

# >>> Scottish News

March 2005



CONFERENCE 2005

# CIPFA IN SCOTLAND

## CIPFA in Scotland

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### Disclaimer

The views expressed by the external contributors in this publication are that of the authors and are not necessarily the views of CIPFA.

### Advertising Opportunities

Scottish News reaches a wide audience within the Public Sector. If you would like to advertise a job vacancy, or promote a forthcoming event, please contact Angela Scott at CIPFA in Scotland for further details.

# >>> CIPFA IN SCOTLAND NEWS

Welcome to the first Scottish News of 2005. This year may bring many changes to the Institute as a whole but CIPFA Scotland has already been the subject of a number of positive changes over the previous few months. The team looks forward to the challenge of 2005 with some 'old' faces, some new faces and some reorganised roles and responsibilities.

The CIPFA Scotland Office is now part of the wider Policy & Technical Directorate of the Institute which also includes Northern Ireland and Wales. For the first time, the national offices will report within a common structure, directly to Vernon Soare the Institutes' Policy & Technical Director.

At the beginning of this year responsibility for delivery of training courses in Scotland (other than the professional accountancy qualification) was transferred from IPF, the commercial arm to CIPFA in Scotland. Robert Hogg, who has played a leading role in developing the training business, has transferred from IPF to CIPFA in Scotland.

The East of Scotland CETC was set up in 2004 and the team are co-located in the Edinburgh office.

The transfer of training and the co-location of CETC within the Edinburgh office, will enable the CIPFA group to act as a one stop shop for its members and clients in Scotland. Welcoming the changes, Head of CIPFA in Scotland, Angela Scott, said: *'Our goal is to meet the needs of our members and clients, here in Scotland, by providing a range of products and services which are topical, accessible and affordable. The integration of our business will ensure that we are better placed to meet this goal.'*



Angela Scott

Angela Scott is the first ever Head of CIPFA Scotland and will oversee the strategic direction of all Institute activities in Scotland which, from January 2005, also includes commercial training.

**Direct Line 0131 718 2706**  
**Email [angela.scott@cipfa.org](mailto:angela.scott@cipfa.org)**



Don Peebles

Don Peebles has been appointed Policy and Technical Manager and will be responsible for managing all technical activities of the Institutes work in Scotland, in addition to deputising for Angela.

**Direct Line 0131 718 2713**  
**Email [don.peebles@cipfa.org](mailto:don.peebles@cipfa.org)**



Robert Hogg

Robert Hogg transfers from IPF as Business Development Manager and brings with him a training portfolio which will adjunct with the existing events and conference programme.

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Helen Mackay

Helen Mackay has recently joined CIPFA as Events Manager. Helen is responsible for the delivery of the integrated annual conferences and training programme including the annual Scottish Conference.

**Direct Line 0131 718 2709**  
**Email [helen.mackay@cipfa.org](mailto:helen.mackay@cipfa.org)**



Veronica Ferguson

Veronica Ferguson has been appointed Graphic Designer and is responsible for the design and production of all publications by the Institute in Scotland. Veronica's brief includes the CIPFA in Scotland web site.

**Direct Line 0131 718 2701**  
**Email [veronica.ferguson@cipfa.org](mailto:veronica.ferguson@cipfa.org)**



Thomas Hartley

Thomas Hartley has been appointed as Marketing Officer. Thomas will work closely with Robert Hogg in developing the marketing activities by CIPFA Scotland.

**Direct Line 0131 718 2707**  
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Morag Ferri

Morag Ferri is the point of contact for delegates wishing to book places at conferences and seminars.

**Direct Line 0131 718 2702**  
**Email [morag.ferri@cipfa.org](mailto:morag.ferri@cipfa.org)**



Stewart Macleod

In addition the office has also welcomed CETC staff Stewart Macleod and Vicki Marr. Stewart is Course Director for CETC East Scotland.

**Direct Line 0131 718 2712**  
**Email [stewart.macleod@cetc.org](mailto:stewart.macleod@cetc.org)**



Vicki Marr

Vicki is responsible for all aspects of pre-course and on-course administration for courses run at CETC East Scotland.

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## CIPFA LEARNING CENTRE

CIPFA is developing a web-based Learning Centre to support members in their Continuing Professional Development (CPD) as mandatory participation in the scheme is phased in over a three-year period.

To ensure that the CLC is developed based on your priorities members were asked to complete an online survey regarding the CLC and the type of support most important to you during December 2004. The results of the

survey are now available and can be downloaded from the website at [www.cipfa.org.uk/cpd](http://www.cipfa.org.uk/cpd). CIPFA is developing the technical resources which will cover a range of employment sectors where CIPFA members are employed e.g. health, audit, housing, voluntary sector as well

as local and central government. The management resources are being supplied by Good Practice Ltd and will include topics such as Change Management, Leadership, and Communication.

model of a fully developed CPFA with several years post qualification experience. This model is not specific to one particular role; rather it illustrates the areas of expertise that CPFAs commonly work within.

A copy of the Statement of Expertise is available on the CIPFA website at [www.cipfa.org.uk/members](http://www.cipfa.org.uk/members). The CLC will be launched in June 2005 at the CIPFA Conference. If you are attending the Conference please be sure to visit the CLC Exhibition Stand to explore the resources available.

In the meantime members can access the management resources online via the secure membership area. There is also the facility to record and store your CPD documents in the same area of the secure membership area by visiting [www.cipfa.org.uk/members](http://www.cipfa.org.uk/members)

If you experience any problems registering in the secure area please contact Mary Kim at [mary.kim@cipfa.org](mailto:mary.kim@cipfa.org).

The CIPFA Learning Centre (CLC) will consist of resources to enable members to:

- > Plan, record and reflect their CPD;
- > Develop technical and management knowledge and skills using online materials and resources;
- > Get advice from their CPD Section about their CPD; and
- > Share and discuss their CPD with nominated colleagues.

Both the technical and management resources will be categorised against CIPFA's Statement of Expertise. This Statement, which was developed to underpin the CIPFA qualification, is regularly reviewed and illustrates the collective expertise of CIPFA members. The Statement of Expertise represents a



## CONSOLIDATION - LATEST

The Chartered Institute of Management Accountants (CIMA) Council decided in December that the detailed proposition presented to the Council for the proposed consolidation of the 3 accountancy institutes did not recognise the distinctiveness of CIMA.

Following Council meetings in February a two stage process has been negotiated to help facilitate CIMA while at the same time maintaining a strong forward momentum. Subject to the agreement of their respective Councils in March, Stage One will involve the integration of CIPFA and the ICAEW on detailed terms which will be put to the memberships of both bodies no later than Autumn 2005. A pathfinder prospectus will be published in March/April which will set out the detailed case for integrating the two Institutes.

In tandem CIPFA and the ICAEW will continue to work closely with CIMA with a view to securing agreement from all three Councils on a revised platform on which to bring CIMA on board. Subject to the success of these negotiations, proposals will be put to the memberships of all three bodies as soon as appropriate and no later than 2006.

## TOM SOWERBY AWARD 2005

CIPFA is now inviting nominations for the Tom Sowerby Award 2005. The award honours those who have given outstanding service to CIPFA students, and is presented at the Institute's Annual Conference.

If you have a colleague, tutor or mentor who has shown particular dedication to CIPFA students, why not make a nomination? You can also put a team forward for the award, if you wish.

To make a nomination for the Tom Sowerby Award 2005, go to the dedicated website at [www.cipfa.org.uk/eandt/sowerby.cfm](http://www.cipfa.org.uk/eandt/sowerby.cfm) (If you don't have internet access you can phone Maria Locke on 020 7543 5639 for a print copy of the nomination form). The deadline for nominations is Friday 18 March 2005.



## NEW TEACHING LOCATION FOR CETC EAST SCOTLAND

As from February 2005, the CIPFA Education and Training Centre will be delivering courses for the CIPFA Professional Accountancy Qualification and the Diploma in Public Audit at the University of Edinburgh Pollock Campus.

The campus is ideally located, only a short walk away from Edinburgh's historic Royal Mile, Holyrood Park and the

city's main shopping area. The new location will enable CETC students to benefit from the onsite facilities such as shops, a cafeteria, a bar and the use of the Royal Commonwealth swimming pool.

For further details of the courses available and a map of the location, visit [www.cetc.org.uk](http://www.cetc.org.uk) or telephone 020 7403 4300.



# >>> policy and technical update

### MODIFIED GROUP ACCOUNTS: A PRACTICAL CHECKLIST

Local authority practitioners will currently be preparing for modified group accounts. The December edition of Scottish News notified readers that LASAAC was in the process of finalising practical guidance for use by local authority practitioners. The guidance, issued in December provides a useful overview of the modified SORP requirements and summarises the following requirements for 2004/5 and 2005/6.

YEAR ENDING 31 MARCH 2005		YEAR ENDING 31 MARCH 2006
<b>AUTHORITIES NOT MAKING USE OF THE TRANSITIONAL ARRANGEMENT</b>	<b>AUTHORITIES MAKING USE OF THE TRANSITIONAL ARRANGEMENT</b>	<b>ALL AUTHORITIES</b>
Prepare Group Accounts under the 2004 SORP's modified requirements	Group Accounts should be prepared under requirements of the 2003 SORP (as set out in Appendix G of the 2004 SORP)	Prepare Group Accounts under the 2004 SORP's modified requirements
2003/04 comparative figures are not required	Comparative figures for 2003/04 are required	2004/05 comparative figures prepared under the 2004 SORP's modified Group Accounts requirements are required.
Comparative figures may be included at the authority's discretion but only if: prepared under the modified requirements of the 2004 SORP; or, where originally prepared under the 2003 SORP's requirements, they have been reviewed and found to be the same as, or not significantly different from, comparatives prepared under the Modified Group Accounts requirements of the 2004 SORP.		

Transitional arrangements for 2004/5 are a feature of the modified requirements, the use of which would enable local authorities to prepare group accounts on the basis set out in the 2003 SORP. The guidance also summarises the role of the Chief Financial Officer and sets out a practical checklist to aid practitioners.

The guidance can be downloaded at <http://www.cipfa.org.uk/scotland/lasaac/developments.cfm>.

CIPFA has built upon the work of LASAAC by issuing a Local Authority Accounting Panel Bulletin (LAAP Bulletin 61) on modified group accounts. Further details of the LAAP Bulletin, which is aimed at all SORP reporting bodies in the UK is contained at page 6. The Bulletin will also be of interest to practitioners in Scotland.



## >>> policy and technical update

### ANNUAL FINANCIAL STATEMENTS 2004/5

Local authorities will shortly be commencing project preparation for compilation of the annual financial statements ('the final accounts') for 2004/5. The SORP changes, from 2003 and which are applicable to Scotland, are briefly summarised here:

- > The Fixed Asset Restatement Reserve (FARR) and Capital Financing Reserve (CFR) have been renamed to Fixed Asset Restatement Account and Capital Financing Account respectively;
- > The definition of non-operational and operational assets have been redefined to clarify that if an asset is being used in pursuit of the strategy or service objectives of the authority then it should be categorised as an operational asset and to set out clearly the criteria an asset must meet to be classified as an investment property;
- > the definition and measurement of finance leases in line with SSAP 21 *Accounting for Leases and Hire Purchase Contracts* and FRS 5 *Reporting the Substance of Transactions* have been strengthened. The SORP provisions now highlight that where hire purchase contracts bear the characteristics of an operating or finance lease they should be accounted for in the same way as these leases. The full disclosure requirements of SSAP 21 are now required and explicit requirements for local authorities acting as lessors have been added;
- > The current provisions of the SORP relating to Deferred Charges have been updated to ensure consistency with FRS 18 *Accounting Policies*. The 2003 SORP refers to the amortisation of Deferred Charges in a 'prudent manner'. 'Deferred charges' has been deleted as a heading from the Balance Sheet because any unamortised deferred charges properly carried in the balance sheet must correspond to a recognised asset category;
- > Intangible Assets has been added as a heading to the Balance Sheet as well as a supporting note to the accounts to reflect the fact that many local authorities have purchased software licences, which under UK GAAP can be recognised as an intangible assets; and a few local authorities may have other assets that can be recognised as intangible assets under UK GAAP;
- > The Discount Rate for Defined Benefit Pension Scheme Liabilities has been changed from a rate determined each year by the Government Actuaries Department the 'AA Corporate Bond Rate';
- > Disclosures under FRS 13 *Derivatives and Other Financial Instruments* are required by local authorities that have issued capital instruments that are listed or publicly traded; and
- > The content and format of the Housing Revenue Account has been amended to reflect the impact of accounting for retirement benefits in accordance with FRS 17.

Practitioners should consider the summary in relation to the requirements of the SORP as a whole and should not rely on this summary as being wholly exhaustive.

## >>> policy and technical update

### LOCAL AUTHORITY ACCOUNTING

The Panel has issued LAAP Bulletin 61. The Bulletin builds upon the LASAAC guidance on modified group accounts and describes for the benefit of all authorities in the UK, the background to modified group accounts and an indication of what needs to be done by practitioners. The Bulletin can be downloaded at:

[http://www.cipfa.org.uk/pt/pt\\_details\\_l.cfm?news\\_id=22385](http://www.cipfa.org.uk/pt/pt_details_l.cfm?news_id=22385)

Further assistance from CIPFA with modified group accounts is available in the publication Group Accounts in Local Authorities: Practitioners Workbook. The publication incorporates a 'route map' which tracks the process from the identification of interests that a local authority has to the publication of the annual financial statements. The boundary of the authority's group and the classification of its interests is also addressed as is the detail of the mechanics of consolidation for subsidiaries, associates and joint ventures.

This publication can be purchased from the CIPFA Shop at <http://secure.cipfa.org.uk/cgi-bin/CIPFA.storefront/EN/Catalog/1018>

### THE GOOD GOVERNANCE STANDARD FOR PUBLIC SERVICES

This new public services wide Standard was published by CIPFA in January. The Standard is intended to assist with the understanding and application of common principles of good governance in all public services. The standard is aimed at all public bodies and those bodies outwith the public sector but which spend public money. The standard identifies the following six common principles:

- focusing on the organisation's purpose and outcomes for citizens and service users;
- performing effectively in clearly defined functions and roles;
- promoting values for the whole organisation and demonstrating the values of good governance through behaviour;
- taking informed, transparent decisions and managing risk;
- developing the capacity and capability of the governing body to be effective; and
- engaging stakeholders and making accountability real.

The Standard is not intended to duplicate any codes of corporate governance or guidance which may already exist. The new Standard will however inform the update and/or review of existing codes and guidance.

The standard is available for download on the CIPFA website at [http://www.cipfa.org.uk/pt/download/governance\\_standard.pdf](http://www.cipfa.org.uk/pt/download/governance_standard.pdf)

### ADVANCING SUSTAINABILITY ACCOUNTING AND REPORTING: AN AGENDA FOR PUBLIC SERVICE ORGANISATIONS A DISCUSSION PAPER

CIPFA has set a challenge to the wider public services by commencing discussion on the subject of sustainability. This discussion paper recognises that the reporting on sustainability is an emerging area and that key questions require to be addressed including how reporting should be developed.

Sustainability is generally recognised as being the ability of one generation to meet its resource needs without compromising the ability of future generations. Consequently, sustainability accounting and reporting, for the purpose of the discussion paper, is defined as: A public account of an organisation's sustainability performance achieved through a combination of:

- leadership;
- strategic partnering;
- stakeholder engagement;
- policy outcomes; and
- the management of the organisation's impacts on the local environment, social well-being and economic prosperity.

The paper closes by considering the requirement for a common framework of reporting for public services. The discussion paper can be downloaded at:

[http://www.cipfa.org.uk/pt/sustainability/discussion\\_paper.pdf](http://www.cipfa.org.uk/pt/sustainability/discussion_paper.pdf)

Comments on the paper can be submitted to CIPFA, 3 Robert Street, London WC2N 6RL or direct to Vernon Soare at [vernon.soare@cipfa.org](mailto:vernon.soare@cipfa.org)

### FRS 17

The introduction and application of this accounting standard continues to generate much debate amongst practitioners and lay users of financial statements. The standard is a complex one but based on simple principles. To enable practitioners to explain more readily and easily the impact of the standard to lay people and elected members, CIPFA has prepared a short briefing note on FRS 17. The statement can be downloaded at [http://www.cipfa.org.uk/panels/pensions/FRS17\\_explanation.doc](http://www.cipfa.org.uk/panels/pensions/FRS17_explanation.doc)

The briefing note may be of particular use in explaining 'pension fund deficits' to elected members, service managers and any interested external stakeholders.

## >>> policy and technical update

### FINANCIAL REPORTING STANDARDS

The Accounting Standards Board issued the following six standards in December 2004 which is a further stage in the alignment of UK accounting standards with international financial reporting standards:

- > FRS 22 Earnings per Share;
- > FRS 23 The effects of Changes in Foreign Exchange Rates;
- > FRS 24 Financial Reporting in Hyperinflationary Economies;
- > FRS 25 Financial Instruments: Disclosure and Presentation;
- > FRS 26 Financial Instruments: Measurement; and
- > FRS 2 Amendment - Accounting for Subsidiary Undertakings: Legal Changes

Further details of each of these standards are available at <http://www.frc.org.uk/asb> however FRs 25 is briefly considered below.

### FRS 25 – FINANCIAL INSTRUMENTS: DISCLOSURE AND PRESENTATION

This standard, which is applicable to accounting periods beginning on or after 1 January 2005 effectively implements International Accounting Standard 32 and the measurement and hedge accounting provisions of IAS 39. A further key effect however is that FRS 25 effectively withdraws FRS 4 Capital Instruments with the exception of the material on measurement of debt and gains and losses on the repurchase of debt.

### OPERATING AND FINANCIAL REVIEW EXPOSURE DRAFT

The ASB has issued an exposure draft on Operating and Financial Review to build on the existing statement originally issued in 1993. The objective of the standard is to specify the requirements of the OFR which are that there should be a balanced and comprehensive analysis of:

- > The development and performance of the business of the entity during the financial year;
- > The position of the entity at the end of the year; and
- > The main trends, factors underlying the development and performance of the entity during the year and which are likely to affect future value.

The standard also sets out seven principle which the OFR should be, summarised as follows;

- > business analysis through the eyes of directors;
- > a focus on matters relevant to investors interests;
- > forward looking orientation;
- > complementary as well as supplementary to the financial statements;
- > comprehensive and understandable;
- > balanced and neutral; and
- > comparable over time.



## >>> policy and technical update

### The Local Government Finance Review Committee has published a consultation paper entitled, **Local Taxation in Scotland – A Consultation by the Local Government Finance Review Committee.**

The consultation sets out the remit of the committee which is to review the different forms of taxation, including reform of the council tax, against criteria set by the Executive, to identify the pros and cons of implementing any changes to the local taxation system in Scotland. Included in this will be an identification of the practicalities and implications for local government finance overall and any wider economic impact.

The consultation paper sets out the following systems to be examined:

- > Council Tax (current and reformed);
- > Local Income Tax (locally and nationally set);
- > Land Value Tax;
- > Options for local business taxation; and
- > Any other appropriate models.

The following issues will be examined as part of the review for each system:

- > Effect on the economy/economic growth;
- > Ability to pay/fairness
- > Ease of avoidance/collectability
- > Stability/predictability

- > The relationship to the Benefits system
- > Balance of Funding
- > Buoyancy
- > Accountability
- > The cost of collection
- > Who collects the tax
- > Shift to a new system: timing and transitional arrangements

The consultation paper itself provides no options at this stage but, rather, invites responses to a number of questions within the following areas:

- > Core issues
- > Accountability and balance of funding
- > Property based options, council tax
- > Other property based options]
- > Non property based options
- > Options for business taxation
- > Any other or related issues.

Responses to the consultation paper are required by 16th March. CIPFA will be providing comments to the Committee and details of CIPFA's comments will be reported in later editions of Scottish News.

Further information on the review can be obtained at

[www.localgovernmentfinancereview.org](http://www.localgovernmentfinancereview.org)



# SOCIAL HOUSING

## >>> policy and technical update

### CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) BILL

The draft Bill has been going through the Committee stage of the Scottish Parliament recently, taking evidence from a wide range of contributors, including one Housing Association. The UK Charities Bill is primarily a piece of legislation for England and Wales, but there are some elements that relate to Scotland, notably the section that deals with 'trading activities'.

### RIGHT TO BUY

FHA is actively continuing to argue for the abolition of the Right to Buy for new tenancies. This issue has received significant press coverage recently and although it was already known that the Executive would be reviewing RTB by September 2006, it is perhaps significant that the Communities Minister has made public references to abolition of the Right to Buy for new tenancies being one of the options which will be considered as part of the review. SFHA understands that the review will be largely carried out in 2005, due for completion in early 2006 and subsequent consultation and consideration by the Parliament. Primary legislation would be needed to effect the abolition of Right to Buy for new tenancies.

### SUPPORTING PEOPLE FUNDING

The Scottish Executive announced revised Supporting People funding allocations for local authorities in December, which demonstrated a slowing down of the pace of the move towards the new distribution formula, following strong lobbying. No council will therefore receive a cut of more than 7.5% next year and 18% over the next three years. Whilst welcoming the reduced cuts, SFHA were still disappointed that the timescale for introducing major changes to the funding allocation had not been altered.

### SECTION 66 CONSENTS

Housing Associations will be aware that Communities Scotland have recently issued a consultation paper on changes to the way in which Section 66 (formerly section 9) consent is applied for.

The significant proposals include the fact that "Specific Consent" will no longer be required for leases and all private finance Standards Securities will now require "Specific Consent". The closing date for any comments to Communities Scotland was 23 February 2005.



# INVESTING IN SUCCESS

## A SCOTLAND WHERE EVERYONE COUNTS

### CIPFA IN SCOTLAND ANNUAL CONFERENCE 2005

The CIPFA in Scotland Annual Conference will be held at the Glasgow Hilton Hotel, William St, on 10 and 11 March 2005. The conference, titled Investing in Success: A Scotland Where Everyone Counts, aims to build on last years success.

Day one will centre on a number of panel sessions, which will comprise of a cross section of representatives from throughout the public services who will each present their view on the discussion topic. This will be followed by a chaired debate, which delegates will have the opportunity to engage in. Discussion topics include Efficient Government, Inspection, the Improvement Agenda and the Local Government Finance Review.

Day two will focus on a series of workshops, allowing delegates to tailor the conference to their own interests. Workshop topics include change management; shared services; outsourcing

projects; P11D Dispensations; Sustainable Investment; Overlay Strategies and Internal Audit Partnerships.

The workshop programme is open to everyone, not just leaders in the public services. At only £130 for day two, it offers excellent value to attend two workshops and to hear plenary addresses from Adam Chester, Chief Economist/Head of Research, HBOS Treasury Services and Tom McCabe, Scottish Minister for Finance and Public Service Reform.

The entire conference experience offers a unique opportunity in Scotland to network and share experiences with members of the public service community.

Further information on the conference can be found via the CIPFA in Scotland website at [www.cipfascotland.org.uk](http://www.cipfascotland.org.uk) or by telephone: 0131 220 4316.

# TRAINING COURSES

## MANAGEMENT TRAINING

Some places are still available on our management training courses in Glasgow:

Friday 18th March 2005  
PLANNING FOR EFFICIENCY

Friday 1st April 2005  
MANAGING INDIVIDUALS

Friday 22nd April 2005  
MANAGING BY BUDGETS

Monday 9th May 2005  
MANAGING CHANGE

Friday 20th May 2005  
DEVELOPING AND MANAGING TEAMS

Friday 3rd June 2005  
GATHERING INFORMATION

Monday 20th June 2005  
MANAGING QUALITY

## BEST PRACTICE IN PROCUREMENT

In response to demand, we have arranged a series of highly practical training courses to be held in Edinburgh on various aspects of procurement in public services.

These courses can be taken individually or as a series and comprise:

Wednesday 16th March 2005  
PROCUREMENT ESSENTIALS

Wednesday 27th April 2005  
NEGOTIATING SKILLS

Monday 16th May 2005  
TENDERING AND TENDER EVALUATION

Monday 13th June 2005  
MANAGING AND MONITORING CONTRACTS

Monday 27th June 2005  
SERVICE LEVEL AGREEMENTS

ONLINE BROCHURES ARE AVAILABLE FOR A NUMBER OF OUR TRAINING COURSES, YOU CAN DOWNLOAD THEM AT [HTTP://WWW.CIPFSCOTLAND.ORG.UK](http://www.cipfscotland.org.uk)



# EVENTS Spotlight

For full programme details and  
to book online visit

<http://www.cipfa.org.uk/scotland/events.cfm>

## ANNUAL AUDIT, INSPECTION & REGULATION SEMINAR

2 MAY 2005  
APEX INTERNATIONAL, EDINBURGH

### AUDIT & INSPECTION – TOO MUCH?

The opening address will explore and identify opportunities to ensure that the critical mass of audit resource is utilised in full.

### MODERNISING THE AUDIT

Audit Scotland will explain the steps taken to modernise the Audit Approach while giving an insight into the results so far.

### THE REVISED INTERNAL AUDIT MANUAL

With the revised publication of the CIPFA Internal Audit Manual, a representative from the CIPFA Audit Panel will describe its key changes

### NEW ETHICAL STANDARDS FOR AUDITORS

The APB will summarise the five new ethical standards for auditors and explain its impact on public sector auditors/clients.

## MANAGING UNDER PRESSURE

29 APRIL 2005  
THISTLE HOTEL, GLASGOW

Pressure is a characteristic of work that almost all of us experience. Arguably, if there were little pressure to get things done, not a lot would get done. However too much pressure can be detrimental to both the individual and the organisation.

In an effort to reduce pressure on managers and staff, many organisations are now monitoring stress levels, introducing related risk assessments and considering measures to improve work-life balance. Managers are also looking at ways to reduce pressure, by considering alternative ways to manage workloads and solve problems.

This seminar looks at how we can manage under pressure by taking practical steps to avoid stress, organise work and solve problems.

## LOCAL GOVERNMENT PRACTITIONERS TECHNICAL UPDATE

24 MARCH 2005  
APEX INTERNATIONAL, EDINBURGH

### ANTI MONEY LAUNDERING LEGISLATION

David Dunkerley, Sector Treasury Services

This session will give background to the legislation and will identify issues for local authorities and local authority accountants.

### 2004 SORP

Steve Crichton, Head of Accounting & Budgeting,  
Glasgow City Council

Summarizing the changes to the 2004 SORP, the practical issues for local authority accountants will be explained, with a specific part of the session devoted to group accounts.

### CLOSING 2004/05 ACCOUNTS

With the 2004/05 accounts closure approaching, delegates will have the opportunity to listen to:

> **THE AUDIT SCOTLAND PERSPECTIVE**

Paul O'Brien, Senior Manager, Audit Scotland

- An indication in advance of the 2004/5 accounts closure process on what areas auditors will be focusing attention upon.

> **SURVIVING GROUP ACCOUNTS!**

Robert Gibson, Accounting Team Leader, Fife Council

- An overview of the overall 2004/5 closure project
- An indication of how the modified group accounts arrangements has been addressed in practical terms by a local authority

### TRADING ACCOUNTS

Gavin Stevenson, Director of Audit Services – Local Government, Audit Scotland

- A reflection on the key issues identified by auditors from the 2003/4 audit process
- What lessons can be learned for 2004/5

### WHOLE OF GOVERNMENT ACCOUNTS (WGA)

Alison Douglas, Scottish Executive

With WGA currently in its 'dry-run' period, this session will highlight the likely impact on local authorities and any future information requirements.

# LETTER FROM BANGLADESH

The road from Dundee to Dhaka in Bangladesh is an unlikely one, but that's just the route that CIPFA member Mark O'Donnell has taken. Mark and his family now live and work in Dhaka and in this article he gives an insight into the life of a CIPFA member abroad.

You may have seen in the CIPFA members statistics that a number of members work overseas. It had always intrigued me. Where do they work? What do they actually do out there? For a number of years, from before qualifying, I had been ambitious to work overseas at some point in my life. Combine the intrigue and the goal with the possibilities that a CIPFA member has and that's what set me on the route to Dhaka. That, and responding to an advert on the Internet looking to recruit CIPFA members with a public sector background.

The advert was on the website of the company I now work for in Bangladesh, HELM, a Consultancy firm from Northern Ireland who have worked in 37 countries worldwide. There are a few CIPFA members working for HELM, including Mike Frazer, our International Director and one of the founders of HELM. This made the seemingly improbable move to International Consultancy from a Scottish Local Authority more feasible. I had seen the statistics, I had always wanted to go overseas, and here were CIPFA members who already made the move, what else was there to do? Next stop Dhaka.

We work in a project called the Financial Management Reform

Programme (FMRP), which is an International Development project jointly funded by the UK Department for International Development (DFID) and the Royal Netherlands Embassy (RNE). The aims of FMRP are to improve the quality of Financial Management in the Government of Bangladesh. Sound Financial Management and Governance in the public sector is seen as a key aspect of country development. CIPFA members, with their specialist public sector training and background, are ideally suited to this role.

The project covers all aspects of public sector financial management including developing external audit capacity, internal audit capacity; IT based accounting systems implementation, improving internal control, development of financial and management accounting systems, development of long term budgeting frameworks and developing financial scrutiny mechanisms at the highest level of government. Tasks such as bank reconciliation, designing audit programmes, writing accounting manuals and reviewing the work of local professionals in audit and accountancy are part of the remit.

Training and staff development are significant elements of FMRP. For example, thirty-two new recruits to the



Controller General of Accounts in Bangladesh recently commenced a two-week induction course, which covers the main areas of knowledge needed to carry out their work tasks. This includes training on the Government's coding classification, Government business rules, payment of bills, budget preparation processes, and the compilation of accounts. National and International Consultants working in FMRP developed some of the course material.

An interesting aspect of the work is the relationship building with local Government Officers. Adjusting and adapting your own ideas to what can be achieved in a different environment is one of the fascinating challenges in Bangladesh. To gain the trust of Government Officers is a vital part of this process of change.

The skills I find I use most are non-technical. Project management, planning and people skills are needed

to pass on financial skills to the Government of Bangladesh. I think this is a benefit of the CIPFA background – there is an emphasis on wider management skills as well as accountancy. It is enormously valuable here.



Mark at the Financial Management Reform Programme

There are also some interesting environmental challenges in the workplace in Dhaka. Well-developed IT systems are not widespread, for example. This presents a good oppor-

tunity to develop your creative thinking skills, how goals might be achieved with limited resources and limiting factors. This is a skill worth developing for any CIPFA member in any position and is career experience that can be taken to any country in the world.

Also, there are the endlessly fascinating challenges of adapting to a different way of life away from work. A new way to tackle shopping and getting around, a new house, great food, new schools for the family, new experiences on a daily basis, in fact. This part of working overseas contributes to a rounded experience.

In summary, working overseas is a worthwhile way to step out of your *comfort zone*. I came to Dhaka with a view that I would be presented with new challenges and something different. I wasn't disappointed. The interest and the challenges are there to be met and dealt with every day, at home as well as at work.

A number of resources highlighting CIPFA's international work are also available on the website including relevant CIPFA publications, papers and presentations produced by CIPFA staff, and useful website links to other international organisations.