



The Chartered Institute of
Public Finance & Accountancy

annual general meeting 2019

Monday 8 July at 4.00pm
International Convention Centre
Birmingham

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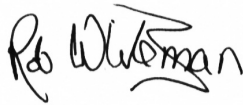
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How to get there and location map:

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31 May 2019

Notice is hereby given that the Annual General Meeting of the Members of the Chartered Institute of Public Finance and Accountancy will be held at the International Convention Centre, Birmingham on Monday 8 July 2019 at 4.00pm.



Rob Whiteman, FCPFA
Chief Executive, CIPFA

Agenda

- 1 To receive apologies for absence
- 2 To confirm the Minutes of the 2018 Annual General Meeting (see pages 4 – 9)
- 3 To consider for adoption the Report and Accounts for 2018
- 4 To appoint Auditors for the ensuing year
- 5 To receive a report on the election of Officers and Council for terms starting at this AGM
- 6 To consider any other competent business

2018 Annual General Meeting

Tuesday 10 July 2018

Bournemouth

The President, Andrew Burns, called the meeting to order, and welcomed attendees. He noted that all members had received an email that contained a link to download the Annual Report and Accounts, and the option to request a hard copy. Apologies from a number of members of the Institute Council and other members who have not been able to attend because of work or due to other commitments were noted.

The Minutes of the Annual General Meeting held on 11 July 2017, printed in the AGM booklet on pages 5 to 9, were agreed by the meeting, and signed by the President.

The next agenda item was the Annual Report and Accounts for 2017. The President said that he would begin by highlighting the main activities of the year, and then ask Peter Woodman to introduce the financial review.

The President said that a combination of financial pressures, increasing demand and uncertainty was continuing to cause difficult conditions across CIPFA's traditional markets. Throughout 2017, austerity had remained a challenge for the public sector, with areas such as the NHS, social housing and adult and children's social care attracting national attention.

Brexit had added another layer of complexity to this. While the negotiation process was being handled by the Prime Minister and the Department for Exiting the European Union, decisions upon which route to take had frequently become a priority for the whole of Government, arguably to the detriment of other important decisions that could have affected the financial circumstances of different public bodies. While some of the major issues of Brexit – future trade arrangements, the Northern Ireland border, a vote on the final agreement – had been widely discussed, if not resolved, there were still a number of important decisions that would have significant consequences for public bodies that had not yet, in CIPFA's opinion, been satisfactorily addressed, for example, access to skilled and unskilled workers and the redistribution of structural funding. CIPFA had worked to raise awareness of these and other issues over the course of the year, and continued to do so, through the Brexit Commission for Public Services..

The public sector had also faced uncertainty in the form of changes to funding approaches, which had added pressure for CFOs and finance teams. Most notable, and particularly in terms of CIPFA's focus, had been the moves towards 100% retention of business rates by local authorities, along with new developments in the fair funding process. The Institute had actively fed into this process, through extensive responses to MHCLG consultations as well as through its policy voice in the media.

Many parts of the public sector had continued to experience resource allocation pressures, often caused by a combination of reductions in funding and increasing demand for services. CIPFA had frequently championed the tremendous efforts of public sector workers, particularly finance leaders, for finding sustainable solutions to these difficulties, but some areas were close to breaking point. Adult and children's social care were two such examples of public services that were experiencing demand outstripping resources. CIPFA had done much to draw attention to the situation, not least through producing technical publications aimed at addressing the issue.

While CIPFA remained adaptive and responsive to the challenges of the day, the Institute also had a responsibility to prepare for the challenges of tomorrow. As a membership body and as an educational institution, CIPFA had always played a crucial role in ensuring the next generation of public finance professionals and leaders have the skills and resources they need. This responsibility had been evident throughout 2017, not least through the Institute's response to the Government's introduction of the Apprenticeship Levy. First, CIPFA had provided the

sector with a publication explaining what the Levy was, how it affected public bodies and how they account for it. And second, CIPFA had been accepted as a registered apprenticeship training provider and had begun delivering public sector accountancy and finance apprenticeships in the autumn of 2017.

Looking beyond the UK, the Institute was an increasingly active participant in the promotion of good public financial management around the globe. Plenty of the public finance challenges faced in the UK were also faced by government bodies around the world, but many of the countries CIPFA had been working with also faced acute challenges and poor governance structures, a need to adopt accruals accounting and difficulties with fraud and corruption. During 2017, this not only took the form of a number of key MOU signings with global institutes and other bodies, including the University of Papua New Guinea, the Institute of Cost Accountants of India and Institute of Chartered Accountants of Bangladesh, but also the launch of CIPFA's updated Whole Systems Approach and new online portal, as well as the Public Sector Financial Accountability Index, developed jointly with IFAC.

In terms of promoting CIPFA's international footprint, throughout the year the Institute had regular articles published in PF International and on the IFAC Portal to showcase thought leadership. These had covered topics including participatory budgeting, improving PFM, and the 20 year anniversary of IPSASB. The Institute had also developed its new international strategy, which set out its plans for expanding CIPFA's international reach over the next ten years.

CIPFA had continued to build upon its reputation as an important, authoritative voice on public finance matters, providing frank, honest and timely commentary on issues affecting the public sector. During 2017, CIPFA spokespeople had been quoted in national, regional and trade media, speaking out on topics including Brexit, the Better Care Fund and the next steps for the NHS Five Year Forward View, investment in local services across the devolved nations, the Spring and Autumn Budgets and much more. Meanwhile CIPFA had maintained a regular supply of articles and blogs, providing expert advice and commentary on issues such as the budget risk in adult and children's social care, STPs, local government pension scheme governance, and understanding the risks of commercialisation.

CIPFA's policy and technical experts had issued sound advice, training and guidance throughout the year through its faculty teams, which covered local government, health and social care, and central government. Highlights of this had included CIPFA's joint research project with the Institute for Government, which had so far resulted in two editions of the Performance Tracker, where we had used Government data to assess the efficacy of a number of spending decisions over a ten year period. The team had also provided detailed responses to a number of consultations, including MiFID II, the local government finance settlement and 100% business rates retention for local government.

In addition to the faculty outputs, through the CIPFA Counter Fraud Centre, the team had provided advice on cybercrime, fraud preparedness, whistleblowing and more. The Counter Fraud team had also delivered the annual Counter Fraud and Corruption Tracker, the Government Counter Fraud Awards, with the Cabinet Office and the National Crime Agency, and produced the Global Fraud Risk Register, with Moore Stephens.

Alongside CIPFA's more traditional outputs, the Institute had also established the Brexit Advisory Commission for Public Services, which had been exploring the impact of the Brexit negotiation options on public services. With members in various roles across the public and private sector, the Commission had been looking at both the opportunities and risks that Brexit might have for public services.

Ensuring the next generation of public finance leaders remained a core part of CIPFA's mission. This effort encompassed the entire journey from student, to CIPFA qualified and beyond; from the outreach work CIPFA does with colleges and universities in the UK and overseas, to continual improvements made to the training process, to the support CIPFA provides newly qualified accountants as they go out into the world. Apprenticeship work was just one of the many activities performed last year by CETC, CIPFA's Education and Training Centre. After a

long period of research and development, CETC had launched CIPFA Learning – the online learning platform that provides students with a suite of new online interactive teaching and learning tools and online examinations. The Institute was also very pleased to have re-won its contract with the NHS Leadership Academy to be the exclusive provider of tuition services for the finance management stream of the NHS Graduate Scheme.

Having launched in 2016, CIPFA's subsidiary consultancy service C.Co had grown well. Over the course of 2017 the team had expanded to an eight strong team and had provided expert, professional support to clients such as Doncaster Children's Services Trust, Wolverhampton Library Service and Aberdeen Health and Care Partnership.

During 2017, CIPFA also provided a bespoke service to a number of local government finance leaders, in the form of financial resilience reviews. With all councils currently experiencing an increasing level of budgetary pressure, CIPFA had begun providing the comprehensive, expert review services to help councils assess their current financial resilience and offer advice and support on steps that might need to be taken.

The Institute had continued to generate interest and sales in the FM Model – recently, in Wales a number of consultancy FM models were being rolled out to Health Boards. And we were currently refreshing the FM Model, which would be launching at Conference as a new star rated model.

Other notable commercial highlights included the development of CIPFA's Mini MBA, our 'Introduction to' advisory events and we had also had success with a number of Finance Business Partner in-house programmes.

Lastly, 2017 had marked significant progress with the London Counter Fraud Hub. The Pilot for the data-sharing and analytics initiative began in June last year and has involved Ealing, Camden, Islington and Croydon. It had been a long and intense process, but we had experienced better than expected results for the initial three fraud types (single-person discount council tax (SPD), housing tenancy and business rates, before moving to a longer list of other fraud types), and over the next few months we were preparing to go live.

While the London Counter Fraud Hub was getting off the ground, CIPFA was already in talks with councils across the country that were keen for CIPFA to support them with their own counter fraud hubs.

Peter Woodman, CIPFA's Director, Finance and Performance, introduced the 2017 accounts. He noted that in 2017, CIPFA had increased income by 2% on all activities to £24.1m, including 5.5% higher turnover for CIPFA Business Ltd (£700k). However, we had budgeted for higher growth, which was not achieved, and with costs rising year-on-year by 4%, it had become apparent early in the third quarter that we would generate another overall trading loss. As a result during the period August to December 2017, we had made cuts to £2m from the staff establishment for 2018 to fundamentally rebalance the budget. Whilst we had streamlined our operations to improve productivity as needed, this had been a difficult experience for staff involving over 20 redundancies during the period with the majority happening in December. The underlying trading loss for 2017 and the deficit, taking one-off redundancy costs into account were both an improvement on 2016.

We had continued, in 2017, to keep to our strategy to invest for future growth and 2018 would see the London Counter Fraud Hub go live. This had needed careful handling as we depleted cash balances in 2017 to cover capital development costs, which were replenished in early 2018 through receipt of a planned loan and overdraft facility to cover working capital. Despite our challenging financial circumstances during the year we had made significant progress in a number of areas, with some projects coming to fruition, such as the launch of our new online platform CIPFA Learning, delivery of the Institute's public sector accountancy and finance apprenticeships at levels 3, 4 and 7, delivery of the proof of concept work for the London Counter Fraud Hub and the formation of our new international strategy.

CIPFA had ended 2017 with a negative balance sheet of £4.5m, an improvement on the 2016 negative balance sheet of £11.4m. The improvement in the balance sheet position was mainly due to an £8.7m positive change in the FRS 102 pension liability reserve, primarily as a result of the change in the value of assets. The actions

taken during the latter part of 2017 to reduce our costs and rebalance our budget, whilst difficult, had been necessary and CIPFA had had an encouraging first part of 2018 and were on track to achieve or better the 2018 approved budget.

In response to questions from the floor, it was accepted that CIPFA had experienced four years of losses, and that the expected return to surplus in 2017 had not happened. The Chief Executive confirmed that as well as putting in place a robust plan to deal with the disappointing financial position, it was important to address the culture of the organisation. Work was in hand to increase a true sense of ownership and accountability amongst all staff. The President confirmed that both the Council and CIPFA Board had held detailed discussions on these matters, and were keeping the remedial strategy under close review. He also noted that the Trustee group was meeting separately from the CIPFA Board to ensure that Trustee responsibilities received appropriate weight in decisions.

The President then introduced the two Motions under Ordinary Business, and the two Motions under Special Business, which he explained had already been subject to a postal and online vote of all Members.

All four Motions were proposed by the Vice President, and seconded by the Junior Vice President.

The Report and Accounts for 2017 were adopted, with 1,350 votes in favour, and 20 votes against.

Crowe Clark Whitehill were reappointed as the Institute's auditors for 2018, with 1,334 votes in favour, and 33 votes against.

The Motion on "Power to Borrow" was passed with 1,198 votes in favour, and 168 votes against.

The Motion on "Voting categories for CIPFA Council" was passed with 1,295 votes in favour, and 78 votes against.

The President explained that the Motions under Special Business now required formal approval from the Privy Council, but it was expected that they would be in force before the end of 2018.

The President then formally introduced CIPFA's new President, Sarah Howard. Sarah had served CIPFA as Vice President this past year and had on several occasions stepped up to participate in official duties. She was a partner and head of public sector at Grant Thornton, and her passion for the sector and strong support for CIPFA had seen Grant Thornton become the largest UK recruiter of CIPFA students and the first firm to launch the CIPFA apprenticeship scheme. Sarah had been a very active volunteer for CIPFA over much of her career, as an examiner, regional executive member and as an elected council member. Her volunteering efforts had been recognised by the Institute through both the Dr Hedley Marshall Award for outstanding contribution to regional activities and the Tom Sowerby Award for outstanding services to CIPFA students. It therefore gave him great pleasure to be able to hand over the President's badge and role to Sarah, and to wish her well for the future.

The new President thanked the outgoing President for his support over the past year. It had been a privilege and pleasure to serve as his Vice President, seeing first hand his enthusiastic, conscientious and tenacious approach to the role. Seeing him in operation has helped her better understand the role, and it was an exceptional honour to follow him and to represent our Institute as President over the next 12 months. Certainly, his guidance had helped to build strength and resilience in our Institute, at a time of continuing challenge and political and economic uncertainty. CIPFA was at the heart of a profession that would have a pivotal role in protecting the integrity of our country over the coming years. The profession would need our support and during his presidency, she knew that he had been a strong advocate of good public financial management and – more widely – promoted trust and integrity in the profession, not least through his role as CCAB Chair.

The meeting joined her in thanking Andrew Burns for serving as our President and for the work he had done on behalf of the Institute.

The Past President thanked her for her kind words. It had been an honour to be President and it was his privilege to say we improved what we offer to our members and increased our voice as a champion of good financial management. It remained only to thank Rob Whiteman, CIPFA's CEO during his term, and the team and staff at the Institute for their support throughout the year. And finally to also thank Sarah Howard herself for her support as Vice President.

The President explained that her priorities as President would be to focus on:

1. Rebuilding trust in public services and our profession, with particular focus on simplifying and streamlining accounts to provide greater transparency and better information to taxpayers, and rethinking the future of public audit.
2. Encouraging collaborative conversations, to move further away from silo thinking by encouraging public services to work closely together and in partnership with private and third sectors to help drive innovation and improve local services.
3. Inspiring future talent – selling public services as a great place to work and refocusing on and celebrating our core purpose as an Institute, which is distinctive, and attractive to future generations.

These themes were not just close to her heart, but also fellow council members and colleagues in the room, and she looked forward to their support in helping her to focus on these themes. As well as support from the immediate Past President, she also looked forward to the support of the new Vice President and Junior Vice President.

She introduced Carolyn Williamson, who would be taking on the role of CIPFA Vice President. Carolyn was Deputy Chief Executive and Director of Corporate Resources for Hampshire County Council and was responsible for the Corporate Services Shared Partnership arrangement covering the County Council, Hampshire Constabulary, Hampshire Fire & Rescue Service and Oxfordshire County Council, which encompassed finance, HR and transactional services to the partners, along with responsibility for the County Council's IT Service and leading on the Digital Strategy. She had been a Member of CIPFA Council since 2013 and had held chairmanship roles on the Audit Committee and Student & Members Board, as well as attending CIPFA Council. Carolyn became CIPFA qualified in 1991. She was presented with the Iain Doig CIPFA Award in 2004 for her contribution to CIPFA and was also presented with the CIPFA Public Reporting & Accountability Award for Innovation in 2004. She was Chair of LASAAC (Local Authority Scotland Accounts Advisory Committee) and a member of CIPFA/LASAAC until 2005.

It would be an honour to serve with her, and she was absolutely delighted to give her the Vice President's badge.

The Vice President thanked the President, and expressed that it was indeed an honour and privilege to be elected as Vice President of the Institute. Throughout her service to Council, and long association with the Institute, she had developed a deep appreciation of the service we provided our members. She firmly believed that specialist training and support for public sector finance professionals remained as important as ever and was honoured to contribute to the development of this work. She was very much looking forward to her year as Vice President and although CIPFA faced another challenging year, she would do her utmost to support the President in her year of office.

The President then introduced Andy Hardy as the new Junior Vice President. Andy was Chief Executive Officer of University Hospitals Coventry and Warwickshire NHS Trust (UHCW), one of the largest tertiary acute trusts in the country, with an annual turnover in excess of £650m. In addition, Andy was currently Chair of Coventry and Warwickshire Local Workforce Action Board (LWAB), a member of Midlands and East Local Education and Training Board, Chair of the West Midlands Academic Health Science Network South Membership Innovation Council, a member of Warwick Medical School Faculty Advisory Board, and a CIPFA council member. He was also a Director of Albany Theatre Trust, Coventry. Previously Andy had served as Chair of the Finance Directors' Group of the Association of UK University Hospitals and in 2014 had been the National President of the Healthcare Financial

Management Association (HFMA) and his chosen theme for the year had been 'lead by numbers'. In January 2016 Andy had been appointed professor of Industry at the University of Warwick. And finally, in addition to his CEO role, Andy had been appointed as chair of the Coventry & Warwickshire STP Footprint in March 2016. The President said she was delighted to give him the Junior Vice President's badge and invite him into the Presidential Team. It would be an honour to serve with him.

The Junior Vice President thanked the President for her kind remarks. It was both an exciting and challenging time to join the CIPFA Presidential Team, and he was very pleased to offer additional capacity to support the President and Vice President.

Christina Earls, President of CIPFA's South West Region, congratulated the new Honorary Officers, and welcomed Members to the Region, wishing them a very enjoyable Conference.

There being no further business, the President closed the meeting.



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