

Annual General Meeting of CIPFA Scotland

Friday 17th May 2019, 12.00pm

**Glasgow City Chambers
George Square
Glasgow City
G2 1DU**

Agenda

| No | Item | Paper |
|-----------|--|-----------------|
| 1 | Apologies | |
| 2 | Minutes of the last AGM of 11th May 2018 | 01.05.19 |
| 3 | Chair's Annual Report 2018-2019 | 02.05.19 |
| 4 | Treasurer's Financial Statement for the year ending 31st December 2018 | 03.05.19 |
| 5 | Proposal for Office Bearers and Committee Members | 04.05.19 |
| 6 | Address by New Chair of CIPFA Scotland | 05.05.19 |
| 7 | AOCB | |
| 8 | Close | |

CIPFA SCOTLAND AGM Friday 11 May 2018, 12:00

GLASGOW CITY CHAMBERS

Present:

Alison Cumming, Chair, CIPFA Scotland,

Gordon Weir, Senior Vice Chair

Fiona Kordiak, Junior Vice Chair

Rowena Roche, Treasurer

Don Peebles, Head of CIPFA Scotland

And CIPFA members

1. Apologies

Previously recorded.

2. Minutes of AGM 5th May 2017

Minutes were approved.

3. Chair of CIPFA in Scotland 2017/18 Annual Report

The Chair presented her annual report and firstly thanked all who had supported her throughout her year as Chair. One of Alison's priorities for her year as chair was to create more opportunities to support student and early career members. Alison is delighted to see the Scottish Student Network go from strength to strength, attracting new members and hosting a series of events.

Alison spoke of the changing public sector landscape in Scotland and the creation of a new special interest group for Integrated Joint Board Chief Financial Officers.

CIPFA Scotland hosted the CIPFA Regional Forum in November, welcoming colleagues from regional networks across the UK and Ireland to Edinburgh. The Forum allows regional volunteers and Council members to come together with CIPFA staff to share learning and shape forward plans.

One of the highlights of Alison's year as chair was hosting the Scottish conference in Glasgow. There was a fantastic energy across the 2 days the branch were able to offer financial support to enable more early career members to join for the conference and dinner.

During her term as Chair, Alison launched the @CIPFAScotChair twitter account which has been a great way to explore new ways to engage with member. Alison encourage members to follow us on twitter.

Alison took the opportunity to thank Don and the CIPFA Scotland staff for all of their assistance to the branch and support to him in his year as chair.

4. Treasurers Report

The treasurer reported on expenditure and income for the year highlighting the consolidated net surplus of £7392 for 2017. The Treasury Management held the TMF Conference in Dunblane which generated an overall surplus of £9,611. The branch hosted the second CIPFA Regional Forum. The Student Society delivered a number of successful events to support the Scotland students. The reserves position of the branch remain healthy with the balance of non-restricted funds comprising £106,261 as at the 31 December 2017. The Branch has developed plans to use these reserves to help deliver its strategic aims.

With no questions on the detail, the financial statements were approved.

5. Constitution

Updates to the constitution were approved.

6. Office Bearers 2018/19

The following office bearers were approved:

Chair – Gordon Weir

Senior Vice Chair – Fiona Kordiak

Junior Vice Chair – Donella Steel

Past Chair – Alison Cumming

7. Address by the Chair of CIPFA in Scotland 2018/19

Gordon addressed the meeting as Chair and welcomed new members, congratulated Alison on a successful year and thanked Glasgow City Council for hosting the ceremony.

The year ahead would be a continuation of the good work by previous chairs and Gordon would like his year as Chair to be characterised by creating opportunities – for students and newly qualified members to develop their careers. Gordon would like to improve engagement with all members to provide the ability to

engage with each other and with the Institute; and for CIPFA to continue to build its profile and influence in Scotland.

Gordon thanked the members for the opportunity and look forwarded to her year as chair.

8. AOCB

There were no other matters raised.

9. Close

Members were thanked for their attendance and the meeting was closed by the Chair.

Scottish Branch Chair – Review of 2018-19

It has been a great privilege to be Chair of CIPFA Scotland for 2018-19. Before taking up the position, I spoke to a number of past chairs who all told me that my year would be both eventful and challenging but that I should try to enjoy it as it would go by very quickly. Looking back, I can confirm this was sound advice and I am pleased to say I have enjoyed it immensely.

It goes without saying that we are living in tough financial times – indeed many CIPFA members have spent their whole career working in a climate of fiscal austerity. But our profession has to rise to the challenges of balancing budgets with priorities, funding new initiatives and keeping a clear focus on improving outcomes for the people of Scotland.

CIPFA is working hard to support public financial management and during the past year, the profile and policy voice of CIPFA has continued to grow. A new draft Financial Management Code is now out for consultation and whilst it aims to set standards for local government in the UK, it has the potential to be the template for the wider public sector both in the UK and internationally.

In Scotland, we are also in the midst of the implementation of new tax raising powers being transferred to the Scottish Parliament. CIPFA has agreed to join and support the group that will discuss the management of changes to devolved taxes and which will be advising Ministers and the Parliament's Finance & Constitution Committee.

This is an exciting time to be working in public finance. Our professional skills have never been needed more acutely than now but we also have the challenge of maintaining ethical standards while having to find new and creative ways to deliver public value and maintain public trust. CIPFA is the first CCAB body to adopt the new international ethics code and has established an Ethics Working Group to update and revise the Statements of Professional Practice in line with the International Ethics Standards Board for Accountants Code of Ethics. It has the remit to raise awareness and expectations of what members can and should do when faced with ethical dilemmas.

I joined the working group last year and one of my priorities as Chair was to support this developing agenda. The Scottish Branch is currently working with Don Peebles, CIPFA's Head of Policy and Technical – UK and International, to develop local ethics events that we are looking to take around the country to support member development. I intend to keep closely involved with this work in my upcoming year as Past Chair.

One of the highlights of the year was the CIPFA Scotland Conference in March in St Andrews. This was a very successful two day event built around the four themes of;

- Public Service Resilience
- People and Place
- Talent, Skills and Technology
- Building Public Trust

We had excellent speakers and presenters lined up for both days – we heard from senior politicians, motivational speakers, expert thinkers and practitioners across a broad range of topics. The conference provided a great opportunity to learn and reflect both where things have gone well but also how resilient, professional people have succeeded in very difficult circumstances.

At the conference dinner, we held the CIPFA Scotland Public Finance Awards, celebrating the exceptional work of public finance professionals right across Scotland. The awards were hosted by John Matheson, a former CIPFA president and great supporter of CIPFA Scotland. The awards went to Fife Council-Team of the Year, Derek Yule – Public Finance Professional of the Year and Ross Fraser – Emerging Talent Award.

The CIPFA Scotland Branch provided financial support for new and part qualified colleagues to attend and the conference programme included sessions that were specifically focussed at those who are at the start of their careers. The branch is fortunate to have good “early career” representatives on the Executive Committee who lead the charge on ensuring that we have events and support targeted towards our early career members and the Executive Committee is committed to continuing and supporting these efforts.

I would like to thank my colleagues on the Executive Committee for their help and support during my year as Chair and also to thank Don Peebles and the CIPFA Scotland staff for their continuing support and assistance to the Branch.

I am very proud to be a CIPFA member. I believe that our professional skills have never been needed more acutely than now and I wish our incoming Chair, Fiona Kordiak every success in her year as Chair.



Gordon Weir
Chair CIPFA Scotland Branch 2018/19

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

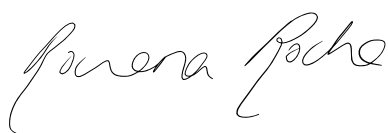
HONORARY TREASURER'S REPORT

This report presents the CIPFA Scottish Branch accounts for the financial year ended 31 December 2018.

During the financial year the Branch generated a small consolidated net surplus of £979 (£7,392 for 2017). The surplus is a result of the Treasury Management Forum's surplus of £947 (£10,218 for 2017).

2018 was another successful year for the Student Society with members organizing events and providing representation for student and newly qualified members at both Branch and national level. During the year, the Student Society delivered a number of successful events including a PEP Roadshow event, a Strategic Case Study advanced material revision day hosted by past students and tailored events at the annual Scottish Conference.

The reserves position of the Branch remain healthy, with the balance of non-restricted funds comprising £107,390 at 31 December 2018. The Branch has developed plans to use these reserves to help deliver its strategic aims.



Rowena Roche
Honorary Treasurer

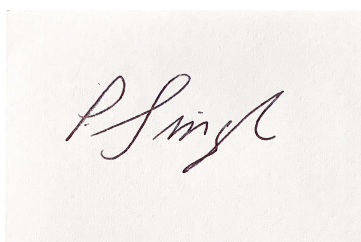
**FIVE YEAR SUMMARY
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|---------------|----------------|---------------|---------------|--------------|
| Income | 58,213 | 17,846 | 52,290 | 57,170 | 10,484 |
| Expenditure | <u>53,952</u> | <u>22,317</u> | <u>40,421</u> | <u>49,778</u> | <u>9,505</u> |
| Net Incoming/(Outgoing) Resources | <u>4,261</u> | <u>(4,471)</u> | <u>11,869</u> | <u>7,392</u> | <u>979</u> |

REPORT OF THE INDEPENDENT REVIEWER

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 Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) 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.



Parminder Singh, CPFA
25 April 2019

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018**

| Note | Unrestricted funds £ | Restricted funds £ | Year to 31 Dec 2018 £ | Year to 31 Dec 2017 £ |
|--|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Incoming Resources | | | | |
| <i>Incoming resources from charitable activities:</i> | | | | |
| Advancing public finance and promoting best practice | 7,795 | - | 7,795 | 50,430 |
| <i>Incoming resources from generated funds</i> | | | | |
| Investment income | 689 | - | 689 | 554 |
| <i>Other incoming resources:</i> | | | | |
| Subvention | 2,000 | - | 2,000 | 6,186 |
| Total Incoming Resources | 10,484 | - | 10,484 | 57,170 |
| Resources Expended | | | | |
| <i>Charitable activities:</i> | | | | |
| Advancing public finance and promoting best practice | 6,622 | - | 6,622 | 47,207 |
| Educating and training students | - | - | - | 152 |
| Regulating and supporting members | 2,733 | 150 | 2,883 | 2,419 |
| <i>Governance:</i> | | | | |
| Regional Council and audit | | | - | - |
| 2 Total Resources Expended | 9,355 | 150 | 9,505 | 49,778 |
| Net Incoming/(Outgoing) Resources | 1,129 | (150) | 979 | 7,392 |
| <i>Gains/(losses) on investment assets:</i> | | | | |
| | - | - | - | - |
| Net Movement in Funds | 1,129 | (150) | 979 | 7,392 |
| Funds Balances Brought Forward at 1 January | 106,261 | 10,379 | 116,640 | 109,248 |
| 6&7 Funds Balances Carried Forward at 31 December | 107,390 | 10,229 | 117,619 | 116,640 |

BALANCE SHEET
AS AT 31 DECEMBER 2018

| Note | 2018 £ | 2018 £ | 2017 £ | 2017 £ |
|--|-----------------|----------------|-----------------|----------------|
| Current Assets | | | | |
| 3 Debtors and Prepayments | 28,836 | | 28,172 | |
| 4 Investments | 51,321 | | 50,711 | |
| Cash at bank and in hand | <u>69,852</u> | | <u>62,045</u> | |
| | | | 140,928 | |
| Current Liabilities | | | | |
| 5 Creditors: Amounts falling due within one year | <u>(32,390)</u> | | <u>(24,288)</u> | |
| Net Current Assets | | | | |
| | | <u>117,619</u> | | <u>116,640</u> |
| Represented By: | | | | |
| Capital Funds | | | | |
| Restricted Funds: | | | | |
| 6 Trust Funds | | 10,229 | | 10,379 |
| Income Funds: | | | | |
| 7 Designated Funds | | <u>107,390</u> | | <u>106,261</u> |
| | | <u>117,619</u> | | <u>116,640</u> |

Signed on behalf CIPFA Scottish Region on 25 April 2019



Gordon Weir
Chair

Rowena Roche
Honorary Treasurer

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

| | 2018 £ | 2018 £ | 2017 £ | 2017 £ |
|--|-----------|--------------|-----------|--------------|
| Net Cash Inflow (Outflow) from Operating Activities | 8,417 | | 9,839 | |
| 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) | | <u>8,417</u> | | <u>9,839</u> |

Notes to cash flow statement

| 1 | 2018 £ | 2017 £ |
|--|-------------------|-------------------|
| Changes in resources before revaluations | 979 | 7,392 |
| Investment income | | |
| Depreciation charges | | |
| (Increase) Decrease in Debtors | (664) | (15,517) |
| (Increase) Decrease in Stocks | | |
| Increase (Decrease) in Creditors | 8,102 | 17,964 |
| | <u>8,417</u> | <u>9,839</u> |

| 2 Reconciliation of net cash flow to movement in net debt | 2018 £ | 2017 £ |
|--|-------------------|-------------------|
| Increase/ (Decrease) in cash in the period | 8,417 | 9,839 |
| Change in net debt | | |
| Net debt at 1 January | 112,756 | 102,917 |
| Net debt at 31 December | <u>121,173</u> | <u>112,756</u> |

| 3 Analysis of changes in net debt | At 1 Jan 2018 £ | Cashflows £ | At 31 Dec 2018 £ |
|--|-----------------------|----------------|------------------------|
| Cash in hand | 112,756 | 8,417 | 121,173 |
| Debt falling due after 1 year | | | |
| Total | <u>112,756</u> | <u>8,417</u> | <u>121,173</u> |

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with the requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102). The particular accounting policies adopted are described below

(a) **Accounting Convention**

The Financial Statements are prepared under the historical cost convention.

(b) **Investments**

There are no investments held as fixed assets. Those held as current assets are stated at the lower of cost and net realisable value.

2 SUPPORT COSTS

| | Directly Attrib- utable Costs £ | Apport- ioned Support Costs £ | Apport- ioned Staff Costs £ | Total 2018 £ | Total 2017 £ |
|--|--|--|--|-----------------------------|-----------------------------|
| Advancing public finance and promoting best practice | 6,622 | | | | 47,208 |
| Educating and training students | - | | | | 152 |
| Regulating and supporting members | 2,883 | | | | 2,419 |
| Governance and audit | - | | | | - |
| | <u>9,505</u> | | | | <u>49,778</u> |

NOTES TO THE FINANCIAL STATEMENTS

3 DEBTORS AND PREPAYMENTS

| | 2018 | 2017 |
|-------------------------------------|---------------|---------------|
| | £ | £ |
| Trade Debtors | | |
| Amounts owed by CIPFA excluding VAT | 28,458 | 20,958 |
| VAT repayment owed by CIPFA | - | 2,759 |
| Other debtors | 378 | 3,955 |
| Prepayments and Accrued Income | - | 500 |
| | <u>28,836</u> | <u>28,172</u> |

4 CURRENT ASSETS: INVESTMENTS

| | 2018 | 2017 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Bank term deposit account | 51,322 | 50,711 |
| | <u>51,322</u> | <u>50,711</u> |

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Trade Creditors | | |
| Owed to CIPFA excluding VAT | 30,880 | 22,306 |
| VAT owed to CIPFA | 386 | |
| Other Creditors | 1,124 | 1,982 |
| | <u>32,390</u> | <u>24,288</u> |

NOTES TO THE FINANCIAL STATEMENTS

6 RESTRICTED FUNDS

| | 2018 | 2017 |
|------------------------|---------------|---------------|
| | £ | £ |
| Balance at 1 January | 10,379 | 10,529 |
| For the Year | <u>(150)</u> | <u>(150)</u> |
| Balance at 31 December | <u>10,229</u> | <u>10,379</u> |

7 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.

| | 2018 | 2017 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Conference Reserve | 6,000 | 6,000 |
| Treasury Management Forum | 62,857 | 61,910 |
| Policy and Technical Support Reserve | 13,893 | 13,893 |
| General Development Reserve | <u>24,640</u> | <u>27,134</u> |
| | <u>107,390</u> | <u>106,261</u> |

8 TRANSACTIONS WITH TRUSTEES AND RELATED PERSONS

| | 2018 | 2017 |
|---|-------------|-------------|
| | £ | £ |
| Travel and subsistence expenses reimbursed for costs necessarily incurred on CIPFA business | <u>604</u> | <u>234</u> |

Proposals for Office Bearers 2019

The CIPFA in Scotland Constitution and Rules require that Office Bearer positions are reviewed annually and that the Executive Committee, prior to each Annual General Meeting shall select their nominations for the Office Bearer Posts for the forthcoming year.

Taking into account the current Office Bearers the undernoted nominations for the 2019 Office Bearers have been considered and selected by the current Executive Committee as follows:

| | |
|--------------------|-----------------|
| Chair | Fiona Kordiak |
| Senior Vice-Chair | Donella Steel |
| Junior Vice-Chair | To Be Confirmed |
| Honorary Treasurer | Stuart Nibloe |
| Honorary Auditor | Parminder Singh |
| Past Chair | Gordon Weir |

Members are invited to consider and approve these proposals for the Office Bearers for 2019.



Gordon Weir
Chair, CIPFA Scotland Branch

Incoming Chair's Message

I feel hugely honoured and excited to be taking on the role of Chair of the CIPFA Scotland Branch, but also more than a little bit daunted! Gordon Weir, and the Chairs before him, are a hard act to follow. Taking on a role in an organisation that I have been a member of for more than 30 years, and is dear to my heart, rightly feels like a big responsibility. However, I know that I will receive terrific support from my colleagues in the Executive Committee, the fabulous team in the CIPFA Scotland office and the wider CIPFA family.

On behalf of all of us in the Branch, I'd like to thank Gordon for the great job over the past year. Working with the CIPFA Scotland team, he chaired the hugely successful conference at St Andrews. He has also encouraged us to develop member engagement events beyond the conference and this is something that I'm keen we continue in the year ahead.

Messages from previous incoming chairs have focused on challenging times being met with a 'can do' attitude from members and a fair degree of enthusiasm and optimism. This year is no different! Over the past year or so our profession has been under the spotlight in a way it hasn't been before. High profile company collapses have dented public confidence in accountants, auditors and our regulatory regime. Although attention has focused on the corporate sector, there is an obvious risk of contagion to the public sector through a loss of faith in professionals in general and our profession in particular.

In the public sector we have much to be proud of, with strong values based on public service, integrity, objectivity and professionalism. We have an independent audit regime that looks beyond the numbers and much public scrutiny of our work. However, we can't afford to be complacent. Declining budgets, increasing demand and political uncertainty bring risks and a focus on our core values has never been important. The problems at Northamptonshire County Council are an extreme example of what can happen when things go wrong. CIPFA's survey on ethics also provides a salutary reminder that the majority of accountants will come under some sort of ethical pressure during their career.

I'm proud of the role that our institute has been playing to support us in doing the right thing and in building public trust. CIPFA was the first accountancy body in the UK to adopt the new International Ethical Standards and has published *Stories that Matter* to bring what could be a worthy, but dull, subject to life. The development of a new Financial Management Code for local government is intended to support good practice in financial management and assist in demonstrating financial sustainability, or in the worst case, demonstrating a lack of sustainability if changes aren't made! I've been a member of the stakeholder working group for this Code and think it provides a good balance between re-stating in one place the familiar expectations from

05.05.19

other codes and stretching and extending requirements in other areas. For example, we are required to lift our focus from the immediate budget horizon to sustainability in the medium and longer term. Although challenging to deliver in practice, this can only support our finance professionals working in a political environment with an inevitable short-term focus.

Locally in the Scottish Branch, I'm keen to continue the work started by Gordon to arrange events focused on the Ethical Standards to support members should they ever be faced with an ethical dilemma. We also want to develop a support and mentoring network from within the CIPFA Scotland membership. Much of this support already happens informally through drawing on the CIPFA network, but there is more we can do to help members working in smaller organisations where they may be the only finance professional.

Another area of focus for the Branch in the coming year is encouraging and supporting students and newly-qualified members. We are very aware that CIPFA, like other accountancy bodies, is an aging institute. It is easy to cut training budgets when money is tight but, given full automation and replacement by robots won't happen tomorrow, we run the risk of real skills shortages in the medium term. There is a role for us all to sell the importance of training the accountants and auditors of the future in our own organisations. In the Branch we will continue to support all the great work done by the Students Society and continue to provide financial assistance for students to attend the conference. We also want to re-establish the popular Skills for Success events for early career members.

Finally, I'd like to encourage you all to get involved in our institute. This might be through attending the conference and networking with colleagues, attending other member events or volunteering for CIPFA activities. We are always on the lookout for new volunteers of the Executive Committee, so if you would like to get involved just contact the CIPFA Scotland Office or speak to one of our existing members. We're a friendly bunch, so in addition to giving something back to CIPFA, you might find you actually enjoy it!



Fiona Kordiak
Incoming Chair of Scottish Branch, May 2019