

Scottish Branch

**annual  
report**

2011/2012

# CIPFA's objectives

## **Our charitable objectives:**

- Advancing public finance and promoting best practice
- Regulation and supporting members
- Educating and training student members

## **Our purpose**

Working in the public interest to promote high standards and deliver excellence in governance and financial management throughout the public services.

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# about CIPFA

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance.

Our 14,000 members work throughout the public sector, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

We champion high performance in public services, translating our experience and insight into practical and innovative services for customers throughout the public sector to help them improve performance on the ground.

CIPFA shows the way in public finance globally, standing up for sound public financial management and good government around the world as the leading commentator on managing and accounting for public money.

# about the scottish branch

The CIPFA Scottish Branch comprises the whole CIPFA membership in Scotland. Formed in 1906, the Scottish Branch has over 1,200 CIPFA-qualified full members and 250 student members. A number of important Branch activities take place each year including the Annual Conference and Graduation Ceremony for new CPFAs.

The principal function of the Scottish Branch is to promote the policies and reputation of the Institute in Scotland as provided by the Royal Charter and Bye Laws, in particular the science of public finance and accountancy.

# scottish branch chair – review of 2011

My incoming chair's speech and opening address at this year's conference was one of optimism and ambition. In this period of major public sector transformation I aimed to encourage CIPFA members to continue to be seen as leaders of innovation; maximising resources and protecting public services and standards to promote growth in the long term.

It has been an absolute honor and privilege to serve as branch chair and I know that I may be young in comparison to an institute which is over 125 years old; but the challenges we face today are new to each and every one of us. In order for us to successfully deliver and drive change, we must develop solutions which are based on fresh and new ideas and more innovative ways of thinking and working.

## 2011 Achievements

We started the year with saying goodbye to a number of longstanding executive committee members and welcoming a number of new members to our committee.

I made a commitment to work with the branch to ensure that, in a period of increasing pressure on our members; we continue to meet the needs of the membership and assist in raising the institute's influence and profile. Throughout 2011 we continued to develop our activity planner to ensure that the direction and organisation of branch operations focused on achieving these outcomes.

I was delighted that as a branch we successfully developed a free/low cost members' events programme, and in 2011-12 held three CPD members' events in Glasgow, Edinburgh and Dunblane.

One of our branch success stories of the year was the re-introduction and rebranding

of the development weekend as the '*Skills for Success*' event. The demand for the event was exceptional and as a result of its success is set to be run again in 2012.

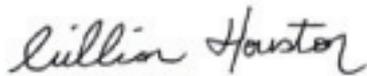
I am hopeful that we can continue to review and adapt the programme of members' events in order to meet the needs of our membership in all parts of Scotland, particularly by further exploring the better use of technology such as webinars and podcasts.

During the year, the Scottish Branch made a firm commitment to raise the institute's profile, in particular by attending a number of career fairs, employers meetings and re-introducing the professional advisor role. This aspect of branch activity is vital to the continued future growth and success of CIPFA Scotland.

Reflecting on my year as chair, one of the highlights was acting as host at this year's annual conference. In opening the conference, I set out three key challenges to our audience on the theme of "*how do we do more with less?*". Through a

programme of high quality speakers and active debate we were provided with a number of solutions to this question, and undoubtedly moved the drive for change in improvements in financial management forward.

I have thoroughly enjoyed my year as chair and as the 2011-12 Executive Committee draws to its conclusion, I would like to say thank you to all of the volunteers who have served on the Committee. In particular I would like to record my personal thanks to my fellow office bearers for all of their support during the year. I would also like to thank Angela Scott, all her staff, and in particular Mark McLean for the hard work, professionalism and support they have provided to me over the past year.

A handwritten signature in black ink that reads "Gillian Houston". The signature is written in a cursive, flowing style.

**Gillian Houston**  
Scottish Branch Chair

# development planner

In 2011, CIPFA Scottish Branch continued its mission to advance the public finance agenda and drive up standards by promoting best practice through the work of its special interest groups.

The Executive Committee Activity Development Planner is available to download from the following link:  
<http://www.cipfa.org.uk/regions/scotland/meetings.cfm>

# incoming chair's message – looking to the future

As we start to get used to the idea that reduced economic activity is now the 'new norm' and that annual increases in GDP can no longer be taken for granted, the shape of the debate facing the public sector is changing. Expectations of increased real-terms funding for the public sector have now gone, at least until the end of the current decade. The focus is shifting towards how to best utilise the limited resources that we have available to us and how best to form mutually-beneficial partnerships with others.

This includes developing the potential of our people through building skills, which becomes even more important in a downturn. It can be tempting to reduce training budgets – it is a false economy. Many opportunities are low or no cost, such as secondments or staff exchanges. New skills and increased confidence and enthusiasm can flow from new experiences.

We should expect new ideas to surface following the recent local government elections. There will be an impetus for change. As finance staff, we should be innovative and drive much of this change forward. We should ally our technical expertise with imaginative thinking in order to identify the solutions which will maintain and enhance public services as resources reduce. Working with colleagues in other disciplines such as Organisational Change and Development increases diversity of ideas and results in more creative solutions that address stakeholders needs more holistically.

Our role as finance professionals also allows us the opportunity to challenge accepted wisdom and look actively for new ways of doing things. Although financial resources are tight, new approaches should incorporate factors other than finance. Achieving the best outcomes for our stakeholders and the best possible services for customers are key elements. For example, sharing services usually reduces costs but can also reduce

the quality of service provided to customers. It may also reduce the flexibility of front line organisations to adapt to change in the future. Our role is to balance all of these elements in order to maintain a healthy and thriving organisation that staff are passionate about as well as one that meets difficult financial targets.

The focus for volunteers in the Scottish Branch remains on the key areas within our Development Plan: promoting the qualification, supporting members and students and in improving communications with members, particularly those who live and work more remotely. The Branch will continue to focus on building networks and relationships across all sectors and work with CIPFA both in Scotland and at UK-level in order to promote the aims of the Institute. We will also ensure that issues of importance in Scotland are debated and given a profile wherever possible. We will seek to broaden the reach of the Branch through involving more volunteers in our work.

Thank you for the opportunity the role of branch chair presents. I look forward to the many challenges and opportunities that 2012 will bring.



**Ronnie Erskine**  
Incoming Branch Chair

# honorary treasurer's report

This report presents the CIPFA Scottish Branch accounts for the financial year ended 31 December 2011. During the 2011 financial year a significantly improved consolidated net surplus of £4,948 was generated by the Branch compared to a net deficit of £1,115 in 2010.

The Treasury Management Forum is consolidated within the Branch accounts and generated a surplus of £14,795 for the year.

The reserves position of the Branch remains healthy with balances totalling £96,689 held at 31 December 2011. The Branch has developed plans to use these reserves to help deliver its strategic aims over the next 5 years.

During 2010 a new SLA was agreed with the CIPFA and consequently has reduced the Branch exposure to variations in conference surpluses. During 2011 the Branch received £6,000 as a share of the 2011 conference surplus.

In total at 31 December 2011, the Branch holds reserves of £96,689 of which £14,795 is earmarked for the Treasury Management Forum, £26,358 is held in the Conference Reserve and a further £11,278 is held in trust for the Archie Gillespie Memorial Fund. General Development Reserves at 31 December 2011 total £44,258.

The Branch received a regional subvention from CIPFA of £9,382 for 2011 of which £6,442 was passed to the Scottish Student Society and £1,418 to support the activities of the CIPFA Directors of Finance Section.

This is my first year as Honorary Treasurer with David Robertson standing down at the 2010 AGM. I would like to pay tribute to the work that David has done over the past 5 years in ensuring the financial integrity of the Branch accounts, systems and processes. I would also like to thank David for his support during this my first year as Treasurer.



**Margo McGurk**  
Honorary Treasurer  
CPFA

## Five Year Summary

for the year ended 31 December 2011

	2007	2008	2009	2010	2011
<b>Income</b>	83,778	55,914	33,508	45,715	<b>28,809</b>
<b>Expenditure</b>	61,027	67,972	69,930	46,830	<b>23,861</b>
<b>Net incoming/(outgoing) resources</b>	22,749	(12,058)	(36,422)	(1,115)	<b>4,948</b>

To the Members of the Scottish Region of the Chartered Institute of Public Finance and Accountancy. I Grace Scanlin have audited the accounts of the Scottish Branch for the year ended 31 December 2011 and confirm that the accounts give a true and fair view of the state of affairs of the Scottish Branch at 31 December 2011 and that they have been compiled in compliance with financial regulations.



(Honorary Auditor)

**Grace Scanlin**

CPFA

# Statement of Financial Activities

for the year ended 31 December 2011

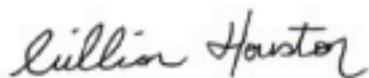
	Note	2011 £	2011 £	2010 £	2010 £
<b>Incoming Resources</b>					
<i>Incoming resources from charitable activities:</i>					
Advancing public finance and promoting best practice		–	–	–	–
Educating and training students		18,555	–	34,436	–
<i>Incoming resources from generated funds:</i>					
Donations		–	–	–	–
Investment income		872	–	475	–
<i>Other incoming resources:</i>					
Subvention		9,382	–	10,804	–
<b>Total Incoming Resources</b>		–	28,809	–	47,175
<b>Resources Expended</b>					
<i>Charitable activities:</i>					
Advancing public finance and promoting best practice		5,532	–	38,550	–
Educating and training students		4,292	–	6,442	–
Regulating and supporting members		14,037	–	1,457	–
<i>Governance:</i>					
Regional Council and audit		–	381	–	–
<b>Total Resources Expended</b>	3	–	23,861	–	46,830
<b>Net Incoming/(Outgoing) Resources</b>		4,947	–	–	(1,115)
Gains/(losses) on investment assets:		–	–	–	–
<b>Net Movement in Funds</b>		4,947	–	–	(1,115)
Funds Balances Brought Forward at 1 January		91,741	–	–	92,856
<b>Funds balances carried forward at 31 December</b>		96,689	–	–	91,741

# Balance Sheet

as at 31 December 2011

	Note	2011 £	2011 £	2010 £	2010 £
<b>Fixed Assets</b>					
Investments	4	–	–	–	–
<b>Current Assets</b>					
Stocks		–	–	–	–
Debtors and Prepayments	5	6,523	–	33,177	–
Investments	6	31,246	–	85,457	–
Cash at bank and in hand		77,312	–	8,975	–
		<b>115,081</b>	<b>–</b>	<b>127,609</b>	<b>–</b>
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	7	(18,392)	–	(35,868)	–
<b>Net Current Assets</b>		<b>–</b>	<b>96,689</b>	<b>–</b>	<b>91,741</b>
<b>Represented By:</b>					
Capital Funds		–	–	–	–
Restricted Funds:					
Trust Funds	8	–	11,279	–	11,378
Income Funds:					
Designated Funds	9	–	41,152	–	38,931
Other Charitable Funds	10	–	44,258	–	41,432
		<b>–</b>	<b>96,689</b>	<b>–</b>	<b>91,741</b>

Signed on behalf of the CIPFA Scottish Branch



**Gillian Houston**  
Scottish Branch Chair



**Gillian Houston**  
Scottish Branch Chair

# Cash Flow Statement

for the year ended 31 December 2011

Note	2011 £	2011 £	2010 £	2010 £
<b>Net Cash Inflow (Outflow) from Operating Activities</b>	<b>14,125</b>	<b>–</b>	<b>(35,904)</b>	<b>–</b>
<b>Returns on Investment and Servicing of Finance</b>				
Investment income	–	–	–	–
Interest paid	–	–	–	–
<b>Capital Expenditure and Financial Investments</b>				
Purchase of tangible assets	–	–	–	–
Proceeds from Sale of Investments	–	–	–	–
Purchase of Investments	–	–	–	–
<b>Net cash inflow (outflow)</b>	<b>–</b>	<b>14,125</b>	<b>–</b>	<b>(35,904)</b>

## Notes to the Cash Flow Statement

1	2011 £	2010 £
Changes in resources before revaluations	<b>4,947</b>	<b>(1,115)</b>
Investment income	–	–
Depreciation charges	–	–
(Increase) / Decrease in debtors	<b>26,600</b>	<b>(28,083)</b>
(Increase) / Decrease in stocks	–	–
Increase / (Decrease) in creditors	<b>(17,422)</b>	<b>(6,706)</b>
	<b>14,125</b>	<b>(35,904)</b>

2 Reconciliation of net cash flow to movement in net debt	2011 £	2010 £
Increase / (Decrease) in cash in the period	<b>14,125</b>	<b>(35,904)</b>
Change in net debt	<b>94,433</b>	<b>130,337</b>
Net debt at 1 January	–	–
Net debt at 31 December	<b>108,558</b>	<b>94,433</b>

3 Analysis of changes in net debt	At 1 Jan 2011 £	Cashflows £	At 31 Dec 2011 £
Cash in hand	<b>94,433</b>	<b>14,125</b>	<b>108,558</b>
Debt falling due after 1 year	–	–	–
Total	<b>94,433</b>	<b>14,125</b>	<b>108,558</b>

# Notes to the Financial Statements

Year ended 31 December 2011

## 1 Accounting Policies

The Financial Statements have been prepared in accordance with relevant guidance issued by the Accounting Standards Board and follow the requirements of the Statement of Recommended Practice Accounting by Charities 2005. The particular accounting policies adopted are described below

### a. Accounting Convention

The Financial Statements are prepared under the historical cost convention.

### b. Investments

The Financial Statements are prepared under the historical cost convention.

### c. Stocks

Stocks are stated at the lower of cost and net realisable value.

## 2 Employees

	2011 £	2010 £
Salaries and Wages (including temporary staff)	–	–
National Insurance	–	–
Superannuation	–	–
Other Staff Costs	–	–
	–	–
The average number of employees was		(2010: _____)

## 3 Support Costs

	Directly Attributable Costs £	Apportioned Support Costs £	Apportioned Staff Costs £	Total 2011 £	Total 2010 £
Advancing public finance and promoting best practice	5,532	–	–	5,532	38,550
Educating and training students	14,037	–	–	14,037	6,442
Regulating and supporting members	4,292	–	–	4,292	1,457
Governance and audit	–	–	–	–	381
Total	23,861	–	–	23,861	46,830
Basis of apportionment	–	–	–	–	–

# Notes to the Financial Statements

Year ended 31 December 2011

## 4 Fixed Assets: Investments

	2011 £	2010 £
(Brief description of investments held)	–	–
	–	–

## 5 Debtors And Prepayments

	2011 £	2010 £
Trade Debtors	–	–
Amounts owed by CIPFA excluding VAT	–	31,583
VAT repayment owed by CIPFA	–	54
Amounts owed by CIPFA Regions and Student Societies	–	–
Owed by CIPFA Business Ltd	–	–
Other Tax and Social Security	–	–
Other Debtors	6,523	1,540
Prepayments and Accrued Income	–	–
	6,523	33,177

## 6 Current Assets: Investments

	2011 £	2010 £
(Brief description of investments held)	–	–
	–	–

# Notes to the Financial Statements

Year ended 31 December 2011

## 7 Creditors: Amounts Falling Due Within One Year

	2011	2010
	£	£
Trade Creditors	–	–
Owed to CIPFA excluding VAT	280	32,839
VAT owed to CIPFA	1,861	–
Amounts owed to CIPFA Regions and Student Societies	3,222	1,611
Owed to CIPFA Business Ltd	–	–
Other Tax, Social Security	–	–
Other Creditors	13,030	1,418
Receipts in Advance	–	–
	<b>18,393</b>	<b>35,868</b>

## 8 Restricted Funds

	2011	2010
	£	£
Balance at 1 January	11,378	12,032
For the Year	(100)	(654)
Balance at 31 December	11,278	11,378

## 9 Designated Funds

The Income Funds of the Institute include the following Designated Funds that have been set aside out of unrestricted funds by the Executive Committee for Specific Purposes.

	2011	2010
	£	£
Conference Reserve	26,357	26,357
Treasury Management Forum	14,795	12,574

## 10 Other Charitable Funds

	2011	2010
	£	£
As at 1 January	42,972	43,256
		554
Surplus/(Deficit) for the Year	1,287	(2,378)
As at 31 December	44,259	41,432

# Notes to the Financial Statements

Year ended 31 December 2011

## 11 Capital Commitments

	2011 £	2010 £
Authorised and Contracted	–	–
Authorised but not Contracted	–	–

## 12 Financial Commitments

	Land and Buildings 2011 £	Other 2011 £	Land and Buildings 2010 £	Other 2010 £
Leases which expire:				
within one year	–	–	–	–
within two to five years	–	–	–	–
in over five years	–	–	–	–
	–	–	–	–

## 13 Cost Of Audit And Other Financial Services

	2011 £	2010 £
Audit Fees	–	–
Taxation Advice	–	–

## 14 Transactions with Trustees and Related Persons

	2011 £	2010 £
Remuneration and honoraria	–	–
Professional services rendered for a fee	–	–
Travel and subsistence expenses reimbursed for costs necessarily incurred on CIPFA business	–	–

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