

CIPFA

The Chartered Institute of
Public Finance & Accountancy

Scottish Branch

annual
report

2016/2017

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

- 2 Charitable objectives
- 3 About CIPFA
- 3 About the Scottish branch
- 4 Scottish Branch Chair – a review of 2016/17
- 6 Incoming chair's message
- 8 Honorary treasurer's report
- 9 Branch Financial Statements

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 2016/17

In May 2016 I set out at the start of the year as Chair by outlining the challenging landscape for public services, but I also observed that this created opportunity for CIPFA and all its members.

As I reflect on my year as Chair, those challenges are ever increasing but the opportunities saw CIPFA either the heart of debate or leading it. The profile and the policy voice of CIPFA continued to grow and our engagement on the key issues was demonstrated through our Brexit debate in September one of the first in Scotland to address the likely issues. The annual public finance debate in November and our round table to examine PFI held in December enabled us to discuss current matters as well as identify public finance solutions. In addition to that, the expertise of CIPFA was in demand at the Scottish Parliament where we not only provided oral evidence but we were also appointed as experts on the influential joint Scottish Parliament and Scottish Government budget review group.

In the wider UK as well as in Scotland, the continued fiscal constraints remain but it is the wider political environment that has dominated the headlines. Seismic and unforeseen political events, over and above the challenges that I had outlined, occurred in the wider world with the outcome of both the EU Referendum and in the US Elections in 2016. The consequences of both of these will filter through as for example, we debate the impact of leaving the EU. As public finance professionals we have risen to the challenges in the past whether local or international and in what has been an extraordinary year I am

sure that our professionalism will continue to shine through. In Scotland, we have continued to work closely as a finance community, demonstrating our professionalism and leadership, and we will of course continue to play a pivotal role in driving our public services forward in the future.

Part of that future will be shaped by a Scotland with significant new powers as a result of The Scotland Act 2016. A more direct link in future between taxes raised in Scotland and the performance of our public services means that as finance professionals we will be more involved than ever in accounting for and shaping quality public services for the people of Scotland. Our contribution to the work of the budget review group will ensure that our public finance expertise helps to shape a new budget process that our new powers demand.

As an organisation, CIPFA is changing. The global reach has never been greater, and the organisation continues to expand into new countries and into new territories. This was evident in Scotland recently as we welcomed our first ever international guests from Malaysia and from Portugal to our Annual Conference in St Andrews, and what a fantastic event it was! The theme, 'Going Digital' was chosen to represent a good example of the world of opportunity for the modern CIPFA member and for our public services. The insightful and thought provoking

contribution from all our speakers left us all enthused for the future.

I would like to thank all the sponsors and exhibitors for again supporting the event this year. It is the flagship event for CIPFA in Scotland and the profile and influence that we can gain as a professional institute from an event of this magnitude cannot be understated.

The conference also again witnessed our annual public finance awards ceremony. In a few short years since its inception these awards have become established as a national means to recognise the success of our members and those in public finance in Scotland. I would like to congratulate this year's worthy winners: – Steven Whyte – Finance Professional of the Year, Audit Glasgow – Team of the Year and Scott Rowand as Emerging Talent.

So I'm confident that we do have a bright future in Scotland. Some evidence for that confidence was provided by the emergence of a refreshed CIPFA students society during the year. The energy and commitment that our young professionals were willing to display leaves me with confidence about not only the future but the role that CIPFA in Scotland can continue to play going forward.

I'd like to thank all the CIPFA volunteers who have contributed to our ongoing development throughout 2016/17. In particular, my fellow members of the Executive Committee who commit their time throughout the year to supporting CIPFA's work in Scotland, and a special word of thanks to Don, Mark and the

team at CIPFA Scotland who have worked tirelessly throughout the year in delivering effective services to the Branch, its members and students.

Finally, serving as your Chair has been a privilege but it has also been immensely rewarding. So finally, I would like to close my remarks by encouraging all of you to be a part of CIPFA's journey by volunteering assist the Institute in whatever way that you can. The CIPFA family has never been stronger and I'm certain that our incoming Chair, Alison Cumming, will continue that journey of success.



A handwritten signature in black ink that reads "Mark White". The signature is written in a cursive, slightly slanted style.

Mark White
Chair of Scottish Branch

incoming chair's message

I am hugely privileged to be taking on the role of Chair of the Scottish Branch. There's an infectious energy and ambition which is emanating from the Institute, particularly in Scotland, and I'm delighted to have the opportunity to work with the Executive Committee and the CIPFA Scotland team to harness this over the coming year. Mark has continued the tradition of strong leadership of the Scottish Branch and I would like to thank him on behalf of the Committee for his significant contribution over the past 12 months.

Looking back through recent messages from incoming Scottish Chairs, there are many references to the opportunities that challenging times bring for our profession and for our public services. I truly believe that this is an exciting time to be working in public finance – arguably our professional skills have never been needed more acutely than now. The fiscal climate continues to demand bold and creative approaches to the delivery of public services, which must continue to be underpinned by robust financial management and governance. Scotland's constitutional context is ever evolving, as Scotland exercises more extensive fiscal powers devolved under the Scotland Act 2016 and Article 50 is triggered.

I would like my year as Chair to be characterised by creating opportunities – for students and newly qualified members to develop their careers; for all members to engage with each other and with the Institute; and for CIPFA to continue to build its profile and influence in Scotland.

Our early career members on the Executive Committee have reenergised the Student Society in the last year and I am committed to working with them to embed this and develop new opportunities for student and newly qualified members to develop their careers and to receive support and mentoring.

Thanks to Don Peebles, Mark McLean and the rest of the fantastic CIPFA team, we've just enjoyed another highly successful Scottish conference and I'm already looking forward to welcoming you all to Glasgow next March. Our annual conference is rightly recognised as a vibrant and stimulating event, underpinned by a programme which is relevant to members working in all parts of the public sector and beyond, and together with the annual public finance awards provides a great opportunity to showcase individual and collective achievements in managing Scotland's public finances.

But the conference is just one of many member events that are offered throughout

the year, and I want to ensure not only that we continue to offer a high quality and challenging programme but that we increase the reach of these events so that more members can benefit from them.

Mark has introduced a regular Scottish newsletter, and I would like to build on this by not only increasing the regularity but also by developing social media platforms to promote and facilitate member engagement and debate.

I am very lucky to have the support of an engaged and enthusiastic Executive Committee, and I look forward to working with them and with you to continue to drive the success of CIPFA in Scotland.



A handwritten signature in black ink that reads "Alison Cumming". The signature is written in a cursive, flowing style.

Alison Cumming
Incoming Chair of Scottish Branch

honorary treasurer's report

This report presents the CIPFA Scottish Branch accounts for the financial year ended 31 December 2016.

During the 2016 financial year the Branch generated a consolidated net surplus of £11,869 compared with a net deficit of £4,471 for 2015. The main reason for this difference (and also the reason for the difference in income and expenditure levels) is that the Treasury Management Forum's surplus was £12,732 compared with £786 in 2015. The Treasury Management Forum hold a biennial workshop which generated a significant surplus of £11,236 in 2016. Similar to the workshop in 2014, the 2016 event was successful in bringing together a large number of local authority treasury practitioners and representatives from advisory firms, financial institutions, government and academia. More than 60 delegates from 30 member organisations attended the workshop, and 25 sponsoring organisations were represented.

In particular 2016 was a very positive year for the Student Society, with a number of new volunteers joining to re-establish

activities, organising events and providing representation at Branch meetings for student and newly qualified members. During the year, the Student Society delivered a number of successful events to support students preparing for the final stages of their professional qualification.

The reserves position of the Branch remain healthy, with the balance of non-restricted funds comprising £98,719 at 31 December 2016. The Branch has developed plans to use these reserves to help deliver its strategic aims.



Alasdair Black
Honorary Treasurer

Five Year Summary

for the year ended 31 December 2016

	2012	2013	2014	2015	2016
Income	43,283	28,251	58,213	17,846	52,290
Expenditure	43,943	26,691	53,952	22,317	40,421
Net incoming/(outgoing) resources	(660)	1,560	4,261	(4,471)	11,869

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 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.



Claire Gardiner

CPFA

31 March 2017

Statement of Financial Activities

for the year ended 31 December 2016

	Note	Unrestricted funds £	Restricted funds £	Year to 31 March 2016 £	Year to 31 March 2015 £
Incoming resources					
<i>Incoming resources from charitable activities:</i>					
Advancing public finance and promoting best practice		45,127	–	45,127	10,628
<i>Incoming resources from generated funds</i>					
Investment income		948	–	948	1,058
<i>Other incoming resources:</i>					
Subvention		6,215	–	6,215	6,160
Total incoming resources		52,290	–	52,290	17,846
Resources expended					
<i>Charitable activities:</i>					
Advancing public finance and promoting best practice		37,425	–	37,425	18,071
Educating and training students					–
Regulating and supporting members		2,846	150	2,996	4,246
<i>Governance:</i>					
Regional council and audit		–	–	–	–
Total resources expended	2	40,271	150	40,421	22,317
Net incoming/(outgoing) resources		12,019	(150)	11,869	(4,471)
<i>Gains/(losses) on investment assets:</i>					
		–	–	–	–
Net movement in funds		12,019	(150)	11,869	(4,471)
Funds balances brought forward at 1 January		86,700	10,679	97,379	101,850
Funds balances carried forward at 31 December		98,719	10,529	109,248	97,379

Balance Sheet

as at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Investments		–	–	–	–
Current assets					
Stocks				–	–
Debtors and prepayments	3	12,655	–	26,699	–
Investments	4	50,194	–	76,430	–
Cash at bank and in hand		52,723	–	38,787	–
		115,572	–	141,916	–
Current liabilities					
Creditors: Amounts falling due within one year	5	(6,324)	–	(44,537)	–
Net current assets		–	109,248	–	97,379
Represented by:					
Capital funds		–	–	–	–
<i>Restricted funds:</i>					
Trust funds	6	–	10,529	–	10,679
<i>Income funds:</i>					
Designated funds	7	–	98,719	–	86,700
Other charitable funds		–	–	–	–
		–	109,248	–	97,379

Signed on behalf of CIPFA Scottish Region on 31 March 2017



Mark White
Chair



Alasdair Black
Honorary Treasurer

Statement of Cash Flows

for the year ended 31 December 2016

	2016 £	2016 £	2015 £	2015 £
Net cash inflow/(outflow) from operating activities	(12,300)	–	4,201	–
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)	–	(12,300)	–	4,201

Notes to the Cash Flow Statement

1.	2016 £	2015 £
Changes in resources before revaluations	11,869	(4,471)
Investment income	–	–
Depreciation charges	–	–
(Increase)/decrease in debtors	14,044	(13,640)
(Increase)/decrease in stocks	–	–
Increase/(decrease) in creditors	(38,213)	22,312
	(12,300)	4,201

2. Reconciliation of net cash flow to movement in net debt	2016 £	2015 £
Increase/(decrease) in cash in the period	(12,300)	4,201
Change in net debt	–	–
Net debt at 1 January	115,217	111,016
Net debt at 31 December	102,917	115,217

3. Analysis of changes in net debt	At 1 Jan 2016 £	Cashflows £	At 31 Dec 2016 £
Cash in hand	115,217	(12,300)	102,917
Debt falling due after 1 year	–	–	–
Total	115,217	(12,300)	102,917

Notes to the Financial Statements

Year ended 31 December 2016

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 2016 £	Total 2015 £
Advancing public finance and promoting best practice	37,425	–	–	–	18,071
Educating and training students	–	–	–	–	–
Regulating and supporting members	2,996	–	–	–	4,246
Governance and audit	–	–	–	–	–
Total	40,421	–	–	–	22,317

3. Debtors and prepayments

	2016 £	2015 £
Other Debtors	12,655	26,699
	12,655	26,699

4. Current assets: investments

	2016 £	2015 £
Bank term deposit account	50,194	76,430
	50,194	76,430

Notes to the Financial Statements

Year ended 31 December 2016

5. Creditors: amounts falling due within one year

	2016 £	2015 £
VAT owed to CIPFA	–	4,078
Other creditors	6,324	35,665
Receipts in advance	–	4,794
	6,324	44,537

6. Restricted fund: Archie Gillespie Memorial Fund

Archie Gillespie Memorial Fund is used to fund a prize for the annual top student in local government in Scotland. The purposes of the Fund also include providing sponsorship of the annual graduation, support for student prizes, and support for continuous professional development of members and students through attendance at conferences and events.

	2016 £	2015 £
Balance at 1 January	10,679	10,829
For the Year	(150)	(150)
Balance at 31 December	10,529	10,679

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.

	2016 £	2015 £
Conference Reserve	6,000	6,000
Treasury Management Forum	51,692	38,960
Policy and Technical Support Reserve	13,893	13,893
General Development Reserve	27,134	27,847
	98,719	86,700

8. Transactions with trustees and related persons

	2016 £	2015 £
Travel and subsistence expenses reimbursed for costs necessarily incurred on CIPFA business	236	231

branch pictures 2016/17



Don Peebles (Head of Devolved Regions), Mark White (Branch Chair), Derek Mackay (Cabinet Secretary for Finance and the Constitution) and Brian Roberts (CIPFA President)



Scott Rowand, Emerging Talent winner, award presented by Brian Roberts, Mark White and John Matheson (Past Chair)



Steven Whyte, Finance Professional of the Year winner, award presented by Brian Roberts, Mark White and John Matheson (Past Chair)



Graduation 2016



Audit Glasgow, Finance Team of the Year Winners award presented by Brian Roberts, Mark White and John Matheson (Past Chair)



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