

Scottish Branch

annual
report

2012 / 2013

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.

Contents

- 1 Charitable objectives
 - 2 About CIPFA
 - 3 About Scottish branch
 - 4 Scottish Branch Chair – a review of 2012
 - 6 Development planner
 - 7 Incoming chair's message – looking to the future
 - 8 Honorary treasurer's report
 - 9 Branch accounts
-

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 2012

At the start of my year as Chair I set out a challenge to all of our members. Could we begin to adjust to a new reality of reduced economic activity and funding for public services through developing the passion and potential of our people, striving for innovation and creativity and using partnerships more effectively at a community level? Have we managed to achieve this? I think that it is fair to say that we have begun our journey but have some way to go.

It remains a challenge to release staff on secondment or exchange opportunities when resources are tight, even although we recognise the overwhelming benefit to the individual and organisation of doing this. As finance professionals, driving forward innovative and holistic change across organisations takes us out of our comfort zone, although we have some confidence that we can do this. We still remain best placed in many of our organisations to challenge accepted wisdom and look actively for new ways of doing things. Synergising our strengths to deliver more effective front line services at a community level remains highly challenging, with alternative funding and democratic models constraining our efforts.

The energy and commitment of CIPFA members, our inherent passion for public services, our drive to improve the lives of those in our communities who depend upon our services fills me with hope for a future that can deliver more with less.

The 2013 Conference in Dundee introduced innovative practices that showed that CIPFA in Scotland remains in the forefront of creative thinking. We tweeted, blogged, podcast and even talked our way through the 2 days! We networked, learned, shared and enjoyed our chance to further develop our creative ideas. We immersed ourselves in discussions of systems and flow, of trying to understand how all the elements of what we do in public services come together in a coherent whole. We tried to see things holistically from the end user's point of view. We grappled with adaptive

change and how systems evolve into something better from a state of productive chaos.

At the Conference, the Branch launched its research paper 'At the Edge of Chaos and Ready for Outcomes?' which challenged us all to think about how we can improve the way we spend our money to improve outcomes in our communities. This has raised the profile of CIPFA in Scotland and stimulated conversation at a political and local level which will continue through 2013.

We shouldn't forget that the Scottish Branch continued to support its members through providing a series of high quality CPD events for members and students throughout the year. Alongside a focus on promoting the qualification and improving communications with members and students across Scotland, these remain core areas for the Branch.

I'd like to thank all CIPFA volunteers who have contributed to our ongoing development throughout 2012/13. In particular, members of the Executive Committee and Office Bearers Group who commit their time throughout the year to supporting CIPFA's work in Scotland, and a special word of thanks to Angela, Mark, Don, Gareth, James and staff at the CIPFA Scotland office who have worked professionally throughout the year in delivering effective services to the Branch, its members and students.

Thank you for the opportunity to serve as Branch Chair. I have enjoyed every minute and look forward to supporting Gary Devlin as he takes over the role for 2013/14. I'd encourage every member to keep challenging the way we do things. After all, it's the way that any living system at the edge of chaos evolves and improves!

A handwritten signature in black ink, appearing to read 'Ronnie Erskine'.

Ronnie Erskine
Chair of Scottish Branch

development planner

In 2012, 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.

Please visit the CIPFA Scotland website for further details of Branch activities at www.cipfa.org/scotland.

incoming chair's message – looking to the future

It is a great honour to take on the role of Chair of CIPFA in Scotland and I confess to being really excited about the coming year. Firstly, because the public sector is changing fast and potentially reaching a tipping point in its finances that will start to drive reforms that will impact on society for the foreseeable future. All of this at a time when we are considering the constitutional future of Scotland and, whatever the outcome of the 2014 Referendum, how Scotland will rise to the challenge of taking on greater responsibility for taxation and spending decisions.

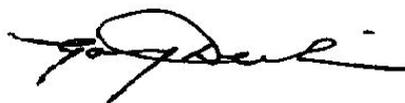
Secondly, because CIPFA is at the heart of the debate on the future of our public services. We saw this at the 2013 Conference this year in Dundee, developed around a broad theme of systems thinking. This theme is important in the context of the development of public services in Scotland, building on the work of the Christie Commission, and considering how we can continue to deliver high quality public services during a period of financial austerity and increasing demand. For the first time, we commissioned some research to support public debate on this issue. You can find our research paper 'At the Edge of Chaos and Ready for Outcomes?' on the CIPFA Scotland website.

I want to build on the themes developed at the 2013 Conference as a platform for developing our 2014 conference. I am particularly keen to look at how we can better support communities in a sustainable way. I know that many of our members are already doing great and innovative work in this area and I think there may also be a role for CIPFA in recognising this work, celebrating success and sharing good practice.

Finally, part of what makes CIPFA a great institute is the strength of support it receives from its members. We have more volunteers from our membership than any other accountancy institute and I think that's partly because our members

share a passion for public service. I see this mainly through the work of the CIPFA Executive, which brings together volunteers from organisations across our public services, but all with a shared objective to support and advocate for CIPFA and its members.

CIPFA in Scotland is going from strength to strength, we are a vibrant institute with strong member engagement and support. The staff in the CIPFA Scotland Office do great work in raising the profile and reputation of the Institute and, as a result, we have a strong voice and influence, in developing public policy. There is no better time for members to get involved and support us in taking CIPFA in Scotland forward.



Gary Devlin
Vice-Chair of Scottish Branch

honorary treasurer's report

This report presents the CIPFA Scottish Branch accounts for the financial year ended 31 December 2012. During this financial year the Branch supported a number of planned events including a weekend school for students and a significant research project. As a result of this additional in-year activity the branch had expenditure in excess of income of £660. This was managed through the release from a branch reserve created during 2012 to support Policy and Technical Support activities.

The Treasury Management Forum is consolidated within the Branch accounts and generated a surplus of £23,839 for the year. The Treasury Management Forum held a very successful conference during 2012 with the profit arising from this activity increasing the level of reserve at the year end.

The reserves position of the Branch is reducing but remains healthy with balances totalling £96,029 held at 31 December 2012. The Branch has developed plans to use these reserves to help deliver its strategic aims over the next 5 years. Note 6 details the allocation to specific reserves agreed by the Branch during 2012. In previous years there have been unallocated reserves, disclosed in Note 7 as *Other Charitable Funds*, the transfer of these resources into designated reserves results in a nil balance being shown in Note 7 for 2012.

The Branch received a regional subvention from CIPFA of £3,633 for 2012 of which £1,500 was allocated to the Scottish Student Society. During 2013 the financial statements for the Students Society will be consolidated within the Branch annual accounts. The Branch also allocated £1,418 to support the activities of the CIPFA Directors of Finance Section.



Margo McGurk
Honorary Treasurer

Five Year Summary

for the year ended 31 December 2012

	2008	2009	2010	2011	2012
Income	55,914	33,508	45,715	28,808	43,283
Expenditure	67,972	69,930	46,830	23,861	43,943
Net incoming/(outgoing) resources	(12,058)	(36,422)	(1,115)	4,947	(660)

Report of the auditors

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 CIPFA Scottish Region for the year ended 31 December 2012 and confirm that the accounts give a true and fair view of the state of affairs of the CIPFA Scottish Region at 31 December 2012 and that they have been compiled in compliance with financial regulations.



Grace Scanlin
CPFA

24 April 2013

Statement of Financial Activities

for the year ended 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
Incoming Resources					
<i>Incoming resources from charitable activities:</i>					
Advancing public finance and promoting best practice		37,650	–	18,554	–
Educating and training students		–	–	–	–
<i>Incoming resources from generated funds:</i>					
Donations		–	–	–	–
Investment income		2,000	–	872	–
<i>Other incoming resources:</i>					
Subvention		–	3,633	–	9,382
Total Incoming Resources		–	43,283	–	28,808
Resources Expended					
<i>Charitable activities:</i>					
Advancing public finance and promoting best practice		38,720	–	18,070	–
Educating and training students		1,500	–	1,500	–
Regulating and supporting members		3,723	–	4,291	–
<i>Governance:</i>					
Regional Council and audit		–	–	–	–
Total Resources Expended		–	43,943	–	23,861
Net Incoming/(Outgoing) Resources		–	(660)	–	4,947
Gains/(losses) on investment assets:					
Net Movement in Funds		–	(660)	–	4,947
Funds Balances Brought Forward at 1 January		–	96,689	–	91,742
Funds balances carried forward at 31 December		–	96,029	–	96,689

Balance Sheet

as at 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed Assets					
Investments	4	–	–	–	–
Current Assets					
Stocks		–	–	–	–
Debtors and Prepayments	3	15,489	–	6,523	–
Investments		88,246	–	31,246	–
Cash at bank and in hand		21,239	–	77,312	–
		124,974	–	115,081	–
Current Liabilities					
Creditors: Amounts falling due within one year	4	(28,945)	–	(18,392)	–
Net Current Assets		–	96,029	–	96,689
Represented By:					
Capital Funds		–	–	–	–
Restricted Funds:					
Trust Funds	5	–	11,129	–	11,279
Income Funds:					
Designated Funds	6	–	84,900	–	41,152
Other Charitable Funds	7	–	0	–	44,258
		–	96,029	–	96,689

Signed on behalf of the CIPFA Scottish Branch



Ronnie Erskine

Chair

16 April 2013



Margo McGurk

Honorary Treasurer

15 April 2013

Cash Flow Statement

for the year ended 31 December 2012

Note	2012 £	2012 £	2011 £	2011 £
Net Cash Inflow (Outflow) from Operating Activities	927	–	14,125	–
Returns on Investment and Servicing of Finance				
Investment income	–	–	–	–
Interest paid	–	–	–	–
Capital Expenditure and Financial Investments				
Purchase of tangible assets	–	–	–	–
Proceeds from Sale of Investments	–	–	–	–
Purchase of Investments	–	–	–	–
Net cash inflow (outflow)	–	927	–	14,125

Notes to the Cash Flow Statement

1	2012 £	2011 £
Changes in resources before revaluations	(660)	4,947
Investment income	–	–
Depreciation charges	–	–
(Increase) / Decrease in debtors	(8,966)	26,600
(Increase) / Decrease in stocks	0	0
Increase / (Decrease) in creditors	10,553	(17,422)
	927	14,125

2 Reconciliation of net cash flow to movement in net debt	2012 £	2011 £
Increase / (Decrease) in cash in the period	927	14,125
Change in net debt	108,558	94,433
Net debt at 1 January	–	–
Net debt at 31 December	109,485	108,558

3 Analysis of changes in net debt	At 1 Jan 2012 £	Cashflows £	At 31 Dec 2012 £
Cash in hand	–	–	–
Debt falling due after 1 year	108,558	927	109,485
Total	108,558	927	109,485

Notes to the Financial Statements

Year ended 31 December 2012

1 Accounting Policies

The Financial Statements have been prepared in accordance with relevant guidance contained within 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

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

c. Stocks

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

2 Support Costs

	Directly Attributable Costs £	Apportioned Support Costs £	Apportioned Staff Costs £	Total 2012 £	Total 2011 £
Advancing public finance and promoting best practice	38,720	–	–	38,720	18,070
Educating and training students	1,500	–	–	1,500	1,500
Regulating and supporting members	3,723	–	–	3,723	4,291
Governance and audit	–	–	–	–	–
Total	43,943	–	–	43,943	23,861
Basis of apportionment	–	–	–	–	–

3 Debtors And Prepayments

	2012 £	2011 £
Trade Debtors	–	–
Amounts owed by CIPFA excluding VAT	–	–
VAT repayment owed by CIPFA	–	–
Amounts owed by CIPFA Regions and Student Societies	–	–
Owed by CIPFA Business Ltd	–	–
Other Tax and Social Security	–	–
Other Debtors	15,489	6,523
Prepayments and Accrued Income	–	–
	15,489	6,523

Notes to the Financial Statements

Year ended 31 December 2012

4 Creditors: Amounts Falling Due Within One Year

	2012	2011
	£	£
Trade Creditors	–	–
Owed to CIPFA excluding VAT	–	280
VAT owed to CIPFA	1,302	1,861
Amounts owed to CIPFA Regions and Student Societies	–	3,221
Owed to CIPFA Business Ltd	–	–
Other Tax, Social Security	–	–
Other Creditors	27,643	13,030
Receipts in Advance	–	–
	28,945	18,392

5 Restricted Funds

	2012	2011
	£	£
Balance at 1 January	11,279	11,379
For the Year	(150)	(100)
Balance at 31 December	11,129	11,279

6 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.

	2012	2011
	£	£
Conference Reserve	18,000	26,357
Treasury Management Forum	23,839	14,795
Policy and Technical Support Reserve	18,000	–
General Development Reserve	25,061	–
	84,900	41,152

7 Other Charitable Funds

	2012	2011
	£	£
As at 1 January	–	42,972
Surplus/(Deficit) for the Year	–	1,286
As at 31 December	–	44,258

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