time for studies, it is essential to have a work/life balance. I particularly enjoy travelling. I am hoping, through Business in the Community and Habitat for Humanity, to participate in a Global Village Challenge in Mexico in the Autumn with 15 other females from Northern Ireland to help build two houses. I have recently abseiled down the Europa Hotel to raise funds, which was quite an experience.

I am quite active in our local community as Treasurer of Caledon Regeneration Partnership. The Partnership has secured in the region of £2m to restore many of the main buildings within the village into their former character as a conservation area.

### ***What advice would you give to prospective students?***

I would encourage people who are considering embarking on a professional accountancy qualification to think about it very carefully. You have to plan for 3-5 years ahead depending on the mode of delivery and the pace you move through the modular structure of the course.

You have to be highly motivated because it is not an easy ride - there are many highs and lows. However, with discipline and perseverance, the end will soon be in sight. I find it difficult to believe I'm coming up to the final stage.

I hope that when I qualify as a CIPFA accountant, it will open up many career opportunities both inside and outside the RDC.

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