CIPFA\ Finance Advisory Network Non-Subscriber Newsletter: September 2022

Advisor Update

Welcome to the September 2022 Newsletter for organisations that do not subscribe to CIPFA's Finance Advisory Network (FAN).

Whilst FAN is primarily a membership service for organisations who subscribe, we produce non-subscriber content such as this newsletter to assist busy practitioners across the sector through highlighting key technical updates, consultations, events and services that we hope are helpful and relevant to making your job less stressful.

One of the main benefits of a subscription is having access to the FAN team to assist with technical accounting queries, so if membership is of interest please do get in touch with one of the team.

The monthly FAN newsletter includes details of our upcoming events and conferences, which we hope will be of interest to practitioners across England and Wales.

That's it for this month. Stay safe and best wishes,

David and Jen.

FAN Homepage

Scheduled Events

Capital Hot Topics Series
4 October 2022
10 October 2022

Introduction to Budgeting
12 October 2022

Introduction to Local Authority Capital Accounting
18 October 2022

Introduction to accounting for groups and collaborative arrangements
8 November 2022 – Day One
9 November 2022 – Day Two

Local Authority Accounting Conference - Latest Developments in Local Authority Financial Reporting and Finance
29 November 2022

Introduction to local authority reporting – principles and practices
30 November 2022

Introduction to collection fund accounting for local authorities in England
10 November 2022

Introduction to local authority financial statements and closedown
8 November 2022

Introduction to Housing Finance (HAN)
2 November 2022

All CIPFA Events

Network and CIPFA News

Local Authority Accounting Conference

The late autumn technical update conference for local authority finance staff will take place via Zoom webinar on Tuesday 29 November. Details of the conference programme have just been confirmed and you can now book your places via the [CIPFA website](#).

The conference, scheduled to run from 9.25am to 1.30pm, includes sessions on the outcome of the summer Code consultation, an update on local authority infrastructure assets, changes to the capital finance framework, the latest views from the audit community, plus insight from CIPFA's property valuation experts on the key issues that need to be addressed when obtaining a property valuation.

It's a packed programme of technical updates for practitioners, providing an early update on the likely changes to come for the Code as well as a timely update on key technical issues impacting on local authority financial statements.

Infrastructure Assets Task and Finish Group

The latest position in respect of concerns raised over the accounting arrangements and disclosures for infrastructure assets is being covered in the FAN capital series events (see details below). Further details and updates on this topic will be published on the [CIPFA website](#).

CIPFA FAN Autumn Capital Hot Topics Series

This is a final shout for the remaining two dates in this year's autumn capital series, being held on 4 October and 10 October. Sadly, the numbers booking for the two face-to-face workshops we had planned in London and Leeds were not sufficient to make them viable, so unfortunately we had to cancel those dates, however there is still time to book on to the final webinar deliveries.

Topics being covered this autumn include the latest updates in relation to the Prudential Framework and related statutory guidance, componentisation and infrastructure assets, planning for the transition to IFRS 16, sustainability reporting, good practice in the management of asset valuations, and a mix of FAQs from the FAN mailbox on a range of asset and capital issues.

Details of the programme can be found on the [website](#) and a list of dates is included in the event listing, but please book quickly as there is limited availability and only two events in October are planned.

FAN 2022/23 Accounts Closedown and Financial Reporting Series

Following our initial planning meeting last week we can provide some early details of our 2022/23 Accounts Closedown events, which will take place in January and February 2023.

Due to the ongoing risks linked to COVID and the potential for an increase in infections over the winter months, as well as the uncertainties on rail strikes, etc, we have decided to run all 'open' events for this series as Zoom webinars. This decision also factors in the travel logistics for the presenters, ensuring that cover can be provided in case of illness or unexpected travel issues.

However, as there may be interest in some face-to-face workshops, we will be open to requests for running some local events, where practitioners are happy to coordinate a local venue with sufficient delegate numbers to make it viable. Any local venue would need the ability to offer a hybrid delivery in case any delegates or presenters were unable to travel for whatever reason.

Further details will follow shortly, but if a local face-to-face delivery is of interest please liaise with your peers in neighbouring authorities to gauge the numbers that would wish to attend,

and please get in touch with us following receipt of our special Closedown series alert which will follow in early October.

2023/24 Code Consultation

Just a polite reminder that the summer consultation for the 2023/24 Local Authority Accounting Code can be found on the CIPFA Consultations webpage.

The Invitation to Comment (ITC) sets out a number of topics on which your views and feedback are very much welcomed. These include the voluntary adoption of IFRS 16, the latest changes to accounting standards and legislation, IFRS 17 Insurance Contracts and updates from CIPFA LASAAC's strategic plan.

The consultation closes 14 October.

CIPFA's Responses to Consultations

Did you know that you can view CIPFA's own responses to external consultations on the website? The consultation responses page, organised by themes, includes the recent response to the consultation on Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom.

CIPFA Predictive Analytics

Where CIPFAstats was
CIPFA stats began as a series of spreadsheets, delivering information about financial and some non-financial performance data to local authorities, operating through benchmarking clubs. The information was invaluable in helping local authorities to understand their position and make targeted improvements. However the user was forced to do all of the work in terms of visualising and contextualising the data, and it only contained that year's data and so did not contain time series.

Where we are now
CIPFAstats currently has an extensive suite of dashboards, built with Microsoft's Power BI software. These dashboards incorporate several years' worth of data, that was once only presented in spreadsheets and e-books, allowing the user to explore theirs and other local authorities' data with unparalleled versatility. Users can customise charts, graphs and tables, copy the results to their own reports, and explore the base data underlying each element of a dashboard. New to this year, we have started to introduce basic scenario tools that allow the user to plan ahead, and a robust statistical scoring (Z-score) system that scores and ranks key statistics. However, we plan to build on this even further in the next phase.

Where we are going - CIPFA Predictive – beyond CIPFA stats
Powerful though the current setup is, it has the limitation of being purely backward-looking, and the range of scoring and scenario planning tools is limited. To overcome these issues, we have been developing models with predictive data and advanced scenario planning tools. The aim is to provide significant additional insight to help a customer plan ahead, much more than is currently possible with the current CIPFA Stats package.

To generate predictions, we need to collect the datasets as usual, but reduce these into key statistics that govern performance in each service area. To determine these key statistics, we plan to use our internal industry experts, alongside statistical methods. Once the data has been collected and prepared, Power BI's "cognitive services" develop machine learning models based on the data we input. These models use a variety of artificial intelligence (AI) algorithms to understand the relationships between different data streams.

The next stage, after these models have been trained, is to feed in current data and generate predictions for future years, and the final stage is to put these into dashboards along with an enhanced range of scenario planning tools and scoring systems.

<u>Why this is valuable?</u>
Data is at the heart of everything, and our new approach plans to take complex datasets, filter them and produce market leading, easy to understand and insightful dashboards. Ultimately, saving our customers time and money because they won't need to set up their own data team, and possibly providing an entry point for consultancy jobs. This new approach goes beyond the current CIPFA stats package because it includes future looking data, and more enhanced scoring and scenario planning tools. This combined package, will enable local authorities, police forces and even central government to make more realistic medium-term plans, and allow practitioners in the field to take pre-emptive action and deliver public services more efficiently.

If you want further information on CIPFA Predictive Analytics, please contact <u>Lee Schofield</u>, <u>Ben Seears</u>, or <u>John O'Halloran</u>.

Mental Health and Wellbeing Hub

CIPFA has its own <u>Mental Health and Wellbeing Hub</u> which is an online resource for anyone that needs help, information or support. It is free to use, anonymous, and no registration is required.

At the heart of the hub is Talking Heads, an always-growing collection of short videos where members of the CIPFA community and beyond share their experiences. The library also provides links to trusted local support services and resources relevant to the videos you view.

CIPFA hopes its CIPFA Mental Health and Wellbeing Hub will assist in providing the support you, your friends or family might need in these challenging times.

Additional COVID-19 advice and support for local authorities

CIPFA has an online hub for <u>COVID resources</u>.

Essential guidance for local authorities on all aspects of the coronavirus support can be found on the <u>GOV.UK website</u>.

CIPFA Thinks

<u>CIPFA Thinks</u> tackles the latest developments in public service finance, with commentary and analysis from subject experts, podcast interviews, guidance, and more. Don't forget also to periodically check out the issues specific to <u>local government</u>.

Follow FAN on Twitter and connect to us on LinkedIn

David and Jen will regularly tweet details of relevant news stories, FAN event updates, CIPFA consultation alerts, COVID-19 updates, etc. We encourage subscribers to follow CIPFA network advisors on Twitter for the latest news, so even if you don't 'tweet' yourself, it's a great way to keep updated on key issues affecting local authority finance and accounting. Click to find <u>David</u> and <u>Jen</u> on Twitter, or search for all our network advisor tweets using the hashtag <u>#cipfanetworks</u>.

We can also be found on LinkedIn and increasingly use social media for additional FAN updates, so if you are on LinkedIn then please feel free to connect to <u>David</u> and <u>Jen</u>.

LinkedIn Discussions

CIPFA has its own <u>LinkedIn group</u> where you can find up to date announcements and discussions on all the latest issues in the public sector. Why not join in one of the discussions or start a conversation of your own?

News Roundup

This service is for subscribers only.

Publications

[Code of Practice on Local Authority Accounting in the United Kingdom 2022/23](#)

[Code Of Practice On Local Authority Accounting In The United Kingdom: Guidance Notes For 2021/22 Accounts](#)

[Code Of Practice on Local Authority Accounting in the UK Disclosure Checklist for 2021/22 accounts](#)

[Audit Committees: Practical Guidance For Local Authorities And Police (Pre-order)](#)

[Local Authority Owned Companies: A Good Practice Guide](#)

[The Prudential Code For Capital Finance In Local Authorities (2021 Edition)](#)

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