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## Finance Advisory Network Service Plan 2009

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### Foreword

The CIPFA Finance Advisory Network (FAN) celebrated its sixth birthday in December 2008, and since its inception, it has gone from strength to strength. The network has an impressive membership of 340 public sector bodies including local authorities, police (which have a dedicated associate membership network), fire and transport authorities. It has practically a one hundred percent subscriber retention rate which amply demonstrates how highly its help and support is valued by its subscribers.

The CIPFA FAN has been built upon a clear vision and objective. It is designed to assist finance professionals, local authority members and other local authority officers who wish to work together to enhance the effectiveness of their financial management in supporting improved service delivery during a period of unprecedented public sector financial and policy reform.

The network achieves this objective through effectively briefing and advising its members on legislative, professional and other guidance that is issued and, in particular, on the practical issues and implications arising from such guidance. Timely and practical advice is offered to support action planning for reform as it impacts upon a wide range of financial management issues, processes, strategies and procedures. In addition, through its team of advisors, the CIPFA FAN provides expertly facilitated peer networking, advice and support across its whole membership.

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### A Review of 2008

During 2008 the network supported its members in a number of crucial areas, covering new regulatory demands from government departments; proper practice from CIPFA and other financial improvement initiatives as part of a broad financial change management agenda. The FAN has delivered this support by working in partnership with a number of organisations including Communities and Local Government (CLG), the Home Office, Her Majesty's Treasury and the Audit Commission. The strength of the network comes from its members and we are very grateful to those practitioners who have supported the CIPFA FAN over many years.

The themes covered during 2008 largely matched the FAN's plans and included some very popular areas, especially work on Balance Sheet Management, Examining the New Use of Resources Mechanisms under Comprehensive Area Assessment, CIPFA's First Principles Review of Local Authority Accounts, Cash Flow and Statement of Total Recognised Gains and Losses approaches, Trading and Charging, Preparing for Whole of Government Accounts, the Definitive Introduction to International Financial Reporting Standards (IFRS) in Local Government and 2008/2009 Financial Closedown and SORP 2008. All these events were very

well attended and provided our subscribers with powerful insights into the local authority financial management change agenda. In 2008 in excess of 2,200 delegates benefited from our programmes.

In addition to the substantial programme of events, FAN provided its subscribers with relevant web-based documentation and other practitioner support. It produced a Rough Guide to Balance Sheet Management and another Guide to Summary Financial Reporting; briefings on; the Use of Resources Auditor Guidance, Practitioner Perspectives on the Simplification of Local Authority Accounts, Workshop Approaches on How to Undertake a Charging Review and How Local Authorities should prepare for IFRS. It also provided individual tailored advice to subscribers on; Use of Resources, Whole of Government Accounts, IFRS Accounting and Implementation, Partnerships and the Comprehensive Area Assessment agenda and 2008/2009 closedown issues.

The FAN will continue to address the extensive local authority financial management change agenda in 2009/2010. This will require all local authority finance and performance professionals to work together to ensure they are in a position to meet the significant economic and policy challenges they will undoubtedly have to face.

## Themes for 2009

The CIPFA FAN is aiming for the individual elements of its annual financial management and reporting programme to cover the following key strands:

1. Technical and Regulatory developments.
2. Performance and Transformation of Financial Services.

### Technical and Regulatory developments

The technical and regulatory strand will consider the technical accounting, financial reporting and legislative areas that form the backbone of financial management in local government.

Under this strand it is intended to cover:

- Perspectives on the Draft CIPFA IFRS Accounting Code for 2010/2011.
- Understanding the Final CIPFA IFRS Accounting Code for 2010/2011.
- The 2009/2010 financial closedown under UK GAAP and Linkages to IFRS.

### The Performance and Transformation of Financial Services

The strand focuses on how the delivery and performance of local authority financial services can be transformed to serve the needs of our stakeholders in a more efficient and effective manner. It will also consider how authorities can best utilise the performance assessment criteria for financial management developed by external bodies like the Audit Commission, CIPFA and others.

Under this strand it is intended to cover:

- Use of Resources under Comprehensive Area Assessment.
- Preparing and Developing an Effective Medium Term Financial Strategy in the light of SR 2009.
- Efficiency and Value for Money.
- Perspectives on Capital Investment Planning.

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### Programme Caveat

All the programmes highlighted by the CIPFA FAN in this service plan are subject to change. Where new topics emerge that are considered as either more important or more urgent than those within the existing programme, the CIPFA FAN will attempt to add them to the programme as outlined below. However there may be occasions when a new programme has to replace an existing programme already highlighted at short notice.

## Service Themes for 2009 – English CIPFA FAN programme of events

### Examining the Changing Efficiency Agenda - May/June 2009

Events will be held in: Manchester, London, Bristol, York and Birmingham.

Less resources across local government requires authorities to plan and deliver unprecedented levels of efficiency savings. It is anticipated this requirement will increase with more demand for services and limited potential to increase income levels. This series of events will assist authorities in their drive to become more efficient through detailing how organisations have achieved efficiencies through initiatives. The events will also include how councils have increased a strategic approach to efficiency with particular reference to their Value for Money arrangements.

### Understanding the Draft CIPFA IFRS Accounting Code - June/July 2009

Events will be held in: Leeds, Chester, Durham, Birmingham, London, Cambridge, Exeter, London and Southampton

The Draft CIPFA Local Authority IFRS Accounting Code should be finalised by the end of June 2009. This series will give authorities a chance to discuss specific aspects of the draft Code to assist them in responding to the consultation on it before a final version of the Code goes to the Financial Reporting Advisory Board. This series will help authorities assess the potential impacts of these IFRS driven proposals on local authority accounting and reporting during the IFRS transition period and beyond. It is imperative that authorities acquaint themselves with these new accounting and reporting agendas and respond to CIPFA with any concerns they might still have on potential moves to IFRS. This will be a significant opportunity for practitioners to make a difference to the shape of the final CIPFA IFRS Code for 2010/2011.

## **Local Authority Medium Term Financial Strategy and Budgetary Issues - September 2009**

Events will be held in: Manchester, York, London, Birmingham, Bristol, Southampton and Exeter

It is imperative that local authority budgeting is focused on the medium to long term and represents the priorities of the organisation and its partners. This series of events will detail best practice in terms of budgeting and medium term financial strategies. There will also be consideration of other important factors that have implications on budgets, for example, charging policies.

## **Use of Resources – November/December 2009**

Events will be held in: Manchester, York, London, Birmingham, Bristol, Southampton and Exeter

The move to Comprehensive Area Assessment and a revised Use of Resources (UOR) methodology in 2009 has required authorities to ensure they comply with the new themes and key lines of enquiry. This series of events will examine the 2008/2009 UOR results, share best practice and consider the arrangements authorities need to put in place in time for their 2009/2010 assessments. For this series of events we will be joined by the Audit Commission and hear from those authorities that scored highly in their 2008/2009 assessments.

## **Understanding the Final CIPFA IFRS Accounting Code -January/February 2010**

Events will be held in: Leeds, Chester, Durham, Birmingham, London, Cambridge, Exeter, London and Southampton

Authorities will have an opportunity to examine and consider the final version of the CIPFA IFRS Code as it will apply to the transition balance sheet at the 1st of April 2009 and beyond. This series will focus on specific areas of the Code and what authorities

will need to do to ensure they comply with IFRS during the transition period (with a specific focus on the transition balance sheet) and for the first year of IFRS in 2010/2011.

## **Undertaking the 2009/2010 Accounts closedown and the Associated SORP 2009 Guidance Notes – February/March 2010**

Events will be held in: Leeds, Chester, Durham, Birmingham, London, Cambridge, Exeter, London and Southampton

Following on from our very successful series covering the 2008/2009 close-down, these events will review the UK GAAP changes to financial reporting in local government from CIPFA for 2009/2010 including any specific IFRS driven Private Finance Initiative considerations. Any linkages between this UK GAAP based closedown and the developing IFRS agenda will also be addressed to ensure that authorities have an even handed approach to the 2009/2010 closedown process.

## **CIPFA FAN Bite-size (Specialist Events) for the 2009/2010 subscription year**

Subject to resources and subscriber demand, the CIPFA FAN will aim to supplement its main core programme with a short and regionally limited series of specialist events. In 2008 this worked particularly well in a number of short series covering; Trading and Charging, Whole of Government Accounts preparation and Cash flow and Statement of Total Recognised Gains and Losses.

Depending on the aforementioned factors, the CIPFA FAN will examine the possibility of delivering some bite-size series on capital accounting and investment, participative budgeting and engagement, local spending reports, sustainability and social responsibility accounting. This commitment by the FAN to remaining flexible to the needs of its subscribers is a key area of its operations and service delivery.

## **CIPFA FAN Documentation**

All new and existing subscribers have online access to a library of documentation produced by the CIPFA FAN which is not available to non-subscribers.

### **National Advisory Reports, Briefings and Guides**

These reports and briefings avoid theory and concentrate on dealing with practical issues and implications for practitioners. The most popular downloads from the FAN website for December 2008 included:

- Definitive Introduction to IFRS
- Strategic Update – Helping Finance Managers Prepare for the Future
- Getting the most from Balance Sheet Management
- FANZINE issue 18
- IFRS Timetables

## Topical Briefings

These offer a timely response to new legislation and guidance coming out of central government and other relevant bodies. More than concise summaries for use across your organisation, they provide an analysis of practical issues and implications as they impact upon practitioners. Current support in this area includes:

- HMT spending Review Outcomes.
- Use of Resources Methodologies and Approaches.
- Whole of Government Accounts Approaches.
- Operational Efficiency Requirements.
- Accounts and Audit Regulations.

## CIPFA FAN Rough Guides

In addition to our advisory reports and legislative briefings, the FAN will periodically champion separate research and analysis around certain topics or issues affecting local government finance and performance. This will often involve drawing together a dedicated team of local government practitioners and other experts in the field, with a view to compiling a topical, user-friendly publication around the subject being researched.

The resulting *Rough Guides* normally provide front line officers and other practitioners with a mix of detailed commentary, review, analysis, insight, suggested approaches and case studies around how to approach and deliver upon these themes and are offered as an additional (unofficial) aid to practitioners.

All of our Rough Guides are available to subscribers of the FAN as part of their subscription service. Current themes on our website include;

- Balance Sheet Management
- Summary Accounts
- Annual Governance Statement
- Developing a Financial Strategy in a Local Authority
- Better Practices in Financial Management
- Service Review of Internal Audit Services
- Service Review in Accountancy and Financial Management

Further rough guides covering IFRS implementation, the new capital asset agenda, and member challenge of the accounts are in the pipeline and this area of work will increase in the future.

## FANZINE

All back issues of our in-house magazine (launched in the summer of 2003) are readily available to all subscribers together with email alerts to key issues. FANZINE has proved to be a popular and invaluable source of local authority financial management information and it has frequently provided the basis for articles and briefings for in-house local authority reports and publications. Long may this continue.

## Discussion Forums, Volunteering, Networking and External Partnerships – New Developments for 2009

Aimed at making best use of our rich client base, the FAN is anxious to create better networking opportunities for its subscribers and has passed on subscriber requests for assistance from the whole FAN network on such topics as: charging policy, capital software developments and assistance with capital policy for debt free authorities.

The response to these requests for help from the FAN community has been encouraging. The CIPFA FAN intends to develop this approach further for 2009 under the heading of "Ask the Network." The CIPFA FAN has joined forces with the CIPFA TIS to stream the latter's discussion pages through its CIPFA FAN website and this has proved to be extremely successful.

For 2009, the CIPFA FAN plans to utilise the talents and expertise of its subscribers through the medium of volunteer task groups covering certain key issues. It is felt that the development of a vibrant FAN community can only benefit the growth in learning, knowledge and personal development of its subscriber members.

In 2008 the CIPFA FAN undertook an extremely successful series of events with an external partner, Grant Thornton. In 2009 it intends to continue this trend thus adding value to its subscriber service offerings.

## Contact Details

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## The CIPFA Finance Advisory Network (FAN) - Supporting Subscribers in their IFRS Journey

### Introduction

The CIPFA FAN will be a natural home for the support Local Authorities require in their preparations for IFRS. The benefits practitioners will gain from the support they will receive through our Network will be unique. Our extensive support throughout 2009-2010 and beyond this period includes the following:

### IFRS Event Programme and Related FAN Documentation

Timing	Event	Documentation	Subscriber Benefits
Autumn 2008	The Definitive Introduction to IFRS in local government – (with Grant Thornton)	– <i>Related FAN Documentation</i> , CIPFA FAN How to Guide – “Key Issues for Local Authorities to consider in IFRS Implementation”	Assisting subscribers in getting their authorities ready for IFRS implementation
Spring 2009	PFI and IFRS in Local Government (with Grant Thornton) – Considering the SORP 2009 ITC and the NHS Experience	– <i>Related FAN Documentation</i> , CIPFA FAN How to Guide – “Key Considerations for Local Authority PFI Accounting”	Giving subscribers an insight into the PFI implications of IFRS
Spring/Summer 2009	Accounting for leases in Local Government under IFRS and Valuation Issues – Perspectives in the Draft CIPFA IFRS Code and the Wider Public Sector	– <i>Related FAN Documentation</i> , CIPFA FAN How to Guide – “Main Issues Covering Local Authority Lease Accounting”	Deepening subscriber understanding of leasing and valuation issues as they relate to IFRS
Summer 2009	The Draft CIPFA IFRS Code – (with Grant Thornton)	– <i>Related FAN Documentation</i> , CIPFA FAN Briefing – “Responding to the Draft CIPFA IFRS Code – Key Issues”	Helping subscribers to understand and respond effectively to the provisions of the draft CIPFA IFRS Code
Autumn 2009	Local Authority IFRS Accounting Statement Formats – How might they look?	– <i>Related FAN Documentation</i> , CIPFA FAN Briefing – “A Critical Review of alternative Local Authority IFRS Accounting Statements”	Ensuring that subscribers can work with some realistic IFRS local authority accounts formats
Autumn/Winter 2009	The Final CIPFA IFRS Accounting Code – Moving towards the IFRS transition Balance Sheet (with Grant Thornton)	– <i>Related FAN Documentation</i> , CIPFA FAN How to Guide – “Preparing Your IFRS Transition Balance Sheet – The Principal Accounting Entries”	Taking subscribers on a detailed accounting journey to the IFRS transition balance sheet

### Additional IFRS support

- Regular bulletins on the progress of IFRS implementation in local government within our FANZINE publication
- A dedicated IFRS web page on our website, linking directly to the latest CIPFA developments on IFRS
- CIPFA FAN IFRS documentation and presentations to download for our subscribers
- Facilitated regional IFRS subscriber workshops
- A specified IFRS bulletin board for FAN subscribers to exchange their thoughts and perspectives on IFRS implementation