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IFRS TRAINING LAUNCHED

CIPFA Northern Ireland and PricewaterhouseCoopers have teamed up to deliver public sector specific training across the United Kingdom on the implementation of International Financial Reporting Standards (IFRS) in public bodies.

The initiative provides three levels of training: introduction, transition and implementation and these will be run in London, Manchester, Cardiff and Edinburgh as well as Belfast.

An introductory IFRS workshop has already been held in Belfast, with over 80 finance personnel attending and with positive feedback in terms of quality and relevance of content.

The training initiative brings CIPFA's expertise and reputation as the only public sector specialist professional accountancy body together with PwC's experience of implementing IFRS in the private sector and their technical work with HM Treasury in the project to interpret IFRS for the UK public sector.

The development of the IFRS suite of training courses is in response to a major change in public sector accounting that was announced in the 2007 Budget.

This means that the annual accounts of central government departments and other public bodies will be produced using International Financial Reporting Standards from the 2008/09 financial year onwards. This means 2007/08 will need to be re-stated for comparative purposes.

The introduction of IFRS is an issue that all public bodies need to consider sooner rather than later. The earlier that the new reporting requirements are addressed, the smoother the transition will be as systems and processes may need to be developed to ensure the necessary outputs and financial records.

Further details of the CIPFA/PwC training courses can be found on page 2 and in an article on IFRS requirements on page 5.

CIPFA NI IN ACTION

IFRS training workshops

CIPFA's newest training initiative, in collaboration with PricewaterhouseCoopers, has seen the development of three practical workshops to assist public bodies implement the requirements of International Financial Reporting Standards. The training courses are scheduled as follows:

- Preparing the Way (date to be confirmed)
- Managing the Transition (6 or 15 November 2007)
- A Step-by-Step Guide to Implementation (5 & 6 February or 26 & 27 February 2008)

For further details, including booking arrangements, please contact Anna Egner via e-mail at anna.egner@cipfa.org or by telephone on 028 9026 6777. Electronic booking is available at www.cipfa.org.uk/ni/event_booking_form.cfm

Grant Skills Diploma on the up

At a recent CIPFA Northern Ireland seminar on Grant-funding, an NIAO speaker highlighted the many potential risks associated with grant-making and identified the importance and relevance that training, such as the Grants Skills Programme, has for all officers involved in grant making.

In June 2007, another nine people successfully completed the Diploma in Management Practice (Grant Skills). The Diploma is a Level 4 qualification (NQF Framework) and Diploma holders are to be congratulated on their success.

Richard Irwin of OFMDFM, a successful graduate of the programme says: "The content of the modules has assisted me in introducing multiple changes in the workplace, resulting in the Unit delivering a better service to its customers."

The next intake is scheduled for October 2007. For further information, please contact Sharon Brown via e-mail at sharon.brown@cipfa.org or by telephone on 028 9026 6770.

In-house training – what's hot!

All of CIPFA Northern Ireland's public and accredited courses are also offered on an in-house basis. The 'most requested courses' leader board changes each year but so far there are three clear contenders for the 2007 'Hot Course' title: Fraud Awareness, Best Practice in Audit Committees and Financial Management Awareness. Autumn bookings, however, show Grant-funding and PRINCE2 training making a late surge!

If there are 6/8 staff interested in a particular topic, an in-house course is often the more cost-effective option and also allows the course to be tailored to an organisation's particular needs.

For further information, please contact Sharon Brown via e-mail at sharon.brown@cipfa.org or by telephone on 028 9026 6770.

Improving leadership in public bodies

Recruitment of the third cohort of the senior executive leadership programme, run by CIPFA in partnership with the Institute of Directors (IoD), is underway. The Senior Executive Programme is based on the IoD's highly acclaimed Company Direction Programme, which leads to the IoD Diploma in Company Direction. The inaugural programme was oversubscribed and the 2007 programme started with all places taken. The next programme is scheduled to start in early 2008 and will lead delegates towards the November 2008 Diploma examination.

The course is aimed at senior executives throughout the public sector, who are currently operating at a strategic level but who wish to further develop their knowledge and skills. The programme has been very well received to date - for example, Sean Hogan, Chairman of the Agri-Food and Biosciences Institute (AFBI) Northern Ireland says: "I would certainly recommend the CIPFA/IoD programme to all senior executives and Chairs in the public and private sector. Participation in this programme has

provided me with invaluable knowledge and experience which has greatly assisted me in chairing a major public sector organisation with a clear remit to expand its commercial activities. The course covers governance issues that are critically important for both public bodies such as AFBI and commercial sector organisations”.



Participants who successfully completed the IoD Diploma

For further information about the Senior Executive Programme, please contact Steve Mungavin via e-mail at steve.mungavin@cipfa.org or by telephone on 028 9026 6778.

AAT exam success for CIPFA... again!

For the fifth consecutive year, CIPFA Northern Ireland has achieved outstanding results on the AAT qualification. Pass rates at all levels of the qualification were above the national average, with 100% of students achieving a pass at the foundation level of the accounting qualification. We added the AAT payroll qualification to our portfolio of AAT products for the first time in 2006/07 and achieved a 100% pass rate in this qualification also!

CIPFA Northern Ireland is the only accredited AAT training provider in Northern Ireland. Classes for Intermediate and Technician levels of the AAT accounting qualification and level 3 Payroll start in the Autumn and there are places still available on these courses.

Foundation level accounting and level 2 payroll will commence in early 2008. For all bookings and enquiries, please contact Emily Kennedy via e-mail at emily.kennedy@cipfa.org or by telephone on 028 9026 6774.

New accredited managing risk courses

CIPFA Northern Ireland has been approved as a training provider to run accredited risk management courses as an affiliate partner of Insights, an approved training organisation. This enables CIPFA to provide Office of Government Commerce-based training in the Management of Risk (M_o_R®) with full use of training materials that cover the Foundation and Practitioner elements of the methodology and access to specialist trainers.

The M_o_R® Foundation course is a three-day event enabling participants to obtain a detailed explanation of the methodology as well as working through some practical exercises. The Foundation examination can be taken on the afternoon of the third day.

The M_o_R® Practitioner course is a five-day event including the Foundation and Practitioner examinations and provides a detailed understanding of the M_o_R® methodology, practical exercises in workgroups and examination techniques for the M_o_R® Practitioner examination. The Foundation examination is taken on the fourth day and the Practitioner examination on the final day.

The M_o_R® courses are scheduled to run in November 2007. For further information, please contact Alistair Steenson via e-mail at alistair.steenson@cipfa.org or by telephone on 028 9026 6776.

New intake for DPA/ADPA

A new intake of 14 students commenced their studies in the Diploma in Public Audit (DPA) in August 2007.

Meanwhile, the first group of students on CIPFA's Advanced Diploma in Public Audit (ADPA) sat their examinations in the first week of September 2007. Results will be published on Friday 2 November.

A second cohort of students is due to start the ADPA in October 2007. The ADPA is aimed at practising auditors who have completed the DPA or IIA equivalent and will enable them to complete the more onerous tasks required at management level.

Modules covered by the ADPA include:

- Governance, Regulation and Ethics
- Advanced Audit Techniques
- Strategy
- IT and IT Audit

For further information, please contact Emily Kennedy via e-mail at emily.kennedy@cipfa.org or by telephone on 028 9026 6774.

Go with the flow

The biggest bugbear for accountants in the production of annual accounts seems to be completing the dreaded cash flow statement. In many cases, its completion can range from the annoying chore that is attempted at the last minute to an angst-ridden living nightmare of trying to hide a balancing figure somewhere so that the statement reconciles but the auditor will not spot it!

However, help is now at hand. As part of a support service offered by CIPFA Northern Ireland to local government finance practitioners, an automated Cash Flow Statement Template (CFST) has been developed along with detailed guidance notes on completion. The CFST is also being developed for councils in Great Britain and is being tailored to assist accountants in other sectors such as health, central government and housing associations.

Professional skills

Based on its successful financial and audit skills programmes that have been taken by hundreds of public officials, CIPFA Northern Ireland is developing a new package of accredited skills-based training to dovetail the financial management, programme management and project management requirements of HM Treasury's Professional Skills for Government initiative.

Evidence of expertise in these core skills is required by every civil servant at, or aspiring to be, Grade 7 or above. The CIPFA training programme is a modular

structure with specifically tailored materials that will provide civil servants with practical skills and expertise to assist them in the workplace and provide them with continuing professional development. Completion of nine modules will lead to the award of an accredited diploma.

The programme of modules can be taken either individually or in a series. All materials for this programme are relevant to those working in the public sector, enabling participants to apply the skills directly to their work environment.

For further information on the Cash Flow Statement Template and/or the professional skills programmes, please contact Alistair Steenson on 028 9026 6776 or via e-mail at alistair.steenson@cipfa.org

Cross Border training

The fourth Cross Border training course for senior public officials came to a successful conclusion on 21 June with a special awards ceremony attended by Dr Aideen McGinley, the Permanent Secretary of the Department for Employment and Learning.

The next programme is scheduled to run in early 2008. For further information, please contact Emily Kennedy via e-mail at emily.kennedy@cipfa.org or by telephone on 028 9026 6774.



Participants and course tutors on the fourth Cross Border Programme with Dr Aideen McGinley (front left)

IFRS - CONVERTING THE PUBLIC SECTOR

Patrick Gallen is an Associate Partner with PricewaterhouseCoopers LLP in their Capability and Training Group. Patrick is a Chartered Accountant and specialist trainer with more than 16 years experience of working in the public and private sectors. He leads the financial and technical training group in Northern Ireland and was a member of the PwC UK IFRS Conversion Group for the private sector from 2004 to 2006. In this article, Patrick highlights the reasons for public bodies to prepare for the transfer to new accounting standards.



Patrick Gallen

Background

In the 2007 Budget, Gordon Brown finally confirmed that government bodies must adopt International Financial Reporting Standards (IFRS) for their 2008/09 accounts. To provide a direct comparison, they will also be required to restate their 2007/08 accounts under IFRS.

The implications of adopting IFRS are complex and wide ranging and if the experience of the private sector is any guide, they will prove just as challenging for the public sector. IFRS is not merely a technical accounting issue for the finance team; the impact of the changes will echo throughout public sector organisations, from the setting and measurement of performance targets to budgeting and forecasting - as well as financial reporting.

The private sector experience

While many private sector companies have now produced their second set of results under IFRS, a PricewaterhouseCoopers survey of companies that had migrated to IFRS found that most had underestimated the challenges of conversion. Approximately 85 per cent said accounting costs were up, 17 per cent experienced a direct impact on business performance, while some 20 per cent were still running parallel systems for internal accounting

and external reporting. The devil, as many discovered to their cost, was in the detail.

PwC's private sector experience suggests that early planning delivered a smoother and often cheaper conversion process. Those demonstrating a holistic and properly planned approach to conversion, including a substantial investment in training, systems procurement and resource allocation, were most likely to report positive outcomes. But even the best prepared did not deliver IFRS unscathed.

Given that experience, the Northern Ireland Executive and its Departments should not underestimate the complexity of IFRS adoption and the risks that must be managed if there is to be any realistic hope of a smooth conversion.

IFRS transition planning

The impact of transition to IFRS is broad and, with its ramifications throughout the organisation, it cannot simply be considered as a technical accounting change. Government bodies should already have begun planning their IFRS transition project and

should ideally be focusing on a number of key areas:

1. Project/programme management

- Project set-up and governance – effective project set-up and governance is crucial
- Resource levels – adequate staffing levels in terms of both numbers and skills will also be important, as will mechanisms to retain staff during the critical transition period and skilled resources will become scarcer as the deadline approaches.

2. Internal and external reporting and communication

- High level business impact – certain decisions, such as which accounting policies to adopt, need to be made by those charged with governance, in order to set the parameters for the project
- Stakeholder relations and expectations – inadequate communication with key stakeholders creates risks
- IFRS financial statements and data dictionary – defining the data needed to meet the reporting requirements, not just primary statements but also new and extensive disclosures, is key to ensuring that all new data needs are addressed
- Management information – in the future, management information will need to reflect the change to IFRS.

3. Training

- Internal communications, knowledge transfer and training – it will be vital to provide sufficient training and support to ensure that the production of IFRS information is embedded and sustainable. CIPFA and PwC ran a successful half day training programme on IFRS - 'Preparing the Way' - in Belfast on 20 June. This will be followed by a more comprehensive local and national training programme, details of which will be announced shortly.

4. Data, system, process and control considerations

- New data requirements – reporting under IFRS brings significant new/additional data requirements. These must be identified and addressed in a controlled and consistent manner to help inform the decision as to the most appropriate systems solution
- Internal control environment – conversion to IFRS has implications for the robustness of the control environment and the level of assurance that can be given to, and reported by, those charged with governance
- Processes – where new data requirements or systems enhancements are needed, the associated processes will probably need revision or improvement
- System enhancements and developments – additional systems functionality will be required in a number of areas, eg the capability to capture more detailed data on leases.

Key areas of impact

Although the IFRS-based FREM is still out for consultation, one of the biggest impacts will be on Private Finance Initiative (PFI) schemes. Every PFI scheme – whether completed, in procurement or planned – will need to be reassessed to judge whether it should be reported on or off balance sheet, as will the financing and financial instruments that underlie them.

The other areas where the standards will introduce significant changes include:

- Fixed assets – particularly valuations, impairments and infrastructure assets. Private sector experience has shown that significant time investment is required for full impairment reviews, and time and expense is required to obtain valuation of intangibles. In addition, specific consideration will need to be given to the capitalisation or reclassification of software and development costs

- Leases – private sector experience has shown that having to undertake a detailed review of leases between operating and finance leases was time consuming. The need to consider the land and building elements of leases separately is likely to add to the complexity of the analysis that will be required. Furthermore, the need to review lease incentives may cause difficulty
- Associate entities – given the increasing number of partnership arrangements between public and private sector organisations, more equity accounting will be required under IFRS under the standards' 'power to influence' test
- Deferred tax – although few government bodies are subject to capital gains tax, those that are (and there are a number in Northern Ireland) will need to recognise deferred taxation on any upward revaluations of fixed assets
- Managing increased disclosure requirements – research in the private sector shows that the increased complexity requires greater levels of disclosure under IFRS. One of the biggest issues for finance teams will be how to present the new information in a more concise, user-friendly, consistent and comparable fashion
- Other areas that may result in significant change, depending on the interpretation adopted by the Treasury and DFP, include segmental reporting and related party transaction disclosure requirements.

Governance considerations

Those charged with governance have the ultimate responsibility for ensuring a successful and sustainable transition to IFRS. Over a year on, PwC's survey of private sector experiences suggests that internal users still have some way to go to be fully at ease with IFRS, "...survey respondents feel that ... the Board, Audit Committee and CEO are reasonably comfortable with the technical and operational aspects [of IFRS]."

Public sector accounting officers and those accountable for governance issues will need to

understand the key risks associated with getting the financial data right and communicating the impact to stakeholders on a timely basis. Where Audit Committees exist, they will have a vital role to play and members should ensure that they receive a high-level assessment of the key impacts as soon as possible.

The Audit Committee must also be satisfied that the body is on course to make the transition to IFRS in a way that ensures its continuing ability to produce reliable financial information. Practically, this means ensuring that the right IFRS project structures are established and that regular feedback is maintained.

The role of management and the Accounting Officer

From my personal experience on the PwC IFRS Conversion Group, the immediate management priority is to put in place a steering group with overall responsibility for the IFRS transition project, with resources which should reflect the importance of the change. Management should ensure that there is consistency and efficiency in the way the body sets about meeting various reporting requirements. Training in IFRS should extend to managers outside the finance function and should include all key officers.

Management must also understand what impact IFRS will have on strategic decisions and take the opportunity to make IFRS the basis of internal management reporting wherever possible. The timing and extent of communications to key stakeholders will also need careful planning to manage expectations.

The move to IFRS proved to be a challenge for the private sector world, with many companies finding the conversion process more difficult and more costly than initially expected. Government bodies have the advantage of being able to look at companies' experience and learn from it so that they steer a clearer path through implementation of the new standards.

Perhaps the most important lesson to learn from the private sector is that it is never too early to start.

PROFILE OF PETER MCNANEY

As Chief Executive of Belfast City Council, Peter McNaney holds one of the highest profile jobs in local government. Peter is heavily involved in the RPA, having been a member of the Modernising Local Government Taskforce set up by central government, Chair of the SOLACE RPA Working Group and an adviser to NILGA's RPA Committee. In this feature, Peter discusses the economic growth in Belfast and the longer-term future for local government with Steve Mungavin.

What are the main challenges raised by the RPA?

I think one of the big challenges that faces public administration in Northern Ireland is that it needs a bit more role clarity. We need to take a proper view about the right level of delivery for central and local government functions. However, I think that this is an evolving debate and it could take up to five years for that debate to mature.

Allied to this is the challenge to integrate public services around the needs of the customer and the fact that people like services delivered locally. It really doesn't matter to the customer who provides the service - the Roads Service, the Council or the Housing Executive - what matters is accessibility, value for money and the quality of the service.

I think the Direct Rule proposals will be watered down because the new Ministers just coming to terms with their portfolios will not immediately wish to give up functions from their Departments to local government. I also think local government has a real challenge if it wants to convince people that it has the capacity, the equitable framework and the track record to deliver more functions.

How does the political interface work in practice?

I believe there is a correlation between single political control and decisiveness of action. In Belfast, we have six shades of political view with no single party in overall control, which makes the

process a bit more complicated. I consistently speak to each of the political groups, for example I meet each party group leader in rotation once every week. The Council has also agreed and negotiated protocols and processes, which ensure that power sharing works through its committee systems.

Whatever people say about Belfast City Council, it was ahead of its time in governance terms. Many of the political arrangements that are now in place in the Assembly were tested here. Therefore, we have processes in which we bring political parties together in a constructive way so that they can agree the way forward. The key issue then is for the political parties to agree to a programme of work with a negotiated set of priorities.

In practical terms, we have to determine this within affordable limits. Within this context, we determine our vision and what we want to achieve. Then we get into the real part which is negotiating priorities. There are people from East Belfast, North Belfast, West Belfast, South Belfast, all of whom want to see spending in their area. So, you have to get the politicians to negotiate relevant priorities.

Once political choice is made, eg we are going to build this wellbeing centre or we are going to develop this arterial route, an action plan of delivery is required, aligning resources to it, in terms of money, people and time. Then a proper system of performance management is needed to monitor and evaluate progress.

How is the Council governed in practice?

I have been working for the Council for 25 years and have learnt that Government is essentially about three things: legitimacy, accountability and consent. For governance to be appreciated by the people, they need to feel it is legitimate. In other words, it can't be a dictatorship. Democracy does not work unless it is connected to the needs and wishes of the citizen. To maintain legitimacy, a public organisation needs to consistently connect and demonstrate that

it is pursuing the public interest, rather than some private interests. You also have to demonstrate that the things that are being done improve the quality of life of the people you represent.

Politicians need to be accountable for the money that is spent and how decisions have been reached. It is then essential to have the ability to deliver services fairly and provide value for money. There is no use providing wonderful services if, at the same time, rates go up to an exorbitant level. People have to think they are getting value for money for their rates.

Without capping, where are the pressures to keep rates as low as possible?

Firstly, there is no central government capping because the percentage of district councils' overall contribution to public expenditure in Northern Ireland is quite low, less than 5% of all public expenditure compared to 29% in England. Therefore in England, a third of all public expenditure is incurred by district councils which has a significant national impact.

The Conservatives brought in capping in an attempt to bring local spending under control and the Labour government recognised that control from the centre is restricting. It strangles the life out of people, it stops them innovating and doing things to make things better. Labour has recognised the need to release some of those constraints.

The Government has also realised that before they can release some of those constraints, they have to build the capacity of local government to deliver and have to be held accountable for delivering which is why they have established the Comprehensive Performance Assessment (CPA) process.

The most important source of money that the Council gets is the rates. We also get fees, charges and grants. The big issue for us, therefore, is understanding our rate base and how we enhance it. Belfast is booming with significant public investment in the City as well as many more properties, particularly apartments. Therefore, our rate base should be rising. If you want to deliver more and better public services, you need to attract more investment into your city to generate the tax base. If you spend all your time just building more leisure centres then that is just a drain on resources.

How does Belfast become more efficient?

Like many public service organisations, two thirds of all expenditure goes on salaries. We decided to embark on an efficiency programme driven from the centre to try to change the culture of the organisation, which I think has been quite successful. When you set the right tone and culture, in terms of the expenditure limits, then I think that most departments will respond.

We have saved about £6 million in the last three years. Firstly, we got rid of the client/contractor split, which set the organisation against itself as we tried to separate policy and delivery - this saved about £1 million in terms of staff costs and reconfiguration of services. We reviewed our capital expenditure programme and realigned our financial programme.

We are constantly reviewing absences, overtime and how council, financial and HR services are delivered across the organisation, moving towards more centralised delivery through our Better Business Programme.

Could you describe the transition from your professional background into a leadership role?

For me it has been a gradual transition. When I started off as an assistant solicitor 25 years ago, I was only working on legal cases. But as I took on more senior roles, I gradually started to perform a broader corporate role. For instance, when I was a Senior Solicitor, I had responsibility for all the Council employment cases. I worked on the Council's first major change management process in the early 1990s that meant developing the HR Strategy.

At that time, I was also responsible for developing Belfast City Council's Section 75 equality strategy and I was the nominated Director in terms of implementing the Council's Best Value Strategy. So, leadership skills are something that you develop over time, as you become responsible for more staff, and responsible for working closer with the political processes.

The Council is a political organisation and political primacy is paramount. No-one elected me – I work for people who are elected. My job is to advise on consequences and options and to deliver on their

decisions. But it is their job to determine what their political priorities are to deliver for the people they represent. I think that many people who work for Belfast City Council are extremely proud to come from the City and want to serve the City.

We, of course, try to inform the political process as much as possible and so have key pieces of consultation work that we undertake: an elected members' survey, a citizen's survey, an employee satisfaction survey and a key stakeholders' survey. With this feedback, we then develop our corporate plan. We try to let people contribute to the plan and we need to value that contribution and recognise it.

We have introduced a staff awards scheme with a whole range of awards. We also celebrate staff contribution to improving the quality of life for people in the City, which really encourages them. We also have a staff suggestion scheme as to how we can improve services. My job is to release the energy of staff to enable them, to train them, to develop them and reward them properly, to make sure that they know they are valued, to hold them to account for not delivering and to encourage them to deliver better.

In a leadership role, it is the right value system that is very important. The value system must encourage everybody to be competent and try to provide value for money services, to want to work as a team rather than pursue our own interests. People need to come into work without dreading it and one of our values now is that we want happy employees. We used to struggle with that. Anyone who dreads coming to work is not going to do a good job.

So, leadership is about setting the tone and direction, it's about encouraging and motivating, it's about rewarding properly and also about being able to negotiate the priorities with your people. You can't dictate. A leader is not a leader unless your people believe in what you are saying you should do and why you should do it.

What impact has the Council had on the economic growth in Belfast?

I think the Council has contributed hugely to the development and growth of Belfast, but I think 'contribution' is the vital word. All the people who live and work in Belfast make a contribution to its growth.

I think we are a society that hasn't really valued politicians and I think our politicians have done a good job. The most essential element for economic progress is political stability. With political stability, there is a very firm platform for investment.

Because we had such dreadful conflict in the last 30 years, the City didn't get as much investment in the 1970s and 1980s as other cities. In some ways, perversely, this can be an advantage, eg our City Centre didn't get the early 1970s concrete jungle like the Bullring in Birmingham that is now being pulled down. Belfast has a blanker canvas to build upon.

I think that we have an overheating economy in the Republic of Ireland and with a more stable political platform here, a lot of private investment is starting to flow towards Northern Ireland. A significant part of the economic boom has been private sector driven. Central government has played a crucial role and the Council has also made a major contribution.

For example, the building of the Waterfront Hall was a massive statement of aspiration and trust in the City's future. Look at what was there before – a disused cattle yard – and then compare the impact of the Waterfront Hall which has made an economic impact of nearly £50 million in conferences and conventions over the last ten years.

The Waterfront Hall acted as a catalyst for private investment. With the Laganside Corporation, we have completed the Gasworks site, where we developed a completely disused and contaminated site which now has 5,000 jobs based there. These are jobs connected to the communities, and it's a terrific example of what the Council can do in co-operation with the public and other specialist agencies. We are now looking at North Foreshore and also working with others to regenerate and reinvigorate the main arterial routes.

I think that the Council has made a significant contribution both in setting the policy debate and to pump prime investment in the City. We are now looking at establishing a City investment fund of £25 million that will develop the Council's next big project. So, I firmly believe this is Belfast's time. It is a time of opportunity and it is important that this Council shows political leadership in setting the tone for the future. (Continued on page 18)

INFRASTRUCTURE ASSETS

Ian Carruthers is Director of Policy and Technical at CIPFA and one of the foremost experts in the United Kingdom on technical accounting issues. Ian will be providing an update on a number of current accounting topics when he addresses the CIPFA Northern Ireland annual conference on 27 and 28 September. This will include the need for public bodies to look closely at how they account for large infrastructure assets, which he outlines in this short article.

The continuing rise in house prices is constantly in the headlines at present. So, a requirement to value what for most of us is our single biggest asset at the price at which we bought it, would be laughed at. But this is exactly the way in which local authorities value their roads.

Let's imagine for a moment, the unthinkable and the Forth Road Bridge collapses. What would you estimate the replacement cost to be - £10m, £100m, or £500m? In the relevant 2004/05 financial statements, you can find the bridge valued at £38m. Intuitively this feels wrong – it must cost more than £38 million to replace such a vast and complex structure.

Current accounting policies require roads, including bridges, to be valued in local authorities' accounts at their historical cost i.e. their original cost of construction. The weakness of this method is that over time the values shown in the financial statements diverge from their true value to the business.

Current replacement cost is an alternative valuation method. This approach would see the Forth Road Bridge valued in the financial statements at the cost of replacing it in its current condition at today's prices. Knowing how much it would cost to replace the bridge is vital if plans are to be made for its eventual replacement.

The need to replace the bridge at some point in the future is as certain as the fact that kids cost money.



Ian Carruthers

And while you may well be creating trust funds to cope with future liabilities such as university fees and weddings, the equivalent is not happening for public assets. Bridge tolls are generally set simply to re-cover the current cost of running and maintaining them.

If we want the same guarantee of cash in the bank to cope with future financial liabilities arising from replacing public assets as we want with our own domestic finances, then we need to plan how to fund their replacement now. By not doing this, we are saddling future generations with the whole cost of replacing these assets.

As a society, we demand that public assets are fit for purpose and complain if they are not. But fitness for purpose comes at a cost. Governments, just as much as each of us individually, must allocate limited resources against a number of competing demands. Knowing what your assets are truly worth must be the starting point.

The main findings of a review into accounting for infrastructure assets have been published by CIPFA for consultation and the document is available at www.cipfa.org.uk/pt/consultations.cfm

CIPFA NORTHERN IRELAND

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Conference speakers

Sir Gerry Robinson

Sir Gerry is one of the UK's most successful businessmen, a leading commentator on public services and a world class speaker. In his presentation, Sir Gerry will share the story of his business success as well as his experience of service delivery in the NHS.

Colonel Ed Hubbard

Colonel Hubbard is an international motivational speaker on personal development. In a presentation based on his experience as a POW in North Vietnam, he takes the most negative situation you can imagine and turns it into one of the most positive personal growth transformations.

Stephen Parry

Stephen is a dynamic speaker and one of the sharpest commentators around on the need for service organisations to become leaner and more responsive to the real needs of customers.

Anna D'Alessandro

Anna is currently working in the Financial Management Change Team in HM Treasury. Using her extensive experience in public finance, Anna will explore how financial management transformation can lead to improved organisational performance.

Billy Dixon

Billy is a leading speaker and commentator on all aspects of personal and corporate projection. He is a regular adviser on image and body language to the BBC and RTE and to a number of local politicians.

Steven Bradt

Steven is an expert in change management using continuous improvement methods such as leadership, lean processing and Six Sigma. He has worked extensively with a range of health and other public bodies both nationally and internationally.

Tony Andreucetti

Tony is a Senior Business Continuity Consultant

with Hewlett Packard and advisor to many public bodies. In this session, Tony will highlight the essentials of a business continuity plan, its implementation and impact on the business.

Peter Yetzes and Janet Sides

Peter Yetzes, Associate Director of the Audit Commission and Janet Sides of the NIAO will highlight recent developments in, and requirements of, the National Fraud Initiative.

Sophia Parker

Sophia is an Associate at Demos. Her presentation will be based upon her recent work with a range of public bodies to help them think about how to build an infrastructure of services that are genuinely personalised, and how to create a culture that puts user engagement and co-design at its heart.

Dr Alan Lennon

Alan was the Chair of CCEA until early 2007. In his presentation, Alan will explain the journey taken by CCEA to become the first ever public body in Northern Ireland to make the prestigious Sunday Times 'Top 100 Best Companies to Work for' list.

Mike Simpson

Mike is Senior Manager, Government and Public Sector Technical with PricewaterhouseCoopers. In this session, Mike will outline the transitional financial reporting requirements based upon best practice guidance from HM Treasury that identifies the key differences between UK GAAP and IFRS.

Brendan McCarron

Brendan is CIPFA's Performance Improvement Network Advisor specialising in performance, policy, projects, quality and improvement of public bodies. In his presentation, he will highlight the key success factors in achieving performance improvement.

Alastair James

Alastair leads Deloitte's work on Public Sector Enterprise Cost Reduction and will describe how organisations have simultaneously cut costs and, at the same time, improved outcomes.

ANNUAL CONFERENCE 2007

HIP FINANCE RECRUITMENT SPECIALISTS

Conference programme

Thursday 27 September

9.30 am	Conference Welcome
	John Butler, CIPFA President Mark McBride, Chair, CIPFA NI
9.45 am	Address by Senior Government Official
10.00 am	Delivering More with Less: Surviving the Big Squeeze
	Sir Gerry Robinson
11.15 am	<i>Tea/Coffee</i>
11.45 am	Conference Tracks

3.15 pm	<i>Tea/Coffee</i>
3.40 pm	Financial Transformation – Enabling Public Sector Performance
	Anna D’Alessandro
4.10 pm	Improving Personal Effectiveness
	Billy Dixon
4.50 pm	Close of Day One

Friday 28 September

	A1 - Avoiding Disaster – the Man with the Plan
	Tony Andreucetti
	A2 - International Standards: Surviving the Change
	Ian Carruthers
	A3 - Implications of the National Fraud Initiative
	Peter Yetzes and Janet Sides
12.30 pm	<i>Lunch</i>
1.45 pm	Wake up to Lean Services
	Stephen Parry
2.30 pm	Conference Tracks
	B1 - The Journey to the Interface
	Sophia Parker
	B2 – Radical Change is Fun
	Dr Alan Lennon

9.15 am	Registration (<i>Tea/Coffee</i>)
9.45 am	Successfully Effecting Change
	Steven Bradt
10.30 am	Conference Tracks
	C1 – Performance Improvement – The How, What and When of Doing it for yourself
	Brendan McCarron
	C2 - Public Sector Cost Reduction on an Enterprise Wide Basis
	Alastair James
11.15 am	<i>Tea/Coffee</i>
11.45 am	Escape from the Box - The Wonder of Human Potential
	Colonel Ed Hubbard
1.00 pm	Conference Close and Lunch

BRANCH NEWS

Branch Annual General Meeting

The CIPFA Northern Ireland AGM was held on 4 May 2007 in Belfast City Hall. This was one of the final events to be held in the City Hall before it undergoes a major programme of modernisation. A healthy number of members turned out to discuss the Branch annual report and also to elect the Branch Committee for 2007/08 which includes two new members: Branch Secretary Patricia Blair, from the Northern Ireland Audit Office; and Joanne Devlin from PricewaterhouseCoopers.



Joanne Devlin



Patricia Blair

Branch Chair, Mark McBride, was re-elected for a second year and took the opportunity at the AGM to highlight the success of the Branch and to thank Michele Woods, the outgoing Honorary Secretary.

Lunchtime events

The CIPFA Northern Ireland programme of short snappy lunchtime events on topical issues affecting public services continued with two recent events. On 4 May 2007, Stephen Kingon (PwC) gave a topical presentation on RPA and Merging Cultures in Belfast City Council.

On 1 June 2007, Richard Rogers (Environment and Heritage Service) and Clark Bailie (Northern Health and Social Care Trust) gave presentations on the subject of 'Sustainability of Public Services – Policy and Practice' in Castlereagh Borough Council.

The most recent Branch event was held earlier in September when Alan Clarke, Chief Executive of the Northern Ireland Tourist Board provided an interesting insight into the effect that a critical Public

Accounts Committee hearing can have on an organisation and the positive lessons that can be learned.

Copies of the powerpoint presentations that accompanied these events are available on the CIPFA Northern Ireland Branch website: www.cipfa.org.uk/regions/ni/index.cfm



From the left: Stephanie Mullholland, Brightwater, Stephen Kingon, PwC and Mark McBride, CIPFA NI Branch Chair



From the left: Richard Rodgers, Mark McBride, CIPFA NI Branch Chair and Stephanie Mullholland, Brightwater

Boost for Branch newsletter

'The Account' is circulated to more than 4,500 executives across the public services three times a year. The CIPFA Branch recently established an Editorial Board to advise on topical subjects that are of interest to readers. Members of the Board, who will also source, write, appraise and edit suitable articles and features for publication, include: Alison Caldwell (DFP); Heather Cousins (DSD); Diane Forsythe (NIAO); David Reid (DEL); Ian Winton (Northern Health and Social Care Trust); and Brigitte Worth (DFP).

Mark is new CIPFA Council Member

Mark McBride, Chair of CIPFA Northern Ireland, has been invited to join the CIPFA Council to represent the interests of members from the regions of Northern Ireland, the Republic of Ireland, the Channel Islands and Europe. The role of the Institute Council is to govern the Institute, in the public interest, within the terms of its Royal Charter and to direct the affairs of the Institute to achieve its mission and objectives.

Mark says: "It is a real honour to have the opportunity to serve on Council and to represent members of these regions and I look forward to contributing to the future development of the Institute".

Exam focus for PAQ students

CIPFA Northern Ireland has invited a leading examiner to provide CIPFA students with tips and techniques that will improve their chances of success in their examinations. The presentation will be held from 3.00 pm to 5.00 pm on 15 October 2007 in the CIPFA Northern Ireland Offices, with guest speaker Ian Bowler.

Ian is the examiner for the Strategic Business Management and Leadership & Management modules. He was previously the examiner for the Audit & Accountability module. He also plays a key role in developing the CIPFA syllabus. Ian's experience makes him perfectly placed to advise students on what examiners are looking for and how best to approach the exams.

Una McGuinness, manager of the CIPFA PAQ in Northern Ireland says: "We know that, no matter what stage of the CIPFA qualification students are at, exams can be daunting. Passing exams requires not only the prerequisite knowledge to answer the questions correctly, but the stamina and mental fortitude to get through the exam papers from start to finish. This event will allow students to meet one of the examiners and will give students the opportunity to ask all those burning questions".

CIPFA's Rebecca Bazely will provide students with information on the requirements of CIPFA's Initial Professional Development Scheme. The event is open to all students. If you wish to register for this event, please contact Emily Kennedy via e-mail at emily.kennedy@cipfa.org or by telephone on 028 9026 6774.

NICS trainee scheme

The Northern Ireland Civil Service (NICS) recently launched its second intake of trainee accountants in a scheme that combines practical experience with study of the CIPFA PAQ. The scheme was launched in 2006 to meet the growing need for qualified accountants throughout the NICS and reflects the increased emphasis that the Service places on sound financial management.

Over 130 students are now studying the CIPFA professional accountancy qualification. For others interested in increasing their financial skills and becoming CIPFA accountants, please contact Emily Kennedy via e-mail at emily.kennedy@cipfa.org or by telephone on 028 9026 6774.



David Thomson with the new NICS trainees at the launch event on 16 August 2007

NI ASSEMBLY PAC BACK IN ACTION

In the first of a series of articles on issues emerging from Northern Ireland Audit Office (NIAO) and Public Accounts Committee (PAC) reports, Diane Forsythe of the NIAO reviews the first few months of the operation of the Northern Ireland Assembly's PAC.

With the Northern Ireland PAC back in operation, many Departments will already have noticed a significant change. There have usually been two evidence PAC sessions each year from Northern Ireland reports whilst under direct rule. It will certainly be a change now under devolution where there will be an evidence session, on average, twice per month when the Assembly is sitting.

This will lead to an increased number of Northern Ireland Departments being called for hearings throughout the year. The impact of this change should be enhanced accountability to the local taxpayer through the increased scrutiny of NIAO reports. The structure surrounding the PAC reports appears strong and capable of maintaining the profile of the recommendations made.

The members of the new PAC have shown their enthusiasm and commitment to their role, meeting every week for briefings and to consider Committee Reports. These briefings provide members with a better insight into what can be complicated reports and provide an opportunity for members to decide on the questioning.

Members have an enhanced local knowledge of the subject matter of NIAO Reports which assists their questioning and recommendations. The hearings benefit from an absence of party politics while members have demonstrated more interest in the value for money of the subject matter and therefore the taxpayers' interests. The PAC hearings are not, in our opinion, of a hostile nature - members are prepared to listen and consider responses. Nonetheless it is still a demanding experience for witnesses.



Diane Forsythe

Significant interest from the local media in NIAO and PAC matters will keep topical issues in the public arena and publicise their findings and recommendations. This may assist the reports issued in achieving their impacts and make those who would be held to account more prudent. A broad range of topics have been examined to date:

- The Upgrade of the Belfast to Bangor Railway Line
- Springvale Educational Village Project and
- Outpatients: Missed Appointments and Cancelled Clinics

All these hearings received notable press coverage. Themes that have arisen from Evidence Sessions to date include the need for appropriate control and oversight of arms length bodies; proper records management and effective corporate governance.

All-in-all, the PAC has hit the ground running again. and things are looking promising for the future. David Gordon (Belfast Telegraph) has said it "has already shown that it can bite as well as bark" (10 July 2007). Details of reports and recommendations will follow in future articles.

CIPFA SEMINARS

AUTUMN 2007

Attending a CIPFA seminar is an effective way to keep abreast of the latest developments affecting the public services in Northern Ireland. Our seminars have a reputation for being practical and attracting high calibre speakers and our Autumn seminars continue in the same vein.

Team Players in Finance - Onwards and Upwards - 18 October 2007

The seminar is aimed at qualified and part-qualified accountants, accounting technicians, accountancy students and those working in finance and related functions in public bodies - all 'Team Players in Finance'.

Key speakers include:



- Declan Curry, Business News Presenter
- John O'Dowd, Chairman, Public Accounts Committee, Northern Ireland Assembly
- Colette Kane, Director, Northern Ireland Audit Office
- Patrick Gallen, Associate Partner, PricewaterhouseCoopers LLP
- Philip Cassidy, CEO and Co-founder, gem
- Anthea Yamey, MD, the image consultancy

Improvement through Change - Essential Lessons for Public Bodies - 12 November 2007

CIPFA Northern Ireland has brought together a group of eminent speakers, all with practical experience of large-scale public sector change, to highlight the essentials of leading and implementing change in public bodies.

This seminar is aimed at senior executives who are required to lead/manage their organisations through a period of change to improve overall effectiveness.

Key speakers include:

- Jean Pousson, IoD's top speaker on strategy
- Dr Patrick Haren, Deputy Chairman, Viridian Group PLC
- Sir Hugh Orde, Chief Constable, PSNI
- Peter Curran, Vice Principal (Resources), Royal Welsh College of Music and Drama
- Tom Wilson, Head of the Organisation and Services Department, Trades Union Congress
- Colin Moore, CEO Redcar and Cleveland Borough Council
- Paul Murray, Director, PCM Associates

Lean Processing - Panacea or Pandora's Box? 28 November 2007

One of the approaches now being used to deliver significant efficiency improvements is Lean. Traditionally used in the private sector, Lean has been adopted in health and other public bodies as the primary method of delivering customer focused services in an efficient and effective way. Its proponents claim that it can deliver efficiency savings of 30 per cent in the short to medium term.

This event provides an introduction to Lean and provides several practical case studies where speakers from Great Britain and Ireland discuss their Lean journey and highlight their successes and failures along the way. Key speakers include:

- Martin Turner, Chief Executive, Gwent Healthcare NHS Trust
- Dr Zoe Radnor, Warwick Business School
- Eilish Henry, HM Revenue and Customs
- Mary Hickey, Adelaide & Meath Hospital, Dublin
- Cllr Tony Owen, London Borough of Bromley
- Nigel Johnston, Northern Housing Consortium

For further information or to book a place on any of the above seminars, please contact Emily Kennedy via e-mail at emily.kennedy@cipfa.org or by telephone on 028 9026 6774.

World renowned speaker to address CIPFA event

The world's leading expert on performance management, Harry Hatry, is running a workshop for CIPFA Northern Ireland on 31 January 2008. The half-day workshop, which will be by invitation only, is entitled 'Measuring/Managing Outcomes and Making the Information Meaningful and Robust'. The workshop will involve practical case studies in health, social and childrens' services and the voluntary and community sectors.

His books *Performance Measurement: Getting Results*, *Making Results-based State Government Work* and *Outcome Management for Non-Profit Organizations* have been widely used and have been translated into many languages. In 1999, the American Society of Public Administration presented him with a lifetime achievement award and established the 'Harry Hatry Award for Distinguished Practice in Performance Measurement'.

Further information will follow.

PROFILE OF PETER MCNANEY

(CONTINUED FROM PAGE 10)

We have a close relationship with the Northern Ireland Tourist Board and the Visitor and Convention Bureau. In 1994, there were 400,000 day visitors in Belfast, last year there were 6.7 million. When George Michael played in the Odyssey recently, the Belfast Visitor and Convention Bureau was directing people to Dungannon to stay as so many people flocked to the City.

The City has started the biggest regeneration opportunity in Europe at the Titanic Quarter which has massive potential. It is 150 acres of land in the heart of the City beside a massive port and has a world-wide brand name. The key challenge is to connect the wealth potential into Belfast's neighbourhoods. Wherever people live in the City, they must feel that the rising tide of prosperity has an effect on them.

How are all the agencies involved in regeneration co-ordinated?

I think we should all take responsibility for working in a more integrated way by ensuring that we get as

much value for money as possible. We have a role in economic development at a local level, just like DETI and Invest NI have a wider role and make a real contribution. The more role clarity, the more common outcomes we get, the less selfish we become about delivery, the more we share the credit with each other, the more successful we will be.

What about a stadium in Belfast?

I think Belfast would be a perfect place for a stadium! Being a lawyer taught me that if I'm going to determine anything, I want it to be evidence based and policy driven. The evidence we commissioned from the University of Ulster, a team of independent academic experts, clearly demonstrates a need for a major sporting facility in Belfast.

What are your interests outside of the City Hall?

Most of my spare time is devoted to my family. I have four children - three of whom are teenagers and I am currently at the taxi driver stage of life. I am also keen on sports but mainly as a spectator!

VERSION AVERSION

In his ongoing series on good practice project management, Clive Billenness considers the importance of configuration management to keep track of the latest document, product or service that is being used in a project.

Have you ever been to a garage to purchase a small spare part for your car? Have you noticed how the sales person will ask you for the year or sometimes even the identity number of your vehicle so they can identify the correct replacement component? You would not want to accidentally fit the incorrect brake or steering component to your car in case it failed to work at a critical moment – even if it would fit into the screw-holes and bolts of the rest of the car.

The same issues arise within many projects – and not just ones involving computers – where there may be a number of iterations of items which are delivered before the final product is achieved. Without proper control, earlier versions of documents and software can lurk around in the dark corners of projects ready to be accidentally picked up and used by unsuspecting project team members, sometimes overwriting later versions and thus reviving bugs and errors which the newer versions had eliminated.

In a project lasting several years, computer hardware and network equipment may be updated several times by the manufacturer and unless these changes are noted and taken account of, valuable time and resources may be wasted wondering why the square peg will no longer fit into what has become a round hole. Even engineering hardware like ventilation and fire alarm systems continue to be enhanced and updated, creating potential compatibility problems if records are not kept carefully.

One of the key activities within any project, therefore, is to undertake Configuration Management (CM) of all project outputs. Prince2™ treats CM as one its key components, and proposes a number of best practice actions. It recognises, however, that within some organisations, there may already be very sophisticated CM procedures in place, e.g. within the automotive or aerospace industries and it does not require that existing



Clive Billenness

procedures be replaced if they are already working effectively, preferring instead to integrate them into its own processes.

CM, in its broadest sense, serves to identify, track and protect a project's outputs (products) which become organisational assets. It recognises that CM records need to be maintained long after the project itself is over and the systems produced are now fully operational. Its objectives are to hold up-to-date information on: the status of each product (e.g. Live/Final, Test/Review or Draft/Development), who has prime responsibility for it and its relationships with other products. With this information, changes can be managed (I will consider this further in my next article) and checks can be made that only approved versions of products are issued or used.

There are many highly sophisticated tools which can be used to manage libraries of documentation or software and often these are free to use (e.g. SourceForge). All that may be necessary for a small project, however, is a simple recording system on a spreadsheet together with appropriate version numbering and product naming conventions, along with a Library in which definitive versions of documents or software can be securely stored and access granted on a read-only basis to prevent unauthorised changes.

Naming conventions should permit the type, version and purpose of documents to be uniquely identified.

For example, in a Project with the name “UPWARD”, calling a distribution version of a document ‘DRAFT’ is far less informative than titling it ‘UPWARD BUSINESS CASE D v1_01.DOC’. Within the document itself, it is also helpful to include a Version History page identifying how the document has reached its present status and why previous changes to it were made.

Most commercial software engineers are highly experienced in the disciplines of version control and naming conventions, applying these automatically to anything they produce. It is important to remember that how the jigsaw of components fits together within your organisation may differ from that of your neighbour. It is therefore essential - especially when upgrades are being released - that those responsible for implementing them have a clear understanding of how everything fits together and what dependencies exist which might need special treatment or special versions of software to be applied.

CM applies not only to software and documentation. When organisations are implementing systems, how they set up user accounts and what privileges they grant them may be substantially different to those needed once it becomes operational. It is highly unlikely that in a ‘live’ financial system, any user will be permitted to alter the value of a balance by simply editing the database, whereas this may be a necessary privilege during setup and testing. It is equally important to keep track of how systems and users have been configured so that any temporary privileges can be revoked before going-live.

The process of CM will continue throughout the operational life of the system or process, so the final issue to consider is how to secure configuration records beyond the life of the project which created them. As the passage of time dims memories about how and why particular things were done, the ability to refer to comprehensive configuration information becomes increasingly important if ongoing maintenance costs are to be minimised.

Some organisations will have a Project or Programme Office which can store these records. In others, the records will be passed to the operational owner of the service or process. Whatever repository is chosen, ensure that someone has responsibility for the information continuing to be updated to reflect any changes which take place.

CM should be started at the very outset of a project, as it is at this point that key documentation will start to be produced and emphasis is therefore needed on proper version control. Also, these days much of the early work on projects tends to be done via e-mail, and if these are not properly and promptly filed, it will prove impossible to backtrack months or years later on how and why decisions were made.

Failure to perform any of these steps can lead to incomplete or out-of-date configuration information, which can be just as hazardous to the health of your organisation as fitting the wrong brake component to your car can be hazardous to your personal safety. You would not do the latter, it is essential to make sure that your organisation does not do the former.

CIPFA MEMBER PROFILE **(CONTINUED FROM PAGE 23)**

I greatly enjoy the challenge of helping developing countries structure their public service provision and leading the development of finance and related systems. For example, as well as in Bangladesh, I have been leading the design and appraisal of financial systems recently in Ethiopia and Southern Sudan where I have made some very good friends. Working overseas means a lot of travel and I do find the amount of flying very frustrating, but it cannot be avoided! Also, working in different time zones adds pressure, getting used to making phone calls to other parts of the world at strange times of the day.

What does the future hold for you?

I plan to continue making a contribution to growing the HELM business both at home and overseas and winning more major projects for the company.

At a more personal level, I have just acquired a small farm in Northern Ireland and over the next few years I hope to develop this interest further. Ultimately, I hope that I will spend less time on airplanes, with my HELM colleagues doing the bulk of the worldwide travelling.

LEADING CHANGE

In a series of short features on key leadership issues, Jean Pousson provides a useful checklist for Directors and Senior Managers who find themselves leading significant organisational change.

It is a well documented fact that a very high proportion of change management efforts either fail totally or certainly fail to achieve the initial objectives often causing distress at all organisational levels. And this is despite the very best of intentions of well willing and hard working management.

A quick check on Amazon.com reveals over 84,000 hits on the topic! It would be impossible to condense all this wealth of knowledge into this small article but nevertheless I have set out below a few useful hints.

- Have a planned strategy for the change. Like any other activity, change needs to be planned, monitored and objectives measured as if it were a full blown divisional plan. If you have never been through organisational change, get people who have to help you.
- Form a coalition. No leader no matter how intelligent and hardworking can act alone. Involve as many people as possible in the consultation process. Change efforts which are rushed through will always backfire if the support of the major stakeholders has not been sought up front.
- Expect resistance! That is a given! No matter how logical or how necessary the change might be, there will be some opposition to what you are proposing. The change therefore needs to be properly motivated. Everybody needs to realise and accept that the status quo cannot carry on.
- The proposed change needs to be consistent with the current strategy and vision of the organisation. If not, that point needs to be thoroughly explained, otherwise people will not understand the logic behind the change and therefore are guaranteed to block it.

- Leaders, ie executives and senior management, need to be consistent in their use of language. They need to be careful of the unguarded moment - the corridor conversation, the flippant observation on a train - these throw-away statements are often taken to be the real thing and have a habit of becoming organisational gospel very very quickly.
- Detail. The small things do matter very much. Staff may not be able to digest fully a new organisational restructure but change something as simple as a car parking arrangement and watch the fireworks!
- And finally, tell the truth! If you don't know, then you don't know. The certainty of misery is far better than the misery of uncertainty. Communicate far more than you would normally do and communicate regularly. People after all have a right to know about their organisation and their potential personal future.

For the last 20 years, Jean Pousson has lectured and consulted on issues of strategic planning and implementation, risk and finance to an international client base consisting of small businesses, multinationals, charities, housing associations, professional firms and a variety of public sector bodies.

Jean is a top-rated speaker on the Institute of Director's Diploma programme in executive leadership and was hailed by one participant from the Northern Ireland public sector as 'quite frankly the best trainer I have ever experienced'.



Jean Pousson

Jean Pousson will be speaking at CIPFA Northern Ireland's seminar on Leading Change that is being held on 12 November 2007 at the Stormont Hotel, Belfast. Booking details are available at www.cipfa.org.uk/ni.

CIPFA MEMBER PROFILE

Mike Frazer is the Chairman and Senior International Partner of HELM, a Northern Ireland-based international consultancy firm that specialises in public sector development. As one of the founders of the company in 1990, he has watched it grow steadily into a multi-million pound business, operating in over 30 countries, with offices in Moira, Dublin and Northampton. In this interview, Mike provides a flavour of life as an international consultant and his interface with the public sector.

How did you get into the consultancy business?

I had been working for ten years in the health service during the conservative government reforms of the 1980s and decided to embark on the CIPFA professional accountancy qualification which gave me my first contact with CIPFA. I studied CIPFA's accountancy qualification in Liverpool with a small band of colleagues from Northern Ireland.

After qualifying, I joined CIPFA's consultancy arm CSL Ltd. and when CSL withdrew from the public sector consultancy market in Northern Ireland, we set up HELM to continue the work we were doing and fill the gap in the market for specialist public sector consultancy services. Since the early 1990s, the company has grown steadily into an international business.

In a competitive market, what is different about HELM?

Although the competition is tough, we are the only specialist public sector consultancy company in Northern Ireland, so we operate in a niche market. However, given the scale of the public sector in the Northern Ireland economy, that niche is quite sizeable. With the Headquarters of the whole HELM group in Moira, we keep our overhead costs relatively low allowing us to operate a competitive pricing policy which helps win business. We have now grown to be what can be described as an International Consultancy Company with



Mark O'Donnell and Mike Frazer of HELM, with Mr Asif Ali the Comptroller and Auditor General of Bangladesh

headquarters in Northern Ireland, rather than a firm focusing only on the local market. To ensure the quality of our work, we are ISO registered and have stringent quality control and assurance checks.

We also take social responsibility seriously, particularly in the developing countries that we operate in. As part of our commitment to developing countries where we work, we have targeted specific charities and encouraged our staff to get involved. The best example of this is the Acid Survivors Trust in Bangladesh where HELM provided long-term support for administrative running costs, and the HELM staff purchased all the beds for a new hospital. Similar donations and contributions to children's charities in Asia and Africa have taken place.

Our support for the wider community can be seen by our contribution to the promotion of sports, wider social and caring concerns which come to our attention. In the sporting arena, we have concentrated on supporting lesser known sporting activities and assisted not only financially but also in promotion of the sport. The company has sponsored the Irish Bobsleigh Team, the Ulster and Munster

Women's Rugby Teams and the Northern Ireland Everest Expedition. Sponsoring and supporting these minority sports has been great fun and we do try to export the Irish philosophy of 'craic'.

What is the most significant project that you have undertaken?

In terms of scale and significance, successfully managing a family of financial reforms within Bangladesh's public sector is the most important. Over the last 12 years, I have been managing the development, design and implementation of core accounting, budgeting and economic systems, financial training, Information Technology, audit and capacity-building.

I have also been leading the reforms in budgeting and expenditure control, establishing a Financial Management Academy and successfully introducing a process approach to change management in the Government of Bangladesh. We have trained more than 10,000 government officers, some of them to Master Degree level and more recently have established the first functioning country-wide Wide Area Network in Bangladesh. The PFM reforms in Bangladesh are a 20 to 25 year programme, so we are just over half way in terms of the scale of public sector reforms being undertaken in Bangladesh.

Based on this work, we have also recently been awarded a £10m+ contract called MATT2 to train Senior Government Managers in Bangladesh over the next seven years.

I also took great professional satisfaction in 2004 from leading a multi-donor team and 15 consultants in preparing the Country Financial Accountability Assessment for Ethiopia, a document which set out the future Public Financial Reform agenda for the next five years and is a fundamental part of that country's plans for the future.

Have you experienced any project disasters?

No disasters, but we have had some cases where we have had to change tack! If a problem with a project is identified, it is part of the HELM philosophy to react quickly to ensure that the resources are available to put things back on track. We have excellent teams and a track record of delivery.

Have you had any sleepless nights?

No, I sleep quite comfortably these days apart from the jet lag! However, in the early days of establishing the business, we used to work with clients during the day and then carry out administration and write tenders at night. Setting-up and growing a business does have its pressures, and a lack of sleep at times, but also brings many rewards as well.

Where is the future growth and expansion of the Company?

HELM is well established throughout the UK and Ireland, and in developing regions such as Eastern Europe, South East Asia and more recently, Anglo-Africa. We have also expanded at home where we have established subsidiary companies in e-Government and Human Resources. We are currently establishing relationships to expand our services to the Francophone-African countries that will be receiving substantial overseas aid in the future. In Northern Ireland, we are well placed to assist with reform of public services through the Review of Public Administration and our work in the Republic of Ireland and Great Britain grows steadily.

How useful is the CIPFA qualification in your work?

I'm the first to admit that my strengths are not in the academic field but I found the CIPFA accountancy qualification to be very practical and helpful in my career to date. For example, when I did the seven-hour case study examination, it was based on market-testing in the health service - an area in which I had been working which was a pleasant surprise when I opened the exam paper. Many of my colleagues are CIPFA qualified accountants and I find that they all have a broad set of skills because of their training and they are particularly good at report writing.

Is there a typical day in the life of an international consultant?

There is no typical day, but assignments tend to fall into two categories. Long-term assignments of typically three years duration involving relocation to another country and short-term assignments of up to three weeks duration. (Continued on page 20)

"The world makes way for the man who knows where he is going."

RALPH WALDO EMERSON

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At Brightwater, our strengths lie both in identifying your needs and our ability to match your skills with the career you want.

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- Fund Services
- Temporary & Contract
- Taxation
- Financial Services
- Banking
- Industry & Commerce

For information on market trends and salary information, please contact our consultants in Belfast on 028 90 325 325 or log on to our website at www.brightwaterNI.com

