

Scottish Branch

annual  
report

2014/2015

# 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 200 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 2014/15

Speaking as Chair of the Scottish branch for the last 12 months it certainly does feel like we already are very involved in the public sector landscape. As an organisation, CIPFA has grown, not just in membership but also in profile, reach and impact and I'm very pleased to say that Scotland has been at the heart of that effort.



I would like to use this opportunity to share some of this year's highlights with you:

Since its launch a year ago, our member engagement strategy has become central to everything that we do. I have been fortunate as Chair to be able to meet CIPFA members from across the country, finding out what matters most to you, how CIPFA can support you and how you can support CIPFA. The most striking thing for me has been the desire to be a part of your professional body, to network with colleagues, to learn and to keep up to date with the extraordinary level of change in our public services. I recognise the value of our programme of 'roadshows' and we plan to continue to use these events to keep in touch with members, to keep you up to date with changes in the public sector and in CIPFA and to listen to you and develop a work programme that meets your needs.

Our students are vitally important to our sustainability and our future and we have recognised the need to better support students outside of the core learning infrastructure. We have just launched our refreshed Students Society and will be offering a modernised support programme which is fit for the 21st century CIPFA student. Our new Society will enable all our students to benefit from a regular get together and to form those

important relationships and networks for the future. I am also delighted to report that we have launched a finance apprenticeships programme in Scotland. CIPFA Scotland has been accredited by the Association of Accounting Technicians (AAT) as an approved training centre and will be offering the three levels of the AAT apprenticeship programme. The programme will be open to anyone aged 16 or over who is not in full time education, with courses starting in early autumn 2015.

The profile and voice of CIPFA in Scotland continues to grow. The professional views of CIPFA were both evident and in demand during the year. A year which was dominated by the referendum debate and 'Scotland's Future in the Balance', CIPFA's major contribution to the debate was CIPFA's most reported publication of the year. Recently CIPFA continued its contribution to the constitutional debate with a submission to the Scottish Parliament Finance Committee on further fiscal powers and this will be followed up by attendance at Committee to provide oral evidence. CIPFA's appointment to the Commission on Local Tax Reform and participation in a round table event on Health & Social Care Integration, with commentary in the 'CIPFA Thinks' series ensured our influence in major areas of reform.

 **Whatever is happening you guys have got to be involved.** 

David Watt, Institute of Directors

Speaking on the subject of public service reform, to delegates at the CIPFA Scotland conference in March 2015.

And as an organisation, CIPFA itself is changing. Members were recently consulted on “fit for the future – governance for a global CIPFA”. I believe these proposals will lead to a greater level of influence for the branches, including the Scottish Branch, which in turn means a stronger voice for individual members of the institute.

One of the best barometers of CIPFA’s influence and impact is the success of our annual conference. Our 2015 conference, ‘Designing Scotland’s future’ captured the moment and the mood perfectly. There was a spirit of all that is good about CIPFA at this year’s conference. It allowed us to think professionally about how we equip ourselves for the short, medium and long term. But that same spirit allowed us to meet in an immensely positive and enjoyable environment. As public finance professionals we have risen to the challenges of what has been an extraordinary year, demonstrating integrity and professionalism, working together as a finance community in a way that has shown true leadership and strength. There was a strong focus on youth and students at the conference and also a fantastic public awards ceremony to recognise our successes.

Prizes were awarded to:

- Peter Marsh formerly of Glasgow City Council - Public Finance Professional of the Year;
- Devolved Taxes Team, Scottish Government, Finance Team of the Year; and
- Ben Hartman, City of Edinburgh Council, Team Award for Innovation, Improvement and Public Finance Best Practice

Honorary membership was awarded to a very appreciative Deputy First Minister John Swinney MSP, in recognition of his significant contribution to improving public financial

management in Scotland. On receiving his membership certificate Mr Swinney recorded his hopes that the organisation and members will continue to contribute to the development of renewed public finance arrangements for Scotland, as it has done at every stage of our public finance journey so far.

So with the undoubted success of the conference as the backdrop, we look to the next 12 months to continue our progress. Being Chair has been a fantastic experience – representing CIPFA members at a time of real opportunity and change in our public services, and on behalf of an organisation that continues to go from strength to strength.

I would like to finish by encouraging you to be a part of CIPFA’s journey. Whether you are considering studying CIPFA, a student, member or retired, this is a great time to get involved - through supporting our students, commenting on consultations, or joining our Scottish Branch. The CIPFA family has never been stronger or more effective and I’m delighted that David Robertson will take over as Chair to continue our success.



*Christine McGlaughlin*

**Christine McGlaughlin**  
Chair of Scottish Branch

# incoming chair's message

CIPFA in Scotland will be 110 years old in 2016 and the challenges facing us have never been greater. If ever there was a time to hold steady to our core values then it is now. It does often seem however that working in the public sector change is the only constant. Does anyone else feel that often a strategy is no sooner agreed, developed and implemented than it is altered and replaced by the next new thing?

Initiatives seem to be abandoned before their true impact and effectiveness can be measured accurately over time and evaluated, and every few months a new idea hits the digital press to disappear like snow on a pond only a few months, sometimes only weeks, later.

Don't get me wrong I think change is a good thing. Properly thought through and managed well it can be transformational, but sometimes it feels like we change things just for the sake of it and my question is, if we believe in what we are doing and have a coherent plan why change it?

So my initial thoughts as incoming chair of the CIPFA Scottish Branch Executive Committee are that we won't be making any radical changes to our previous direction. I think now is the time to hold steady to our core values of working in the public interest, promoting high standards and delivering excellence in public financial management. Over a period of more than 100 years, we have become an Institute with a long history of success, and these core values, which have ensured the ongoing strength of the Institute so far, have placed us in a position of huge influence and

responsibility at the heart of the change agenda in Scotland's public services. The challenges we face together however are enormous and this means that the strength and quality of the finance function and the need for finance professionals to deliver high quality information, insight and effective leadership has never been more important to our organisations.

This means that as well as solid stewards of public money, we also have to work to shape future business strategy, act as agents of change, drive robust performance focussed cultures and operate effectively at the 'top table.' Our training and professionalism as CIPFA members must add value to our organisations wherever we work.

As we move forward, we need to stick to what we believe to be correct and, guided by our core values, I will ensure that under my leadership the Executive Committee will continue to work consistently on behalf of the membership in Scotland to achieve our stated aims.

So against this background, my priorities for the year will be to focus on the strength of the Institute in Scotland and to ensure that CIPFA is as influential as possible.

 **It is your institute.** 

David Robertson,  
Incoming Chair of CIPFA Scottish Branch

Training and the development of students will be essential to this. To ensure strength and growth, I'm keen that we work to promote the Apprentice Scheme in Scotland, as well as our well established and widely respected graduate training scheme. We will also continue to focus on revitalising the Student Society so that those aspiring for a worthwhile career in public finance can contribute effectively to CIPFA in Scotland both now and in the future.

I'd also like to continue our efforts to ensure the distinctive voice of the Institute is heard loudly and clearly within Scotland. Our contributions to national debate, our work to build stronger networks with colleagues in other sectors and institutes and our work to provide a focus for excellent finance leadership will be central to this.

These priorities will I believe ensure that we continue to develop and support the role of the public finance professional and enhance the Institute that you belong to.

I'm taking over the chair of the Scottish Branch following a great year for CIPFA and I would like to thank Christine for her inspiring leadership of the Branch over the last year. Christine's legacy will be apparent in our continued attempts to engage more effectively with the wider CIPFA membership across Scotland and get as many members as possible engaged with the work of the Institute. It is your institute and the executive committee want you get involved. We are always seeking new volunteers and I guarantee that if you do chose to get involved you will benefit far more from being active

in CIPFA than you will ever have to commit to putting in!

I look forward with optimism to trying to build on this success with the support of my colleagues on the Branch and the superb staff who work for CIPFA. These are tough times for public services, and they are not likely to get easier in the foreseeable future, but so far what we can say with certainty and some pride is that CIPFA has helped significantly to safely steer a course for the public finances for that last 110 years through good times and bad. Given your support, I expect that your Institute can continue to be even more effective and successful in the future.



A handwritten signature in black ink that reads "David Robertson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**David Robertson**  
Incoming Chair of Scottish Branch

# honorary treasurer's report

This report presents the CIPFA Scottish Branch accounts for the financial year ended 31 December 2014. During the 2014 financial year the Branch generated a consolidated net surplus of £4,261 compared with a net surplus of £1,560 for 2013.

The Treasury Management Forum is consolidated within the Branch accounts and generated a surplus of £10,642. This is primarily attributable to the two-day workshop held in February 2014 which generated a surplus of £9,494.

The Scottish Branch accounts, which include the Archie Gillespie Memorial Fund, generated a net deficit of £6,381. In October 2014, the Branch delivered a residential training programme ("Skills for Success") which was offered free of charge to CIPFA members and students. The net cost to the Branch was £5,600.

The reserves position of the Branch remain very healthy, with the balance of non-restricted funds comprising £91,021 at 31 December 2014. The Branch has developed plans to use these reserves to help deliver its strategic aims.

The Branch received a regional subvention from CIPFA of £6,150 for which the Branch allocated £1,418 to support the activities of the CIPFA Directors of Finance Section.



**Alasdair Black**  
Honorary Treasurer



## Five Year Summary

for the year ended 31 December 2014

	2010	2011	2012	2013	2014
<b>Income</b>	45,715	28,808	43,283	28,251	<b>58,213</b>
<b>Expenditure</b>	46,830	23,861	43,943	26,691	<b>53,952</b>
<b>Net incoming / (outgoing) resources</b>	(1,115)	4,947	(660)	1,560	<b>4,261</b>

### Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:-

1. which gives me reasonable cause to believe that, in any material respect, the requirements of the Statement of Recommended Practice Accounting by Charities 2005 have not been met: or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



**Claire Gardiner**  
CPFA  
30 April 2015

# Statement of Financial Activities

for the year ended 31 December 2014

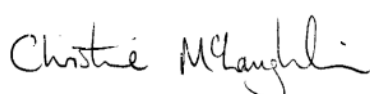
	Note	2014 £	2014 £	2013 £	2013 £
<b>Incoming Resources</b>					
<i>Incoming resources from charitable activities:</i>					
Advancing public finance and promoting best practice		<b>50,913</b>	–	15,945	–
Educating and training students		–	–	<u>5,760</u>	–
<i>Incoming resources from generated funds:</i>					
Donations		–	–	–	–
Investment income		<u>1,150</u>	–	<u>2,003</u>	–
<i>Other incoming resources:</i>					
Subvention		–	<b>6,150</b>	–	4,543
<b>Total Incoming Resources</b>		–	<b>58,213</b>	–	28,251
<b>Resources Expended</b>					
<i>Charitable activities:</i>					
Advancing public finance and promoting best practice		<b>52,238</b>	–	23,512	–
Educating and training students		–	–	–	–
Regulating and supporting members		<u>1,714</u>	–	<u>3,179</u>	–
<i>Governance:</i>					
Regional Council and audit		–	–	–	–
<b>Total Resources Expended</b>	3	–	<b>59,952</b>	–	26,691
<b>Net Incoming/(Outgoing) Resources</b>		–	<u><b>4,261</b></u>	–	<u>1,560</u>
Gains/(losses) on investment assets:		–	–	–	–
<b>Net Movement in Funds</b>		–	<b>4,261</b>	–	1,560
Funds Balances Brought Forward at 1 January		–	<b>97,589</b>	–	96,029
<b>Funds balances carried forward at 31 December</b>		–	<b>101,850</b>	–	97,589

# Balance Sheet

as at 31 December 2014

	Note	2014 £	2014 £	2013 £	2013 £
<b>Fixed Assets</b>					
Investments		–	–	–	–
<b>Current Assets</b>					
Stocks		–	–	–	–
Debtors and Prepayments	3	13,059	–	11,760	–
Investments		90,651	–	90,246	–
Cash at bank and in hand		20,365	–	46,805	–
		<b>124,075</b>	–	148,811	–
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	4	(22,225)	–	(51,222)	–
<b>Net Current Assets</b>		–	<b>101,850</b>	–	97,589
<b>Represented By:</b>					
Capital Funds		–	–	–	–
Restricted Funds:					
Trust Funds	5	–	10,829	–	10,979
Income Funds:					
Designated Funds	6	–	91,021	–	86,610
Other Charitable Funds		–	–	–	–
		–	<b>101,850</b>	–	97,589

Signed on behalf of CIPFA Scottish Region on 30 April 2015



**Christine McLaughlin**  
Chair



**Alasdair Black**  
Honorary Treasurer

# Cash Flow Statement

for the year ended 31 December 2014

Note	2014 £	2014 £	2013 £	2013 £
<b>Net Cash Inflow (Outflow) from Operating Activities</b>	<b>(26,035)</b>	<b>–</b>	<b>27,566</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>(26,035)</b>	<b>–</b>	<b>27,566</b>

## Notes to the Cash Flow Statement

1.	2014 £	2013 £
Changes in resources before revaluations	<b>4,261</b>	1,560
Investment income	–	–
Depreciation charges	–	–
(Increase)/Decrease in debtors	<b>(1,299)</b>	3,729
(Increase)/Decrease in stocks	–	–
Increase/(Decrease) in creditors	<b>(28,997)</b>	22,277
	<b>(26,035)</b>	27,566

2. Reconciliation of net cash flow to movement in net debt	2014 £	2013 £
Increase/(Decrease) in cash in the period	<b>(26,035)</b>	27,566
Change in net debt	–	–
Net debt at 1 January	<b>137,051</b>	109,485
Net debt at 31 December	<b>111,016</b>	137,051

3. Analysis of changes in net debt	At 1 Jan 2014 £	Cashflows £	At 31 Dec 2014 £
Cash in hand	<b>137,051</b>	<b>(26,035)</b>	<b>111,016</b>
Debt falling due after 1 year	–	–	–
Total	<b>137,051</b>	<b>(26,035)</b>	<b>111,016</b>

# Notes to the Financial Statements

Year ended 31 December 2014

## 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

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 2014 £	Total 2013 £
Advancing public finance and promoting best practice	52,238	–	–	<b>52,238</b>	23,512
Educating and training students	–	–	–	–	–
Regulating and supporting members	1,714	–	–	<b>1,714</b>	3,179
Governance and audit	–	–	–	–	–
Total	53,952	–	–	<b>53,952</b>	26,691
Basis of apportionment	–	–	–	–	–

## 3. Debtors And Prepayments

	2014 £	2013 £
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	<b>13,059</b>	11,760
Prepayments and Accrued Income	–	–
	<b>13,059</b>	11,760

# Notes to the Financial Statements

Year ended 31 December 2014

## 4. Creditors: Amounts Falling Due Within One Year

	2014 £	2013 £
Trade Creditors	–	–
Owed to CIPFA excluding VAT	–	–
VAT owed to CIPFA	<b>270</b>	4,750
Amounts owed to CIPFA Regions and Student Societies	–	–
Owed to CIPFA Business Ltd	–	–
Other Tax, Social Security	–	–
Other Creditors	<b>21,955</b>	23,077
Receipts in Advance	–	23,575
	<b>22,225</b>	51,222

## 5. Restricted Funds

	2014 £	2013 £
Balance at 1 January	<b>10,979</b>	11,129
For the Year	<b>(150)</b>	(150)
Balance at 31 December	<b>10,829</b>	10,979

## 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.

	2014 £	2013 £
Conference Reserve	<b>13,893</b>	14,129
Treasury Management Forum	<b>38,174</b>	27,531
Policy and Technical Support Reserve	<b>13,893</b>	14,129
General Development Reserve	<b>25,061</b>	25,061
Student Society Reserve	–	5,760
	<b>91,021</b>	86,610

# branch pictures 2015



CIPFA Scotland Student Graduation



Scotland Conference 2015



Scotland Conference 2015



Scotland Conference 2015



Scotland Conference 2015



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