

# >>> Scottish News

May 2005



# CLASS OF 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.

## CLASS OF 2005



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## NEW CIPFA IN SCOTLAND EXECUTIVE COMMITTEE OFFICE BEARERS

*Derek Yule, Karen Mitchell, Lynn Bradley, Sandra Black, Lynn Brown and Marc Mazzucco*

The CIPFA in Scotland AGM was held on Thursday 19 May in Glasgow. At this meeting, members approved the new office bearers for 2005/6 as follows:

### CHAIR

**SANDRA BLACK, RENFREWSHIRE COUNCIL**

### SENIOR VICE CHAIR

**LYNN BRADLEY, AUDIT SCOTLAND**

### JUNIOR VICE CHAIR

**MARC MAZZUCCO, PRICEWATERHOUSECOOPERS**

### PAST CHAIR

**LYNN BROWN, GLASGOW CITY COUNCIL**

### HON TREASURER

**KAREN MITCHELL, EAST DUNBARTONSHIRE COUNCIL**

### HON SECRETARY

**DEREK YULE, ABERDEENSHIRE COUNCIL**

### REPRESENTATIVE TO SERVE ON INSTITUTE COUNCIL

**SANDRA BLACK, RENFREWSHIRE COUNCIL**

### HONORARY AUDITOR

**MICHAEL BOYLE, STIRLING COUNCIL**

## ON THE MOVE

CIPFA Scottish members have been successful recently in gaining senior positions in local government.

Carolyn Williamson, Director of Corporate Services at Inverclyde Council and Chair of LASAAC has been appointed Executive Director of Resources at Southampton City Council.

Sandra Black, Chair of CIPFA in Scotland has been appointed Director of Finance at Renfrewshire Council. Sandra, who presently is the Head of Professional Services at Renfrewshire Council takes over from Bill Hughes the present Director of Finance who will retire in July. Bill is a past Chair of the Directors of Finance Section and is a member of LASAAC.

We wish them all well in the future.

## STANDARD OF PROFESSIONAL PRACTICE (SOPP) FOR CPD

With the introduction of mandatory participation in the CPD scheme beginning in January this year on a phased basis CIPFA is implementing a Standard of Professional Practice (SoPP) for Continuing Professional Development to ensure compliance with the CPD scheme. The proposed SoPP for CPD outlines how the introduction of mandatory participation in the CPD scheme will affect members as their mandatory phase is implemented. The views of CIPFA members are being sought before the SoPP is implemented by Council later this year. The consultation period has been running since the beginning of May and will continue until the end of June 2005.

The proposed SoPP for CPD is available to download from the CIPFA website at [www.cipfa.org.uk/cpd](http://www.cipfa.org.uk/cpd). There is also an opportunity to share your views via the website or you may prefer to post them to:

CPD Section  
CIPFA  
3 Robert Street  
London  
WC2N 6RL

If you are unable to access the SoPP for CPD from the website and would prefer to receive a paper copy please contact the CPD Section on 020 7543 5668 and we will be happy to post a copy to you.



## EARN CPD CREDITS WITH TISONLINE

The Technical Information Service is looking for enthusiastic finance practitioners from Scotland to contribute to a number of their online titles.

The following editorial boards currently have vacancies:

- > Transport
- > Education
- > Social Services
- > Health
- > Planning

All these boards are looking for representatives from Scotland to ensure that their content is both comprehensive and relevant to Scottish finance practitioners. In most cases, contributors would be required to review the current information, making additions for Scotland where required.

Contributions can be on a one-off basis, or as a full member of the editorial board. Most boards meet three times a year, and there is an online meeting area on TISonline for contact between meetings (or for those unable to travel). Membership of the editorial boards provide contributors with a network of fellow practitioners, and a chance to have research work published. Attendance at meetings and all contributions qualify for CPD credits, so membership is an excellent way to develop your personal and professional skills.

If you are interested in contributing or would like more information, please contact Sarah Ellison on 020 7340 1203 or by email at [sarah.ellison@cipf.co.uk](mailto:sarah.ellison@cipf.co.uk). Information is also available in the eXchange area on [www.tisonline.net](http://www.tisonline.net).

## CIPFA LEARNING CENTRE

The CIPFA Learning Centre has recently been subjected to rigorous testing from members to ensure that it is meeting members' needs.

Thank you to those members that volunteered to take part in the testing process. Your comments and feedback are now being reviewed by the project team and changes to the design and content will take place prior to the launch at the CIPFA Conference next month in Manchester.

The CIPFA Learning Centre will be available to all CIPFA members from June as an additional benefit to support members in their CPD. The CLC provide a one-stop facility to:

- > Register and declare your participation in the scheme;
- > Review, plan, undertake, record and reflect on your CPD;
- > Access CIPFA, IPF as well as other technical and management authoritative advice and guidance; and
- > Share your CPD plan and take part in e-discussions on key issues with other CIPFA members.

One feature of the CLC is that you are not required to use all of the facilities in a particular order; instead each area can be accessed independently so you can dip in and out the centre as you please. Access the CIPFA Learning Centre by visiting <http://learning.cipfa.org>.

General areas of the CLC are not password protected and may be accessed by those with an interest in CPD. The support tool that enables members to plan, record, undertake and reflect on your CPD is password protected and only accessible to CIPFA members.

When registering for the first time you are advised to use your employer email address as your username as this will enable you to access any IPF products or services that your employer may subscribe to. A CLC Workshop is an ideal

way for members to find out how the CLC can support you in your CPD and is available free of charge to CIPFA employers and Regions. If your employer or Region is interested in hosting a CLC Workshop please contact Eileen Cummins, CPD Manager on 020 7543 5668 or email [clc@cipfa.org](mailto:clc@cipfa.org).

### EMPLOYER ACCREDITATION

Many employers have introduced or are in the process of introducing an employee development scheme. CIPFA recognises the similarities between these schemes and its own CPD scheme in that employer schemes usually provide the opportunity to:

- > Identify learning needs;
- > Identify learning activities;
- > Develop technical and management knowledge and skills; and
- > Evaluate the outcomes of completing the learning activities.

Where an employer does operate an employee development scheme CIPFA is pleased to accredit this for CPD purposes. This means that CIPFA members will not have to complete the CIPFA CPD scheme paperwork, instead if asked to share your CPD documentation the paperwork from your employer scheme will be accepted in its place.

If your scheme is not accredited for CPD purposes please send a copy of the employer scheme, preferably by email, to Carla Rockson at [carla.rockson@cipfa.org](mailto:carla.rockson@cipfa.org) or telephone on 020 7543 5706.

Once your employer's scheme has been accredited, CIPFA members should register with the CPD scheme if you have not already done so and then declare participation in the scheme annually.

#### Further information

If you have any queries regarding the SoPP for CPD or about the CPD scheme in general please contact the CPD section on 020 5743 5668 or email [cpd@cipfa.org](mailto:cpd@cipfa.org)



## >>> policy and technical update

### 2005 CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING IN THE UNITED KINGDOM – A STATEMENT OF RECOMMENDED PRACTICE – PROPOSED CHANGES



In advance of the CIPFA/LASAAC meeting the Committee at its March meeting heard the feedback from consultation on the proposed changes to the 2005 statement of recommended practice (the SORP). The proposed areas of amendment were confirmed as being:

- > Pension Fund Disclosures;
- > Statement on System Internal Financial Control;
- > Events after the Balance Sheet Date;
- > SSAP 9;
- > Dividend Income; and
- > BID's.

The consultation process also requested views on notional interest. It was reported that 75% of respondents were in favour of the removal of notional interest from the SORP. In progressing towards elimination there will necessarily be debate on the relationship between BVACOP, pricing for services and trading operations.

# FRS 17

## POLICE COMMUTATIONS

The Committee, at its March meeting, also considered a paper which discussed the treatment of police commutations. Historically, full provision (under FRS 12) was made for commuted pension payments. FRS 17 however incorporates the commuted sum into the liability which, effectively results in duplicate accounting treatment for this element.

While the accounting treatment could be easily resolved an identified tension between accounting treatment and the restrictions on sums carried forward was discussed. The committee heard from Audit Scotland that application of FRS 17 followed by a breach in carry forward limits could result in the insertion of an explanatory paragraph on an audit certificate.

The Committee agreed that the matter required to be resolved prior to 30th June 2005. Consequently, after liaison with Audit Scotland and the Scottish Executive, a paper was produced which set out a solution. The paper in summary, sets out the following:

- > that FRS 17 should be applied as per the terms of the SORP. For specific guidance on accounting entries, reference should be made to LAAP Bulletin 56;

- > that the forward cash impact of commuted sums should be accounted for by 'earmarking' part of the funding surplus; and
- > that the relevant surplus when identifying 'money carried forward' (contributions in the case of fire boards) in order to measure performance against the prescribed carry forward amounts, is that which excludes the earmarked portion of the surplus for commuted sums.

This proposed accounting treatment, in the opinion of LASAAC, allows the proper application of the terms of the SORP whilst maintaining the integrity of the application of legislation. The paper was widely circulated in April and can be accessed on the LASAAC website at <http://www.cipfa.org.uk/scotland/lasaaac/developments.cfm>



## >>> policy and technical update



# CAPITAL REFORM IMPLEMENTATION GROUP

The Capital Reform Implementation Group is the working group led by the Scottish Executive which overseen the introduction of the prudential framework and other proposed amendments to capital and investment finance. The group includes representation from CoSLA, SOLACE and CIPFA.

The Committee, at its March meeting heard an update from the last meeting of the group.

The Scottish Executive proposed that a consultant may be appointed to take forward the modernised investment regulations with a view to a target date of summer 2005. This proposed date was however heavily caveated. There was doubt on the part of the Executive as to whether any change to primary legislation was required.

HM Treasury had confirmed formally that there would be no limits applied to capital expenditure for 2005/6 but

expected the Scottish Executive to develop methodology in the event of such a measure being required. The CIPFA Directors of Finance Section which had initially expected to prepare methodology had ultimately formally declined to assist in the development of methodology. Both the ODPM and Welsh National Assembly had either developed methodology or were in the process of doing so. The Scottish Executive has now proposed to contact both bodies to assess where their work may inform the requirements in Scotland.

## WHOLE OF GOVERNMENT ACCOUNTS (WGA)

Formal papers are expected to be issued shortly to all local authorities in Scotland which sets out the information required from local authorities to comply with whole of government accounts. The information requirements will be accompanied by a set of extensive guidance notes. There may be opportunity to test the information requirement on 'live' data at a local authority in Scotland prior to general release. CIPFA will be running a WGA seminar in September. Full details will be released via the CIPFA in Scotland website shortly.

## FRS 17 AA CORPORATE BOND RATE

There has been debate on the impact of the change from use of the GAD rate to the AA Corporate Bond rate with effect from April 2004. The change to the AA corporate bond rate affects all components of pension costs in the year in which the change was made (2004/5).

The change in discount rate results in a difference between the pensions liability at 31 March 2004 and 1 April 2004. This difference should be treated as an actuarial loss and accounted for on the balance sheet. In 2004/5 the current service cost is discounted by application of the AA corporate bond rate.

## &gt;&gt;&gt; policy and technical update

## LOCAL GOVERNMENT FINANCE REVIEW

The previous edition of Scottish News reported that The Local Government Finance Review Committee had published a consultation paper entitled, Local Taxation in Scotland – A Consultation by the Local Government Finance Review Committee. CIPFA has now submitted comments to the Committee. The comments, which have gained significant prominence in the national media, focused upon property based taxation, non domestic rates and the balance of funding and local income tax.

CIPFA supports a form of progressive property taxation as the basis of local authority funding in Scotland. Based on consideration of cost of collection, collectability and predictability, a reformed Council Tax subject to corrective action on the gearing effect may represent the most appropriate basis.

CIPFA considers that Non-Domestic Rates should be returned to the formal control of local authorities. The aim of this should be to work towards a balance of funding of which more than one half is within local authority control.

CIPFA has carried out significant research into models of local income tax and would consider to be in a position where the benefit of that expertise can be provided to the Committee. Notably, expertise as opposed to advocacy of any model of local income tax is offered in these comments although it's introduction in the UK may be a realistic option. In Scotland, it is unlikely that any serious examination into local income tax or any variant thereof, could take place without having due regard to the impact of the 3p tax varying powers of the Scottish Parliament.

Local authorities are in receipt of approximately £8B aggregate external financing from the Scottish Executive. This paper identified that this represents some 80% of external financing required by local authorities. In summary and in reality the funding of local authorities is to large extent directly dependent, inter alia, upon the financial management practices within the Scottish Executive.

CIPFA also drew attention to an observation by the Institute that in recent years, a practice has developed which has resulted in additional monies being regularly provided to local authorities during a financial year with an expectation, usually an express requirement, that the additional monies

fund expenditure for the financial year in which the additional monies have been disbursed. A further characteristic of this practice is that the additional monies may be disbursed at a late stage in the financial year.

CIPFA commented that a number of reasons, many of them valid, will be behind the apparent late disbursement of funding. There is however an impact upon both the Scottish Executive and local authorities as a consequence of this practice. Late disbursement of funding may restrict the ability of both the Scottish Executive and local authorities to demonstrate that best value has been achieved and timing alone may drive a spending decision based on the requirement to disburse and therefore spend within a prescribed period of time. Where time pressure, rather than the legislative requirement to achieve best value becomes a key driver for public expenditure then that public expenditure, while achieving policy intention, may be difficult to justify in terms of best value.

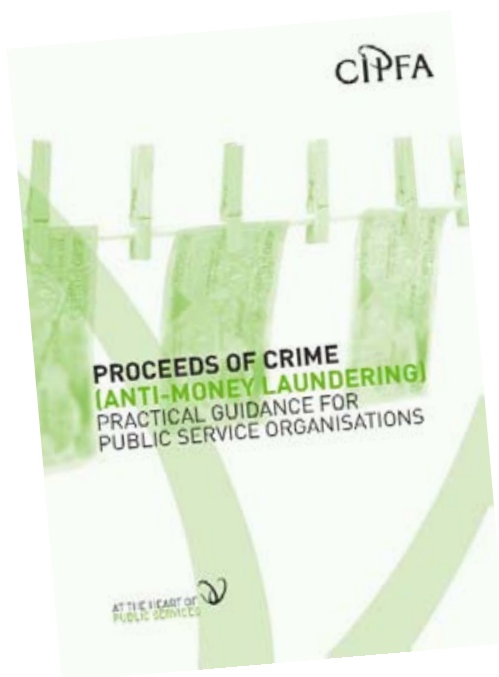
CIPFA considers that this matter is entirely appropriate to be considered as part of this review given the clear inter-relationship between the Executive and local authorities. While CIPFA has formed no formal conclusion on this practice, clearly to enable taxation monies to be properly spent locally in an economic, efficient and effective manner, the quality of any local spending decision will be limited by the national 'spending' decision in a Scottish Executive Department.

A full copy of CIPFA's comments can be obtained at <http://www.cipfa.org.uk/scotland/responses.cfm>

Further information on the review can be obtained at [www.localgovernmentfinancereview.org](http://www.localgovernmentfinancereview.org)

>>> policy and technical update

## PROCEEDS OF CRIME (ANTI-MONEY LAUNDERING) PRACTICAL GUIDANCE FOR PUBLIC SERVICE ORGANISATIONS



CIPFA has now published guidance on money laundering which summarises the major pieces of legislation and regulations on the subject, and draws on the interim guidance to accountants issued by the CCAB in March 2004. It also draws attention to the specific obligations and responsibilities of CIPFA members.

The Proceeds of Crime Act 2002 consolidated and reformed criminal law with regard to money laundering. There has however been uncertainty about the obligations and responsibilities of public sector organisations.

CIPFA considers that public sector organisations may reasonably assume that legislation does not oblige them to implement the requirements of the Money Laundering Regulations 2003 concerning the creation of money laundering reporting systems and staff training. Public sector organisations however should recognise that they and their staff could may commit the principal money laundering offences under The Proceeds of Crime Act 2002. CIPFA stresses however that where doubt exists, individual organisation should take their own legal advice.

### THE GUIDANCE COVERS:

- > Summary of current legislation and regulations;
- > CCAB publication on Anti Money Laundering;
- > Interpretation for Public Sector Organisations;
- > Recommended Policies and Procedures; and
- > Obligations and Responsibilities of the CIPFA member.

The guidance is available from the CIPFA Shop at <http://secure.cipfa.org.uk/cgi-bin/CIPFA.storefront/EN/product/AU023>



# SOCIAL HOUSING

## >>> policy and technical update

### STATEMENT OF RECOMMENDED PRACTICE UPDATE 2005

After the invitation to comment period up to 31 January 2005 expired, the SORP Committee met on 28 February 2005 and a revised wording was formulated for submission to the Accounting Standards Board. Publication date for the final version will now be late May 2005. The Operating and Financial Review will now be best practice for those Associations who own more than 5,000 units, whilst it will only be recommended for all other Associations. This SORP Update will apply to accounting periods commencing on or after 1 January 2005 although earlier adoption is recommended.

### FINANCIAL VIABILITY GUIDANCE NOTE 2005/01

Following the initial issue of the above Guidance Note, there has been some changes due to unrest over the original wording of Appendix 5. Although these changes have been appreciated, some unrest still remains within the SFHA membership. SFHA is sourcing legal guidance on the implications of signing Appendix 5 and will advise members of the results in due course. Any members with continuing problems with the guidance are asked to communicate their concerns to the SFHA.

### SECTION 66 CONSENT

Communities Scotland has published its new guidelines on Section 66 Consents. As proposed in the original consultation, the most significant change is that from 1 April 2005, Associations leasing properties do not now have to seek Specific Consent from Communities Scotland as these are now covered under the General Consent. A further change includes the fact that all Private Finance Standard Securities will now require Specific Consent. Communities Scotland are preparing a consultation report summarising the responses received and actions taken, if any, to these responses.

### SECTION 54 GRANT

A joint SFHA Communities Working Group agreed in November 2004 that the replacement mechanism for Section 54 Grant would, effectively, be the continued payment of equivalent sums to qualifying Associations, subject to a limit of £100,000. Communities Scotland have subsequently decided that they cannot now agree to this proposal as they wanted the mechanism to be time-limited and thereafter based on a viability test. Communities Scotland are now proposing to consider this issue in conjunction with the issue of excess RTB receipts. SFHA do not consider that the two issues should be connected and have therefore arranged a meeting with Communities Scotland in May 2005 to discuss the situation further.

## >>> policy and technical update

### 2005-06 RESOURCE ALLOCATIONS

Health spending in Scotland is set to increase on average by £741m over the next 3 years and is set to reach almost £10.3b by 2007-08. The Minister for Health and Community Care announced the revenue resource allocations for NHS Boards for 2005-06, and indicative allocations for next again two years, in February. NHS Boards received a standard increase of 7% for 2005-06, 6.75% for 2006-07 and 6% for 2007-08. The allocations follow the 2004 Spending Review, the outcome of which was announced last September. Resources are being provided to enable NHS Boards to meet their general obligations, with regard to the priorities established by the Scottish Executive, notably in "A Partnership for a Better Scotland", in "Building a Better Scotland" and most recently in "Fair to All, Personal to Each".

Capital investment is set to increase on average by £60m each year from 2005-06 to 2007-08 such that by 2007-08, capital funding for NHSScotland will be almost £532m. This represents a 20% increase per annum in capital resources allocated directly to NHS Boards to meet local priorities as well as investment of £125m over 3 years for investment in medical and diagnostic equipments, and £115m over 3 years for investment in primary care and dental infrastructure.

### CAPITAL DELEGATED LIMITS

HDL(2005)16, Delegated Limits, sets out the revision to Capital Delegated Limits from 1 April 2005. From this date, all Boards, The Golden Jubilee National Hospital, National Services Scotland, and the Scottish Ambulance Service will have their capital delegated limits increased to £5m for non IM&T projects and £2m for IM&T projects. For NHS Greater Glasgow and NHS Lothian the limits will be increased to £10m and £2m respectively and for the remaining Special Health Boards, the limits will be £2m and £1m respectively.

The increased levels of delegation will allow greater autonomy and will enable capital projects to be taken forward without seeking prior approval from the Health Department for all but the largest projects. The Department will, however, carry out sample checks on business cases prepared by NHS Boards for projects below the revised delegated limits.

### NATIONAL TARIFFS

The SEHD are currently carrying out an analysis of options for introducing a national tariff for cross boundary flow activity within NHSScotland in 2005-06. The work includes an analysis of the current pattern of cross boundary activity in Scotland, an analysis of the financial impact it would have across NHS Boards and the development of options for introducing the policy. A paper was presented to the Chief Executive's meeting on 13 April and was well received in that there was general appreciation of the value of introducing a tariff policy, not only in terms of resolving financial negotiations for cross boundary flows, but also for creating an incentive for efficiency in costs, and for better recording of data. Further work on developing a policy, including discussions with NHS Boards, will take place over the next two months.

### NHS SHARED SUPPORT SERVICES PROJECT

The Outline Business Case for the above was approved by the SEHD Capital Investment Group (CIG) on 31 January 2005 and work is now underway to produce the Final Business Case by December 2005. Covering all organisations in NHSScotland, the scope of the project is to create shared support services for the transactional elements of Finance and Payroll Services based on a 'hub and spoke' model. The project is expected to contribute recurring savings of £10m per annum to the NHSScotland target in the Efficient Government initiative.

The project is the responsibility of NHS National Services Scotland but all NHSScotland Boards will require to sign up to the final outcome and delivery of the project as part of the FBC process. This will be based on a detailed understanding of the local impact of the project. Newsletter No.5 (attach link) was issued in April 2005 and regular progress reports will be issued to all stakeholders as required.

*Contribution from Julie McKinney  
Scottish Executive Health Department*

# Training & Events

## TRAINING AND EVENTS HITTING THE MARK

CIPFA in Scotland's newly consolidated Training and Events business has been working hard to meet increased demand this year.



### DATES FOR THE AUTUMN SCHEDULE OF THE INTRODUCTORY DIPLOMA IN MANAGEMENT

2 SEP	ESSENTIALS OF MANAGEMENT
16 SEP	PLANNING EFFICIENT SERVICES
30 SEP	MANAGING INDIVIDUALS
7 OCT	UNDERSTANDING FINANCE
28 OCT	MANAGING BY BUDGETS
11 NOV	DEVELOPING AND MANAGING TEAMS
25 NOV	MANAGING CHANGE
9 DEC	MANAGING SERVICE QUALITY

In addition to a range of regular events, hot topics for training include Performance Management, Project Management and Procurement Skills. Feedback continues to be very positive. As one delegate put it, our training "does what it says on the can!" Further evidence of this was provided when 100% of our recent candidates for the Introductory Diploma in Management passed their assessment. Lynn Brown, Chair of CIPFA in Scotland and Director of Finance of Glasgow City Council, presented many of them with their diplomas at a reception in Glasgow City Chambers. As Lynn pointed out, the secret of our success lies in the quality of our course content, the skill and experience of our trainers and the

hard work and application of the candidates themselves. This is a winning combination that we want to maintain in the future.

To ensure that high standards are maintained as demand increases, CIPFA in Scotland is taking on additional staff. This means that not only should you continue to enjoy good service and prompt responses to your enquiries about training and events, but also that your bookings should be processed more rapidly and efficiently.

If you would like more information about our range of training courses and events, click on *Events* at <http://www.cipfascotland.org.uk> or e-mail [Robert.Hogg@cipfa.org](mailto:Robert.Hogg@cipfa.org)

# Events Spotlight

For full programme details and  
to book online visit

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

## ANNUAL AUDIT, INSPECTION & REGULATION SEMINAR

3 JUNE 2005  
BRIDGE OF ALLAN, BY STIRLING

### AUDIT & INSPECTION - TOO MUCH & TOO COSTLY

Keith Yates, Chief Executive, Stirling Council

The opening address will challenge the audit, inspection and regulation community by questioning if the entire process is excessive and costly. This viewpoint from the client perspective will explore the opportunities of streamlining and self-assessment.

### MODERNISING THE AUDIT

Lorna Meahan, Assistant Director  
Audit Services, Audit Scotland

Audit Scotland will explain the steps taken to modernise the Audit Approach along with impact this will have on clients and auditors while giving an insight into the results so far.

### THE INTERNAL AUDIT MANUAL

Patrick Clackett, Technical Manager (Audit & Regulation),  
CIPFA

With the revised publication of the CIPFA Internal Audit Manual, a representative from the CIPFA Audit Panel will describe its key changes. The manual is cross-referenced to the Code of Practice for Internal Audit in Local Government, to assist auditors to deliver the standards in the Code. It also reflects the latest thinking in governance, risk management and internal audit.

### THE NEW ETHICAL STANDARDS FOR AUDITORS

Linda Duncan, Axena & Member of the CIPFA Audit Panel  
The Auditing Practices Board (APB) has issued five new ethical standards for auditors. Linda will summarise the standards and explain its impact on public sector auditors/clients.

### INSPECTING SOCIAL WORK

Alistair Gaw, Depute Chief Inspector, Social Work  
Inspection Agency

The new Social Work Inspection Agency (SWIA) will work with others to continually improve social work services, so that they meet people's needs; and the public has confidence in them. This session will explain the role of the SWIA, the challenges faced by the inspection of a specific service and how they link to other inspectors/auditors.

This event is sponsored by Audit Scotland



## INTRODUCTION TO THE CIPFA FINANCIAL MANAGEMENT MODEL

14 JUNE 2005  
TEACHER BUILDING, GLASGOW

### SCOTTISH PUBLIC SERVICES AND THE CIPFA FM MODEL

Placing the CIPFA FM Model in the context of Scottish public services - statutory requirements, shared services, community planning and the improvement agenda.

### INTRODUCING THE CIPFA FM MODEL

An overview of the CIPFA FM Model "Improving Financial Management and Effectiveness in the Public Service": how and why it has been developed, how it can be used to develop financial management fit for an organisation's business goals and service aspirations.

### THE CIPFA FM MODEL WEBSITE

A demonstration of the CIPFA FM Model website capabilities, showing how survey participants will be asked to provide their views on the organisation's financial management.

### CASE STUDY EXERCISE: THE CIPFA FM MODEL IN CLOSE UP - LEADERSHIP, PEOPLE, PROCESS AND STAKEHOLDERS

Working in groups, delegates will be able to preview a selection of the best practice statements in the model and consider the supporting questions that organisations need to ask themselves when undertaking their own assessment. The case study will be followed by facilitated discussion and feedback to identify key issues arising from the group exercise.

### USING THE CIPFA FM MODEL - GETTING STARTED

Practical advice on setting up and managing the assessment process, drawing on the experience of pilot sites, identifying the key learning points and how these may be translated into an action plan for improvement.

### FACILITATOR

The workshop will be facilitated by Jude Ranasinghe BSc CPFA, an independent public finance specialist who was previously Chief Accountant at the Financial Planning Resources Directorate of Birmingham City Council, and Stuart Fair LLB CPFA, a management consultant with IPF who was previously Finance Services Manager at Renfrewshire Council.



## >>> Education and Training

### GETTING TO GRIPS WITH THE INITIAL PROFESSIONAL DEVELOPMENT SCHEME

Becoming a Chartered Public Finance Accountant (CPFA) is not just about academic learning; a newly qualified CPFA must also demonstrate practical workplace experience. As the June 2005 CIPFA session draws to an end, it is a good time for CIPFA students in Scotland to plan ahead for their next module and the Initial Professional Development Scheme (IPDS) requirements.

On 26 August 2005, the CIPFA Education and Training Centre (CETC) in East Scotland are offering an Essential Skills course to guide students smoothly through IPDS. The one day course, which is priced at £90 + VAT, is relevant to Certificate level students embarking on their studies as it will introduce the IPDS requirements and give advice tips for completion.

The Essential Skills course will:

- > Introduce the requirements of the IPDS Scheme
- > Briefly outline the requirements of each element of the IPDS, providing hints and advice
- > Consider the techniques required to successfully complete the Experience Log
- > Introduce techniques required for successful completion of the Professional Stage activities
- > Outline and give initial practice of writing reflectively, a key element of the IPDS portfolio

### INAUGURAL STUDENT RETURNS TO CETC

The CIPFA Education and Training Centre (CETC) in East Scotland is delighted to welcome back Rory Cooper CPFA. Rory joined CETC East Scotland (Edinburgh) in April 2005 as a trainer having studied with CETC during the very first course in 1986.

Rory graduated with an MA (Hons) in Psychology from Edinburgh University and completed a Post-Graduate Certificate in Education before qualifying with CETC as a CPFA in 1991. He has significant experience working within public and private sector organisations in the UK including working with the former DHSS specialising in NHS Audit, as a finance manager for Transco plc and more recently in education at a school in Fife. Rory's career also includes international experience as a Principal Auditor for a private sector organisation in Argentina establishing an audit department.

In his new role as a CETC trainer, Rory will be specialising in audit training as part of the CIPFA Professional Accountancy Qualification. For further information about the courses available through CETC East Scotland visit the website at [www.cetc.org.uk](http://www.cetc.org.uk) or email [enquiries@cetc.org.uk](mailto:enquiries@cetc.org.uk)

For further details or to request a copy of the enrolment form, please contact Vicki Marr, CETC East Scotland on 0131 718 2705 or email [enquiries@cetc.org.uk](mailto:enquiries@cetc.org.uk)

### PERFORMANCE MANAGEMENT SYSTEM

Performance management software is this season's 'must have' accessory for local authorities. Few would argue that you don't need it to manage resources effectively and achieve sustainable improvement, yet it's only really thanks to the introduction of the new Best Value Audit that this has come to the top of corporate 'to do' lists.

The consultancy division at IPF has recently helped some authorities in England to pilot a system, and each one estimates it has taken around three person months just to get the system installed, configured and ready to roll out to the departments. And this is just the

start; already these Councils can see the need to improve how they undertake key activities such as risk management, programme management, staff development and even budget management if the system is to achieve its potential.

IPF consultancy in conjunction with its partners intends running an event in Scotland over the next few months demonstrating the performance management system that has been successfully piloted elsewhere. In the meantime, please contact Jim Rooney, Senior Consultant at IPF for more details [James.Rooney@ipf.co.uk].

### CIPFA FINANCIAL MANAGEMENT MODEL

Last year, CIPFA launched the CIPFA financial management model. The model aims to offer a practical tool for improving organisational effectiveness. It presents the components of financial management in a structured framework based around three styles of financial management:

- > Securing stewardship - an emphasis on control, probity and meeting regulatory requirements
- > Supporting performance - responsive to customers, efficient and effective, and with a commitment to improving performance
- > Enabling transformation - strategic and customer led, future orientated, proactive in managing change and risk, outcome focused and receptive to new ideas

and looks for each style across five management dimensions (Leadership,

People, Processes, Stakeholders and Results).

The model is capable of delivering real improvements to the financial management of an organisation at all levels. IPF consultancy has developed an approach to assisting Authorities with the use of the Model from initial induction training to a full written report on the Model's assessment of the organisation's overall financial management. Any consultancy purchased can be arranged on a *menu basis*, which can range from only a couple of days to 20 days for detailed involvement.

IPF Consultancy is also supporting the CIPFA workshop in Glasgow on 16th June, which provides an excellent guide to the CIPFA FM for anyone involved in shaping the future of finance, performance and governance in Scottish public services.

Information about consultancy support can be obtained from IPF consultant Stuart Fair at Stuart.Fair@ipf.co.uk

### NEW CONSULTANT JOINS IPF IN SCOTLAND

Stuart Fair joins the IPF team in Scotland as Consultant reporting to Jim Rooney who leads the consultancy business in Scotland. Stuart's appointment will contribute to the excellent growth in consultancy work already experienced North of the Border.

Stuart was formerly Finance Services Manager with Renfrewshire Council and has extensive experience of financial management issues. He is also a member of the ACCA, and Senior Examiner for CIPFA's Final test of Professional Competence - Project Examination. Stuart also tutors; Contract Law, Commercial Law, Administrative Law and Delict at the University of Strathclyde Law School and sits on the bench as a Justice of the Peace at the Motherwell District Court. He is also a former member of the Investigations Committee of CIPFA's Disciplinary Scheme.

### EFFICIENT GOVERNMENT: SHARED SERVICES

IPF consultancy has recently undertaken some research on behalf of the Scottish CIPFA Directors of Finance Group and SOLACE Scotland into the area of Shared Services. This is a highly topical area and one that will be at the forefront of the efficient government agenda over the next few years. If you wish to discuss some of the possibilities that exist then please contact Jim Rooney, Senior Consultant. Rooney@ipf.co.uk].