

IR and HMCE employees may now train as Chartered Accountants

On 19 June 2002, both the Inland Revenue and HM Customs and Excise became authorised to train Chartered Accountants by the Institute of Chartered Accountants in England and Wales (ICAEW). Both departments already employ and train a large number of accountants and the new authorisation will give employees another choice in the professional accountancy qualification they may obtain.

The ICAEW is the largest accountancy body in Europe, with 122,000 members and approximately 13,000 students. Its qualification, the ACA, has a global status as a prestigious business grounding, and has traditionally been viewed as having the greatest relevance for students aiming for a career in public practice or business. However, the recent increase in the commercial approach within the public sector has resulted in the ACA qualification having an even greater application to Government departments. In addition to this shift, the qualification has also changed, and the 'new' ACA was launched two years ago.

The new ACA is split into two levels of examinations, *Professional Stage* and *Advanced Stage*. The Professional Stage forms the foundation of the qualification - delivering a solid understanding of the relevant key technical and commercial issues. Areas covered include Tax, Audit & Assurance and Business Management, and this provides a qualification in its own right (the Professional Accountancy Certificate). This stage also provides a greater understanding of the vital financial, legal and business issues. The Advanced Stage brings together technical learning and work experiences to equip students with both strong technical skills and a strategic and business-like approach.

The training for the qualification is extremely broad and ACAs go on to work in diverse areas including: taxation, corporate recovery and insolvency, forensic accounting and litigation support and corporate finance.

The Inland Revenue employs over 150 qualified accountants and have an average of 45 staff training for professional accountancy qualifications each year. Roughly one-third of their qualified accountants, and the vast majority of trainees, work in financial management, where they help control and manage the department's resources and advise on ensuring value for money. The other two-thirds of the Revenue's qualified accountants work in compliance and play a large part in tax fraud investigation. A significant number of those working in compliance are Chartered Accountants,



but until now these Chartered Accountants have had to train for this qualification with a different organisation.

Steve Holliday, Training Scheme Manager for the Inland Revenue commented: "We already offer employees professional accountancy training with the ACCA and CIMA, and we are delighted to now be able to give them the opportunity to train with the ICAEW. The ACA is a highly respected qualification and will undoubtedly attract a good number of employees."

The HMCE felt the greatest benefits of the ICAEW training authorisation would be for staff who had trained with the AAT. The AAT is proving to be the fastest growing route into Chartered Accountancy and in recognition of this, last year, the ICAEW introduced the AAT-ACA Fast Track. This allows students that have trained with the AAT to follow a fully integrated learning scheme for a smooth transition to the ACA qualification. This route recognises prior achievements gained through AAT study and offers exemptions from some ICAEW's Professional Stage examinations.

It is a structured progression route and AAT students can achieve the following in four years:

- Year 1 - AAT Intermediate
- Year 2 - AAT Technician (AAT membership level)
- Year 3 - ICAEW Professional Stage (Professional Accountancy Certificate)
- Year 4 - ICAEW Advanced Stage (ACA qualification)

HMCE currently employ a number AAT trained staff who now have the chance to further their training and gain the ACA qualification, while continuing working for them.

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EDITORIAL



This edition of Gasette finds the DART team recovering from the first two major conferences of the year. The trainee conference, in July, had a new feel to it with delegates given the opportunity to attend a longer session with their institutes to discuss student issues and to meet examination markers. The HOAP conference a week later was a relaxed affair in the countryside just outside Southampton and whilst the agenda was demanding the delegates appeared not to notice! November's qualified conference is beginning to take shape and we are pleased to announce Hays Accountancy Personnel as our main sponsor. The programme and registration forms will be circulated to HOAP and Senior Professional in early September.

Over the past couple of editions a number of topics have been included and this edition includes a number of related articles. In particular, a paper about Continued Professional development (CPD) has been circulated to HOAPs and the Financial Training Committee. However, as this affects all GAS members your thoughts and views are being sought as part of the consultation process.

In addition to the normal 'Publications from the Treasury' article details of other recently produced guidance is featured. Including the recently revised 'Green Book'. On the communications front GAS members are being asked for feedback on the recently launched GAS website.

Finally, this is farewell to Gasette in its current format, as the publication is undergoing a make over ready for the Autumn edition. One final farewell is to Kevin who is going the Commission for Racial Equality, at the beginning of October. I am sure you will all join me in wishing him good luck in his new job as their Finance Director.

Next copy date 25th October 2002.

Roberta

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Views expressed in GASETTE are not necessarily the official views of the Government Accountancy Service or HM Treasury.

Hilary Gillman HMCE Training Manager said: " We currently have around 60 accountants covering a variety of roles such as resource accountants, forensic accountants and operational accountants in the VAT arena. We are really pleased to be able to offer our staff an additional training route to a professional accountancy qualification, especially with such a highly respected training body."

In addition to the core areas of accounting, the ACA qualification incorporates strategy, marketing, management of people, business planning and performance management. The work-based learning approach complements study and focuses on communication, business awareness, professional judgement and technical excellence.

Peter Wyman, the President of the Institute said: "We continually adapt to a changing environment by ensuring our syllabus, learning materials, assessment processes, work experience and Continued Professional Development respond to the needs of students and training organisations. This process of improvement takes account of changes in areas such as globalisation, e-business and e-education, local and central government and corporate responsibility."



Currently the ICAEW is working with six of Europe's leading accountancy Institutes to establish a common approach and syllabus to bring their qualifications closer together within five years.

To learn more about the training for the ACA qualification please visit www.icaew.co.uk/students or contact our Finance Staff Development Manager by email: gov.fsdm@icaew.co.uk or telephone 01908 248170.

SPECIAL INVESTIGATIONS GROUP

JUNE CONFERENCE

The third conference was held on 14th June at the usual location of Somerset House. The event was well supported being the largest to date with delegates keen to hear about the work of other departments and current issues impacting on the work of investigators.

The day commenced with John Clark of the MOD's Purchasing and Finance Group explaining the work of the unit, perhaps John's most surprising statement was the fact the unit 'Perform unnatural acts' ! He explained how they are involved in reviewing the pricing conventions of non-competitive contracts, especially for those cost which would be disallowed under the contract. The unit undertakes work for departments other than the MOD and a number of overseas government customers including Qatar, Australia and NATO members. PFG undertake consultancy work in the areas of asset accounting and cost forecasting.

Owen O'Sullivan of the Home Office and Ajit Philipose of the Inland Revenue delivered a joint session on the Anti-Terrorism Crime and Security Act 2000. Owen had been involved in the development of the bill whilst Ajit spoke about its implications in practice. The session proved to be lively with much pre lunch discussion which despite the session being bought to a close carried on over sandwiches and quiche etc..

The afternoon kicked off with a presentation on the work of the Insolvency Service's disqualification Unit and the Company Directors Disqualification Act 1986. The session proved enlightening as it unravelled the whys and wherefores of the circumstances directors could be disqualified under. Eileen, also explained the intricacies of the ways directors abuse their limited liability status.

The final session of the day was facilitated by Carlos Conceicao and John Kirby who spoke about investigation under the Financial Services and Markets Act 2000. The session covered the role of FSA, its powers, how cases are initiated, how cases are progressed and looked at some of the major cases they typically deal with.

The evaluation of the day confirmed all the sessions were useful with all either in the very good or excellent bracket. The day itself met its objectives with the delegates returning a 73% rating of 'more than met the objectives set'!

The next conference is scheduled for the 6th November and delegates have provided a list of topics they would like to see included at this event. Details of the conference will be published in the next copy of Gasette and circulated during early October, if you wish to be added to the circulation list please contact Daljit on 020 7270 1750.

GAS Website

The GAS website is under development and plans are afoot to include a section for the Special Investigations Group to include contact details for the various departments and details of conferences etc. The first stage of the development will be to make available copies of the presentation from the last three conferences, the address is:

<http://www.hm-treasury.gsi.gov.uk/fmra/gashomepage.htm>

Call for copy – a number of you have offered articles for this part of Gasette, for the diary next copy date is 25th October so contributions gratefully received

Finance-related Services in S-CAT: current options and planned expansion

Government departments spend millions of pounds a year purchasing finance-related services such as accountancy, audit and other specialist functions. Such expenditure includes advice and consultancy, as well as activities including the recruitment and training of finance staff. OGCBuying.solutions' S-CAT currently provides a route to facilitate the procurement of some such services, and is set to expand in this area.

OGCBuying.solutions, the Executive Agency within the Office of Government Commerce, manages a wide range of contracts to facilitate procurement by other government bodies. The Agency's arrangements offer customers many benefits - including EC compliance, ease of use, and overall value for money.

S-CAT is OGCBuying.solutions' catalogue for IT and business services. The arrangement is highly successful, and is used by over 450 organisations from across central government and the wider public sector. Originally focussed on IT-services, S-CAT is actually now much broader in scope – including a wide range of management consultancy and other business services.

S-CAT currently enables the procurement of a range of finance-related services, including:

- financial advice as part of business policy development and implementation, cost and value management, and benefits analysis;
- “Bodyshopping” of accountants and accounts clerks – the provision of staff into limited duration or temporarily vacant posts;
- advice on financial aspects of PPP, including market testing/outsourcing and PFI;
- some finance and accountancy training.

However, OGCBuying.solutions is looking to broaden the range of finance-related services on offer under S-CAT. This is part of a general expansion of our range of Professional Services contracts, to meet customers' requirements identified by the NAO.

OGCBuying.solutions is set to re-compete a number of the categories within the S-CAT catalogue. We plan to separate out many of the finance-related services into a distinct finance category within the catalogue, making it easier for customers to use. We will also be ‘refreshing’ the range of service providers, broadening the range of finance-related firms.

It is planned that the S-CAT recompetition will be completed by April 2003 – though, of course, the specific services listed above are available from the catalogue now.

OGCBuying.solutions is very keen to hear from any government bodies about the types of financial services they utilise, and would welcome any thoughts or comments on our plans to broaden S-CAT in this direction.

Contacts

For Professional Services and the expansion of S-CAT:
Tristam Hardman
tristam.hardman@ogcbs.gsi.gov.uk

For the financial services currently available under S-CAT:
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OGCBuying.solutions Service Desk – 0151 224 2242
www.ogcbuyingsolutions.gov.uk

Appraisal and Evaluation in Central Government ('The Green Book') Consultation

The 24th July saw the commencement of a consultation period regarding the recently revised 'Green Book' published by Public Service Delivery Analysis unit. The press release stated 'The Government is committed to a continuing programme of improvement in the delivery of public sector services. A major part of this is ensuring that public funds are spent on activities that benefit society as a whole, and that they are spent in the most efficient way.

HM Treasury has for many years provided guidance to other public sector bodies on how proposals should be appraised, before significant funds are committed – and how past and present activities should be evaluated. This guidance has now been revised, to encourage a more thorough, long-term and analytically robust approach to appraisal and evaluation. A period of consultation on the revised guidance is now beginning.

HM Treasury is carrying out this public consultation exercise to: (a) ensure that the reasons for the changes in the proposed guidance are widely understood; (b) request and consider views, particularly relating to the transitional period, and other implementation issues; and (c) achieve as much clarity as possible in the final guidance.'

This guide is designed to assist government departments and agencies appraise and evaluate their activities effectively. It is intended to ensure consistency across government in appraisal and evaluation practice. It updates the 1991 edition, and stresses appraisal is essential to good decision making. Good appraisal calls for flexibility and imagination and needs to take account of the policy context in which decisions are made.

This edition of the "Green Book" stresses the importance of evaluation, as well as appraisal, i.e. the systematic examination of decisions already taken in order to learn from them and to improve future decisions. There is a natural tendency, once a decision is taken, to move on to the next and let bygones be bygones. To do this, however, is to sacrifice an invaluable source of learning which can improve future decision making. I hope the material in this guide will encourage the more systematic practice of evaluation within government.

The 'Green Book' is on the HM Treasury website http://www.hm-treasury.gov.uk/economic_data_and-tools/greenbook. The public consultation process is open until 18th October.

CIPFA goes modular!

Ever wondered why you have to sit all of your exams at once, and wished you could break them up to make them more manageable? Soon, you'll be able to do just that!

In May, CIPFA's Education and Training Committee passed a paper, proposing that students should be able to split their exams between the two exam sittings. The new system will be implemented in September, ready for the June 2003 exam sitting.

Why now?

We recognise that studying styles have changed and that people need more flexibility. The majority of our students have full time jobs, a home and a family, and that generally they have busy lives. Fitting study around this is no mean feat. So instead of applying more pressure by encouraging people to do one level of the qualification per year, the new system will mean students can take it at their own pace, if they'd prefer.

We are always looking to update our qualification and see this change as an extension of the modifications that have already happened. Originally, if students failed one subject, they were required to resit **all** of subjects in order to pass a level. This was modified allowing students to carry passes forward for two years, and resit

single subjects in order to pass. Now, students will be able to pass as many subjects as they like at any exam sitting – so this is just another part of the updating process.

What does this mean to me?

Essentially it means that you can work through the qualification as quickly or as slowly or as you like.

For example Foundation students can split their two subjects over the two exam sittings, P1 and P2 students could take two exams in June and two in December - or split them however they like - and P3 could do the case study in June and the project in December.

The only conditions we apply are:

- Where a subject has an assignment as well as an exam, both must be taken at the same time (i.e. you can't take the exam in December and the assignment in June)
- Passes are still carried forward for two years only.

Of course you can still take all subjects in one sitting if you'd like. If and how you split the exams is your prerogative.

Some policies will stay the same to help keep standards high and maintain quality.

- Students will still be required to pass all subjects within one level before moving onto the next.
- Open Learning Materials, which are provided in full level sets rather than separated by subject, will remain as they are.
- Students will be able to carry successful subject passes forward for two years in keeping with the current rule.

Donna Reed, Senior Manager for Education Support at CIPFA said,

“Our decision to modularise the scheme comes from recognition that we need to give our students more

flexibility. An increasing number are funding themselves through the course, and all of them have to juggle work, study and family life. We need to adapt our scheme to fit their social circumstances and hope that this change will make a real difference.”

What do I have to do?

Nothing. We will be making slight tweaks to the exam entry forms, which will ask you what you want to sit and when, but that is all. Exam entry fees will stay the same and the provision of Open Learning materials will remain as it is.

The last students who to sit all subjects at once are those taking exams this December. They will be supported in the usual ways but anyone with any questions should contact Andrew Ross on the ETIS help-line on 020 7543 5678.

WGA UPDATE - CENTRAL GOVERNMENT ACCOUNTS

MILESTONE 2 PERFORMANCE AND 2001/02 DRY RUN PLANNING

The CGA Milestone Strategy is intended to ensure the success of the dry run process by phasing the introduction of the necessary systems and procedures, and ensuring that key steps are undertaken in sufficient time to allow problems to be identified and addressed without jeopardising the overall timetable.

Milestone Two was concerned with the restatement and consolidation of comparatives for the year ended 31 March 2001 in order to:

- ensure any changes in accounting policy arising from the new NDPB guidance were made and comparative data for 2000/01 had been restated;
- check that individual bodies' chart of accounts had been mapped to the WGA Standard Chart of Accounts (SCOA);
- produce the opening balances for the 2001/02 dry run and a high-level trial of the consolidation process; and
- provide audited data to underpin SR2002 and the 2002 National Accounts “Blue Book”.

Overall Milestone Two was a success with returns prepared by 85% of departments (including audited returns from 75%). The information supplied was made available to other parts of the Treasury and is being used by the WGA team in the pilot preparation of CGA for 2000/01.

NAO have provided a summary of the results of their work with a number of departments, and comment favourably on what they have found:

- few inconsistencies in accounting policies;
- departments that submitted returns were all able to complete and certify the mappings of their charts of accounts to the WGA SCOA; and
- no significant errors in the restatement returns.

This is particularly pleasing as the Milestone Two deadlines coincided with a period when departments were inevitably busy with SR2002 work, while a number of departments have also had to deal with the impact of machinery of Government changes

Issues arising from Milestone Two

As always there are lessons to be learnt and on our part, WGA are aware of the need to continue to improve the clarity and timeliness of guidance issued.

This applies to departments, as communications with their agencies and NDPBs is the key to success. The following issues have emerged departments do not always promptly pass on guidance issued and there was some confusion over reporting lines. Happily these issues can be relatively easily addressed.

Departments being either slow or failing to submit returns have hampered the usefulness of information for spending review purposes. This has delayed by a year the replacement of model depreciation data with actuals in the National Accounts.

Forthcoming Milestone Three deadlines

Milestone Three comprises the preparation of the first dry run CGA accounts for 2001/02. The key steps that all participants (NDPBs, departments, HM Treasury, NAO and other auditors) need to undertake were set out in a letter to Consolidation Officers of 1 February this year (DCO 1/02). Adherence to Milestone Three deadlines will be important to the overall success of the first dry run CGA.

The WGA team would like to thank everyone for the hard work put into the CGA programme during the last six months or so, which has contributed so much to the success of Milestone Two.

Further information relating to the Milestone three timetable can be found at <http://www.wga.gov.uk/pages/guidance.html> or via the WGA team on 020 7270 4690.

...AND NOT A LOT OF PEOPLE KNOW THAT!

Companies House and Land Registry recently won national prizes in CIPFA's Public Reporting and Accountability awards. Congratulations to all concerned, full details of the awards are in this edition.

WGA have recently announced those departments who met the Milestone 3 deadlines to confirm and agree balances with other government entities. The first past the post for non-consolidations were OFWAT, OFTEL, Crown Prosecution Service and OFSTED; for those undertaking consolidations those achieving the deadline were ECGD, Lord Chancellor's Department, Department of Trade & Industry and Home Office.

On a slightly different note the first three departments to lay their Resource Accounts for 2001-2002 were OFGEM, Government Actuaries Department and ECGD.

The returns are in and analysed regarding the GAS members, there are currently 2,016 qualified accountants, 806 trainees, 604 ACCA Diploma holders and 1,527 AAT members in government. After the Ministry Of Defence the largest concentration of members are in Department of Works and Pensions followed by the Prison Service. There are 183 members holding SCS posts and a further 755 in Senior Management posts.

Finally, in case you haven't heard DART/WGA and CA have returned to the old building now called 1 Horse Guards Road with its entrance off St James' Park. We can be found on the 1st floor in close proximity to all the Spending Teams and GEP; telephone numbers remain the same but our sole fax number is 020 7270 4545.

SPECIAL INVESTIGATIONS GROUP

6th November 2002
Somerset House, London

Details available from October - contact Daljit Singha for more details on
020 7270 1746 or daljit.singha@hm-treasury.gsi.gov.uk

GASSETTE READER SURVEY

Firstly, many thanks to everyone who returned their survey. On the matter of distribution 57% had received all of the previous years issues, and distribution appeared to improve during the same period. Looking to the future and the possibility of developing an 'E-journal' we asked about access to the gsi 56% had access but only 9% regularly accessed the on line PDF version of the magazine.

Part of the survey was an opportunity to review the content of the magazine to establish which articles if any were being rejected by the readership. The table shows the frequency articles are read:

	Always	Sometimes	Occasionally	Never
Special Investigations Group	87	116	100	32
WGA Progress	79	103	97	36
...and not a lot of people know that	87	103	100	25
Website of the month	78	103	122	39
Publications from HMT	117	117	91	22
CCAB Update	184	100	48	17
What's on	127	115	82	14
Exam Results	118	67	93	63
Recruitment Update	171	89	74	14
Technical Update	195	110	28	8
Conference Reports	71	137	111	15
Day in the life type articles	88	131	101	26

In addition to the current content we asked about other topics you would like to see included on a more regular basis; the top three were:

- Information about ongoing professional training;
- Day-in-the-life articles – looking at different accounting roles in government; and
- Work of other bodies eg NAO, NHS etc

These were closely followed by requests for more on training matters – logbooks and exam techniques and CPD issues.

There were a number of suggestions for topics to be included in future issues and we will endeavour to do our best to locate people willing to contribute to your magazine.

Ed's comment – if you offered to contribute an article either about your job or another topic please contact me !

CPD and accountants in central government

In issue 77 the focus was on CPD which seemed to raise questions about the need for government accountants to make the most of opportunities presented in order to ensure they meet the minimum requirements of their institutes. The subject of CPD has also been discussed with HOAPs and members of the Financial Training Committee and the following paper has been issued to them for comment. As this is a subject which has a major impact on you, DART are giving all members the opportunity to express their views.

Issue:

Should CPD be mandatory for accountants in central government in order to comply with CCAB guidelines ?

Recommendation:

Accountants should be encouraged to proactively seek CPD opportunities. As a minimum a CPD related development objective should be set annually to ensure

compliance with the minimum requirements of their respective institution, ideally it should be evidenced as part of the reporting cycle. An alternative is for departments to allocate points against CPD activities which would score against a predetermined target, equating to the average hours required by the CCAB bodies.

Background:

The main CCAB bodies all identify the need for their members to undertake a predefined number of CPD hours each year. These range from 25 to 35 hours per annum, consisting of a combination of structured and unstructured activities, which should cover both technical and management development.

Formal CPD records are a requirement for ACCA members seeking to upgrade their membership to Fellow status. CIPFA requires member to submit, on an annual basis, their Plan, Record and, if requested, their Portfolio of Evidence. CIMA currently has no comparative scheme only monitoring CPD for 'Members in Practice' (members working as independent consultants). However, there are plans to introduce monitoring for other members in the near future.

In support of CPD the White Paper entitled 'Development and Training of Civil Servants' identified three key areas which departments and agencies were required to measure themselves against. These measures included the need to raise the levels of skills and awareness of staff throughout the civil service, including

the greater the use of specialist expertise. It also recommends individuals are given responsibility for their own development and careers.

The CCAB bodies' define CPD as, "the systematic maintenance, enhancement and continuous improvement of the knowledge, skills and ability needed to work as a professionally qualified management accountant" which appears to link to the White paper. CIMA strengthens the argument in identifying two strands to CPD

- Updating, which ensures professional competence and prevents technical obsolescence within the member's field of work, and
- Developmental, which provides new knowledge, broadens skills and opens up new career opportunities.

A recent survey of HOAPs found 54% agreed there was a tendency for professionals in the Civil Service to lose touch with outside developments. This was attributed to the fact accountants are not exposed to current issues once working in government as it is considered qualified accountants are developed within the business environment. Departments do encourage their accountants to maintain knowledge through personal development plans, however there is no mechanism in place to ensure CPD opportunities are sought and taken.

If you wish to discuss further or require any additional information please contact Roberta on 020 7270 1746 or roberta.woodcock@hm-treasury.x.gsi.gov.uk

WINNERS ANNOUNCED IN TREASURY SPONSORED PUBLIC REPORTING AND ACCOUNTABILITY AWARDS

Addenbrooke's NHS Trust, Testway Housing, Companies House, HM Land Registry and The British Library have all been rewarded for strong effective accountability at the first-ever CIPFA/PricewaterhouseCoopers Public Reporting and Accountability Awards 2002. The announcement was made at CIPFA Annual Conference in Brighton on Tuesday 11 June 2002.

The awards aim to recognise those public service organisations who can show they are putting clear and timely information into the public domain in ways which really stimulate interest and engagement with stakeholders.

Winners:

National organisations with an annual turnover of less than £50m

Companies House – commended in particular for establishing an index of customer satisfaction to ensure standards are maintained and areas for improvement are highlighted, and for its demonstration of a clear consultation process and development plan.

National organisations with an annual turnover of £50m or more

HM Land Registry – commended in particular for making a wide range of information available using all media types and channels of communication and for its use of customer surveys, focus groups and open days.

Local organisations with an annual turnover of less than £50m

Testway Housing – commended in particular for its production of a quarterly newsletter, an annual report produced in the form of a calendar for tenants and its commitment to producing tapes for people with visual impairments.

Local organisations with an annual turnover of more than £50m

Addenbrooke's NHS Trust – commended in particular for its production of clear, targeted documents which eliminate medical jargon, as well as the establishment of an internet café, videos for patients and electronic screens.

In addition to the winners of the above categories, a special merit award was awarded to the British Library for its imaginative use of public reporting to encourage wide public participation in the debate and work to establish 'New Strategic Directions

for the British Library'. Addenbrooke's NHS Trust also received the outstanding entry in all categories award.

Chief Secretary to the Treasury, **Rt Hon Andrew Smith, MP** said:

"There is no doubt that initiatives like Resource Accounting and Budgeting are helping to improve decision-making and make better information available to members of the public. This has the potential to be the cornerstone of a more transparent way of doing business with a re-renewed emphasis on accountability to users of services and the taxpayer. The challenge for public bodies is to use this information to encourage real interest in the services they provide and real debate about the important decisions they take on the public's behalf."

CIPFA's Chief Executive, **Steve Freer** said:

"Real accountability is a critical challenge for all public bodies. Too often the relationship with stakeholders is closer to apathy than accountability. Accountability should be a two way process, constantly seeking to find new ways to encourage discussion and debate about the organisation, its services, its performance, its use of public money. These awards encourage excellence in public reporting and set out to identify and celebrate the best practice organisations whose imaginative approaches set the standard and point the direction for others to follow. Some outstanding winners have emerged – congratulations to all those who took part."

EXAM RESULTS

Apologies for omitting ACCA results from Companies House last issue:

Mandy Phillips passed paper 2.1;

Debbie Hall passed 2.5 and 3.2; and

Chris Williams passed 3.5, 3.6 and 3.7 and is securing membership with ACCA.

Congratulation to you all !

2002 QUALIFIED CONFERENCE

This year's conference is being held in Southampton and the De Vere's hotel on Wednesday and Thursday, 13th & 14th November. The conference will once again cover a number of topical areas including the use of management information by Board members; the role of forensic accountants in government; an update on the Whole of Government Accounts programme and workshops facilitated by our main sponsor Hays Accountancy Personnel.

In order to tailor the workshops a questionnaire will be issued to all qualified accountants registered with DART to gather the views of as many as possible. Please take the time to complete the questionnaire and ensure once completed it is returned to Hays Accountancy Personnel and not DART.

Details about the conference, and registration forms, will be issued to Heads of Accounting Profession and agency's Senior Professionals during the first two weeks of September.

CCAB UPDATE



SUPPORT THE TRAINING OF YOUR FINANCE STAFF WITH NEW AAT PACK

Finance managers looking for practical tips on how to support their staff through training, will find useful advice and guidance in the Association of Accounting Technician's (AAT) new training information pack.

Designed in consultation with organisations from across the public, private and not-for-profit sectors, the pack details a range of qualifications and outlines practical support tools including coaching and mentoring, through to learning resource centres and job shadowing. The AAT's Business Development Manager, Christine O'Sullivan, explained:

"Many businesses not only find it difficult to find a qualification that is flexible enough to suit a wide range of

finance staff, but also find it hard to identify practical ways to support them once training.

"Research has shown that staff actively supported by their employer through training are far more likely succeed. This is beneficial on two counts. Your staff will feel valued in their work and training, while your business will benefit from motivated and consistently qualified employees."

To receive a copy of the AAT's training information pack please tel: +44 (0)20 7415 7618, e-mail: helen.carson@aat.org.uk or visit the AAT's website at www.aat.co.uk

RELEASE OF THE NEW STANDARDS FOR ACCOUNTING

The final draft of the long-awaited new standards for accounting NVQs/SVQs levels 2-4 were released by QCA at

the end of June. The new standards will be introduced in July 2003. There is also an assessment strategy which is awaiting ratification with QCA and which advises on the assessments relating to the revised standards. A copy of the new standards can be downloaded below.

To support UK centres through the changes there will be a series of regional roadshows at the end of 2002 and the beginning of 2003. International centres will have the opportunity to discuss the changes with their external verifiers during the next round of EV visits. The roadshows will be followed up with master classes on each of the units assessed by examination, and the AAT will publish detailed guidance for assessors.

COUNCIL GREETES NEW FACES

The Association of Accounting Technicians (AAT) looked back on 2001 as a "year of transition and growth" at its Annual General Meeting.

David Hunt, Immediate Past President, said that the 21st birthday year had been an important milestone for the AAT: "The AAT has made accountancy inclusive - opening doors for, and making a difference to, a diverse range of individuals and the organisations they work for."

Also at the AGM, Mike Dudding was installed as the AAT's new President and Jan Bell as Vice President. Dudding said he felt "honoured to be President of a vibrant, dynamic organisation that really is going places".

And there were more new faces and some returning as the election of seven members to the AAT's Council was announced. They are: Rod Davies (Hampshire); John Dolan (London); Pam Dyson (Cheshire); Carl Little (Jamaica); Sheila Robinson (Staffs); Noel Sladen (Sussex); and Adrian Veale (Cheshire). The AAT thanked departing Council members Andrew Duncan, Mary Francome and Past Presidents Margaret Rawding and Paul Treadaway for their hard work. Meanwhile, a resolution to appoint Horwath Clark Whitehill as the AAT's new auditors was unanimously carried. The firm replaces BDO Stoy Hayward.

ACCOUNTANCY OCCUPATIONAL STANDARDS GROUP (AOSG) ESTABLISHED

Following the closure of the Accountancy NTO on 31 March 2002, the DfES has agreed to the establishment of

the Accountancy Occupational Standards Group (AOSG), which will have the responsibility for the essential work of ANTO at least until 31 August 2002. The AOSG has been formed by four of the main professional accountancy bodies: AAT, CIMA, CIPFA and ICAEW. These four bodies are united in their commitment to the development and promotion of national occupational standards in accountancy and the continuation of key activities previously managed by ANTO. The group is also committed to establishing a positive working relationship with all those who have an interest in training and qualifications in accountancy. The AOSG can be contacted at aosg@aat.org.uk or by telephone on +44 (0) 20 7415 7570. The AOSG website can be found at www.aosg.org.

AAT APPOINTS NEW PRESIDENT

Mike Dudding CPFA MAAT was appointed President of the Association of Accounting Technicians (AAT) at its AGM.

He is looking forward to developing and strengthening the Association's ties with local, national and international organisations and their accounting staff. His Vice-President will be Jan Bell, Programme Manager of the Accounting School at Fareham College.

He explained: "Accounting technicians fulfil a wide range of accounting functions and play an important role in many organisations. As AAT President I want to promote the importance of belonging to a professional body. Not only does this provide people with credibility and status in the workplace, but can also offer additional support and encouragement to both them and their employer when they are planning their career development."

His presidential theme for the year (May 2002 - May 2003) will be 'AAT: it all adds up', emphasising the Association's collective strength through its individual members, partner organisations and colleges.

Mike's career began nearly 30 years ago when he trained as an accountant with the Greater London Council. He then moved to Kent County Council, where he was employed as Assistant County Treasurer and later Head of the Corporate Review. He now works as a freelance consultant on public finance management.



RISKS STILL PRESENT - BUT WHITE PAPER IS WELCOME, SAYS ACCA

The reforms, which the Government is proposing in its Company Law Review White Paper, do not remove the risks of corporate fraud and mismanagement. Its proposals, including the decision to keep audits for companies with annual turnovers of £1 million, will, however, strengthen the position of auditors, according to the Association of Chartered Certified Accountants (ACCA).

Commenting on the publication of the White Paper Modernising Company Law, ACCA welcomes the proposal to allow auditors to demand information from employees as well as from directors and to make it an imprisonable offence for directors to withhold information from the

auditor. Proposals to shorten the filing deadlines for annual accounts and for companies to post their accounts on web sites will help to make published information more timely and relevant to users.

The Government's proposal to require that a statutory version of the Operating and Financial Review (OFR) is prepared by large private and by public companies is also welcomed. Stakeholders stand to benefit from the disclosure of more information on companies' future plans and on how companies have dealt with their responsibilities to them.

ACCA President, Jonathan Beckerlegge, said: "We welcome the decision to keep the audit threshold at £1 million, especially in the light of the issues highlighted by both the Enron and WorldCom cases. While it is not possible to do away with all risks, our own research shows that strong

independent audit is the best way of uncovering fraud or mismanagement in companies of all sizes.

“ We also welcome the move to enable auditors to question employees outside the board of directors, as well as certain contractors, about company information. This reinforces the need for auditors to be professionally sceptical to ensure that investors and other stakeholders can rely on company accounts, “ said Jonathan Beckerlegge.

INSTITUTE OF MANAGEMENT CONSULTANCY

Since 1962, the Institute has promoted excellence in management consultancy and is the awarding body for the international Certified Management Consultant qualification in the UK. IMC qualifies, supports and regulates individual management consultants whilst providing a forum for all management consultancy stakeholders, and has developed a code of conduct and a range of support services for consultants.

Members of ACCA currently working in the consultancy field can join the Institute at Associate Grade, without the need to supply client references. The admission fee, normally £25.00, is also waived.

Associate membership* entitles you to:

- use the designation AIMC on business cards and stationery
- receive quarterly copies of Professional Consultancy magazine
- receive bi-monthly e-mail updates on the latest developments
- attend Institute networking events at the reduced rate for members

* There is an annual subscription charge of £99 (graduated throughout the year) ACCA members who join the Institute as an Associate may be interested in taking this further and obtaining Certified Management Consultant (CMC) status. CMC is awarded through an assessment process which requires you to present evidence of your ability in management consultancy processes. The assessment process requires the applicant to collect evidence of competence, experience, education and training. You will receive guidelines towards pursuing CMC on joining.

PFI: PRACTICAL PERSPECTIVES

This booklet contains nine articles which highlight contemporary issues related to Public Finance Initiatives (PFI) and Public Private Partnerships (PPP) in the UK. The nine different perspectives take in practical experiences and commentary from leading industry professionals on both sides of the PFI equation. Key themes include: how to approach the procurement of major projects (e.g. construction/major works); public and private sectors working in partnership; why PFI can be a useful fundraising tool; how to manage negotiations; and an overview of legal and employment issues.

The first copy of this publication is free to members; additional copies cost £10. Copies can be ordered from:

ACCA Distribution Unit
PO Box 66
Glasgow G3 8WN
Fax: +44 (0)141 309 3998
E-mail: publications@accaglobal.com

CIMA CCIMA COUNCIL ELECTS NEW OFFICERS - NEW PRESIDENT, DEPUTY PRESIDENT AND VP

The Council of CIMA, the accountancy body focused on accountants in business, elected its new President, Deputy President and Vice President at its Annual General Meeting.

Harry Byrne FCMA has been elected President. Harry spent most of his career within the Guinness Ireland Group rising to Assistant Managing Director in 1992. He is currently one of Ireland's representatives on the Economic and Social Committee of the EU. He is also a Trustee of the Iveagh Trust, a Council Member of the Eye and Ear Hospital and a Director of the Foundation for Investing in Communities.

Claire Ighodaro BSc (Hons) FCMA, Vice President, Finance, BTopenworld, has been elected Deputy President. Claire has led successful overseas Trade Missions on behalf of the DTi and the Telecoms Industry Association. She has been a Member of CIMA Council since 1995 and a Chairman of the International Committee in 2000.

Professor Roland Kaye MSc BA (Hons) FCMA, Dean of the Open University Business School, has been elected Vice President. Roland is also on the executive of the Association of Business Schools, a director of Open University Worldwide Ltd and a governor of the United States Open University. Roland is currently Chairman of the Education & Examinations Board at CIMA. He has led two major

syllabus reviews, and has been a Member of Council since 1996.

CIMA SUPPORTS THE GOVERNMENT'S INTRODUCTION OF A MANDATORY OPERATING AND FINANCIAL REVIEW (OFR)

CIMA gave its unreserved support to the Government's introduction of a mandatory Operating and Financial Review (OFR) as fundamental to promoting business transparency, particularly when the credibility of financial statements has been called into question.

CIMA Chief Executive Charles Tilley said: 'The OFR is fundamental in ensuring business transparency, alongside financial reporting standards and auditing standards. Together these three pillars of transparency have the power to ensure that companies can provide stakeholders with a complete picture, not only of financial but also non-financial information and future business strategy. Crucially it gives directors the opportunity to publicly address the key areas of risk and valuation.'

He added: 'CIMA is working with PricewaterhouseCoopers and the University of Bristol on a research project among leading companies into their disclosure of business drivers which will determine whether or not there are standard approaches that can be promoted across the board.'

CIMA has also published today a practical technical briefing called 'Latest Trends on Corporate Performance

Measurement' which will provide invaluable help to companies wishing to develop best practice in this area. It is freely available to download from the CIMA website.

TWO NEW TECHNICAL BRIEFINGS FROM CIMA - E-PROCUREMENT AND PERFORMANCE MEASUREMENT

CIMA Technical Services have released two invaluable new technical briefings

'Latest Trends in Performance Measurement' is a clear and practical guide that considers the characteristics of effective performance measurement systems, discusses common problems encountered in implementing them and identifies some of the most recent measurement tools and techniques such as Value Based Management and the Performance Prism.

CIMA's latest technical briefing comes at a time of renewed interest in corporate performance management in the light of the Enron and World Com accounting scandals. It highlights the need for an effective internal measurement system in order to ensure that what is reported externally accurately reflects company's performance.

The briefing also draws on the findings of a CIMA-sponsored research report which demonstrates that all the companies investigated tend to use a contingency approach to performance management. This is seemingly at odds with much consultant and academic literature, which recommends exclusive use of a particular technique.

'E-procurement - a Panacea for Reducing Costs' is a practical e-procurement guide for accountants in business. It is designed to help them implement e-procurement solutions and gain an understanding of how the market - especially B2B exchanges - has evolved in the last few years.

It outlines the benefits and potential pitfalls of implementation, including moving from online procurement to private exchanges integrated within existing supply-chain management systems.

It will prove useful both for those thinking of purchasing e-procurement systems and those already committed and seeking ways to maximise the value of their investment.

Apart from FAQs, practical guidance and explanation of technology and terminology, the briefing also considers the need for open standards and the future of B2B exchanges.

CIMA ANNUAL CONFERENCE 2002 - TWO DAY EVENT INCLUDES FOCUS ON RISK STRATEGIES

12-13 November 2002, Victoria Park Plaza, 239 Vauxhall Bridge Road, London SW1V 1EQ

Recent events, including the Enron debacle, the tragedies of 11 September and the slowdown of the economy have put risk management firmly at the top of every corporate agenda.

This event addresses all the issues facing organisations of every size, from e-security to business interruption; brand and corporate responsibility to managing relations with the City.

Speakers include Richard Bowker ACMA, chairman and chief executive of the Strategic Rail Authority; James

Duckworth, chief auditor, Unilever; Sarah Blackburn, head of global audit at Exel plc; Kevin Hayes, managing director and chief financial officer, Lehman Brothers; and Steve Marshall FCMA, former chief executive, Railtrack Group.

In addition to this high-level conference, the CIMA Business Exhibition is running over the two days. This free exhibition is the perfect place to discuss your business needs, from software to car leasing and recruitment, and offers a perfect networking opportunity for busy CIMA members

NEW QUALIFICATIONS FRAMEWORK FROM CIMA - LEADING THE WAY IN FINANCIAL MANAGEMENT TRAINING

CIMA, the accountancy body focused on accountants in business, has recently announced the launch of a raft of new qualifications alongside its world renowned qualification to provide fully integrated, lifelong career support for business professionals and accounting specialists from basic financial know-how through to achieving a leading MBA. Through the new CIMA Qualifications Framework for business, CIMA is leading changes to improve the accountancy profession through innovative developments in the range and delivery of qualifications across business.

"The recent accounting scandals in the US have demonstrated very poignantly the need for business accountants that investors, analysts and the public can rely on. This also requires meeting the huge demand for financial literacy and an understanding of financial management among non-financial management. Finance Directors need to concentrate on strategy and performance measurement, managers need to be confident with the numbers. With this new framework we can enable employers to develop high levels of financial literacy at all levels," said Charles Tilley, chief executive of CIMA.

"CIMA's qualification is already the number one choice for accountants in business. Today CIMA is turning a corner to scoop the position of authority in the delivery of 'full service' financial management training. Employers will be able to rely on the quality of the CIMA brand to deliver all their financial and business management training needs."

The CIMA Qualifications Framework introduces the CIMA Certificate in Business Accounting for those students that pass at Foundation level, and the CIMA Advanced Diploma in Management Accounting, rewarding students that complete the Intermediate level. At post qualifying level CIMA has secured a fast track MBA route through Henley Management College, ranked 24 among the world's leading business schools and fourth in the UK, in addition to a range of e-learning packages through CIMA Intuition. Charles Tilley added:

"Shareholders are focusing not just on the ethics of auditors, but also on the ethics of business. This has implications not just for the finance function, but also for the entire board. Stakeholders require trust in management throughout the organisation; to achieve this, all managers need to have the skills and knowledge to be able to contribute to sound financial and non-financial reporting."

"In line with a lifelong learning agenda, we want to provide stepped awards that recognise success along the way to full qualification and beyond. The CIMA Qualifications Framework for business is designed to meet the changing

needs of the business world by equipping business professionals with qualifications that progress with them throughout their career. It is also an opportunity to reward those for whom full qualification is not the goal." He added:

CIPFA VOLUNTEER BROCHURE

CIPFA has produced a Volunteer Brochure aimed at CIPFA members, students and non-members in all sectors. It is designed as both as a celebration of the CIPFA volunteer and as a promotional tool aimed at demonstrating the benefits of volunteering to the individual, the employer and CIPFA. To learn about volunteering opportunities and the experiences of others, simply download the brochure from CIPFA's website www.cipfa.org.uk

CIPFA PUBLICATIONS

CIPFA publishes a range of Financial Management publications on topics that are written for practitioners across the public services.

Publications include:

- Throwing Down the Gauntlet: A Practitioners guide to Challenging Effectively (2001)
- Achieving an Information Strategy in Practice (2001)
- Risk Management in the Public Services (2001)
- Developing the Financial Manager (1999)
- Building Effective Partnerships: Practical Guidance for Public Services on Working in Partnership (1998)
- Achieving Excellence in Financial Management (1998)
- Measuring up: Performance Management in the public services (1998)
- Appointing and Managing Advisors and Providers of Professional Services (1996)

A full listing of publications can be found in the CIPFA Shop where you can also purchase copies online: www.cipfa.org.uk.

CIPFA PUBLISHES NEW GUIDANCE ON IMPLEMENTING THE EURO

The Euro is a very politically sensitive area. However, *the possible introduction of the Euro is within public sector planning horizons*. The Institute believes that public sector bodies should assess the full implications of a currency change upon their organisations and upon the services they are required to deliver. CIPFA is not entering into the debate about the appropriateness or not of adopting the euro but it does believe that the euro is a *business* matter, and should be considered by the public sector under their normal **risk management** process. The full guidance can be downloaded from the Technical pages of the CIPFA website www.cipfa.org.uk.

CIPFA'S CENTRAL GOVERNMENT PANEL

The Central Government Panel has recently issued a newsletter aimed at updating finance practitioners and CIPFA members working in central government. The newsletter includes a piece on CIPFA's evidence to the House of Commons Treasury Committee inquiry into the

"The launch today is only the beginning of a whole raft of new qualifications that we will be introducing to equip employers with rounded business professionals who have the skills and recognition they need, at every level in the business."

regulation of UK public limited companies post-Enron collapse. There is also an article on e-Government, based on a recent talk by e-envoy Andrew Pinder and an article on benchmarking as a management tool in the public sector. The Newsletter is available online on the CIPFA website www.cipfa.org.uk/panels/centgov/newsletter.ihml

The Panel is holding its regular annual seminar on "Current Developments in Central Government Finance" in London on 19 September. Sessions will include:

- a summary of current developments in central government accounting (*Speaker: David Watkins, HM Treasury*)
- Resource Accounting & Budgeting: how the new system has revolutionised the UK government financial reporting and management (*Speaker: Des Blake, NAO*)
- Current Spending Round (*Speaker: Ciaran Martin, HM Treasury*)
- Whole of Government Accounts: Up-date on the progress across the public services to achieve WGA (*Speaker: David Watkins, HM Treasury*)
- Performance Management and Measurement in Central Government (*Speaker: Nick Sloan, National Audit Office*)
- Corporate Governance Up-date (*Speaker: Chris Butler, HM Treasury*)

To book a place or for further details, please ring Alex Aarons on 020 7543 5751 or email alexandra.aarons@cipfa.org.

PUBLIC MANAGEMENT AND POLICY ASSOCIATION (PMPA)

The PMPA offers managers and policy makers in the public services a range of opportunities to keep abreast of and debate cross cutting issues. Recent developments have included:

- In June, delegates at the PMPA conference heard an impressive array of speakers - including Dr Tony Wright MP and David Walker of The Guardian debate whether the delivery agenda is really working. A full report is given in the August PMPA Review, which is sent free to all PMPA members.
- Caroline Mawhood's report *Accountability and performance improvement- are they complementary?* was published by the PMPA in July.
- Also in July, Robert Hazell and Meredith Cook of UCL presented a very practical lecture setting out the key issues that managers need to consider in preparing for the implementation of the Freedom of Information Act. This will be reported in a future PMPA Review.

In the autumn, the PMPA will be publishing a completely revised and updated edition of Andrew Massey's popular report *The state of Britain: a guide to the public sector*. Many Departments and organisations found the 1999 edition a useful addition to their staff induction and training

materials. Bulk purchase orders should be addressed to Helen Carter, CIPFA, 3 Robert Street, London WC2 N6RL. PMPA's new website (www.pmpa.co.uk) gives up to date programme details and includes an 'Open Forum' with articles and news.

JOINING IN

The PMPA is a national membership organisation managed and supported by CIPFA. Members of CIPFA, ACCA and CIMA are entitled to join at a discounted annual rate of £65 (2002-03). Current membership benefits include

- Priority booking at all PMPA lectures and events

- Individual subscription to CIPFA's quarterly journal (Public Money and Management)
- Four issues of the popular PMPA Review
- PMPA Reports

Further information on joining the PMPA is available from the PMPA website - www.pmpa.co.uk (which includes a downloadable application form) or from Sandra Harper at CIPFA, 3 Robert Street, London WC2N 6RL. Tel: 020 7543 5679; fax 020 7543 5695; email: sandra.harper@cipfa.org.



REBUILDING CONFIDENCE IN THE ACCOUNTANCY PROFESSION

Peter Wyman, President of the Institute of Chartered Accountants in England and Wales announced his plans for rebuilding public confidence in the accountancy profession. In his opening address to over 400 delegates at the ICAEW Annual Conference, Mr Wyman confirmed that restoring faith in UK accounting is his number one priority.

The major corporate collapses witnessed recently in the US have had global repercussions. Mr Wyman said there had been loss of confidence in the US in corporate governance, financial reporting and auditing. He added that precautions must be taken to ensure that this lack of trust does not spread to the UK, by constantly emphasising the fundamental differences in accounting standards that exist between the two countries.

At the conference entitled, 'Driving Change', Mr Wyman continued: "The accountancy profession in the UK has seen ongoing change and that even without the scandals in the US, the Institute would have continued to evolve and constantly strive for higher quality. Mr Wyman said: "The infamous financial scandals of the late 1980s and early 1990s generated a rigorous programme of reform that continues today.

"The Institute played a leading role in the establishment of the Cadbury Committee and has been at the forefront in developing corporate governance ever since. Let there be no doubt - the recent scandals in the US show that there are real problems with boardroom culture and governance. Boardroom culture in the UK, on the other hand, is fundamentally sound, and our corporate governance is admired and increasingly adopted around the world."

Accounting standards in the UK differ greatly from those in the US, primarily with the rules-based approach of the US system in contrast to the UK principles-based approach. Mr Wyman said that the UK system is viewed as "not just world class but world beating", and that he hoped the current reform of International Accounting Standards undertaken by Sir David Tweedie would "bring global standards up to our own". The International Federation of Accountants has already followed the ICAEW's ethical guidance based on a framework of principles to be applied worldwide."

The Institute is currently carrying out an extensive review to determine whether there is a case for making changes to

audit in the UK. Mr Wyman said: "In auditing we are looking at every suggestion which has been put forward to see if there is evidence to show that the suggested reviews would improve audit quality."

A number of measures have already been agreed by the Institute, including the introduction of a two-year cooling-off period for audit partners joining their clients, and significant tightening of the rules regarding audit partner rotation. The Institute is currently assembling evidence to see whether mandatory audit firm rotation and a ban on some of all non-audit services being provided by the audit firm to its clients would improve, or in fact reduce, audit quality.

Mr Wyman said: "As evidence is obtained, we will use it to determine what changes we should make. This evidence will also be provided to the Accountancy Foundation Review Board and to the DTI, Treasury and FSA."

Mr Wyman concluded: "There is no systemic failure in the UK; indeed, in this country we should be immensely proud of what we have done to date. Of course we must continue to strive for ever greater quality, and this will be achieved by building on the very firm foundations that have been laid, including our enduring values of integrity and objectivity in a world where everything else is changing."

PROFESSIONAL STAGE SUCCESS

Exam results posted by the Institute of Chartered Accountants (ICAEW) reveal an increase in the pass rate for both the Financial Reporting and Taxation papers at 79.0% and 85.1% respectively.

The Professional Stage exams comprise six papers; Audit and Assurance; financial reporting; Business Management; Accounting; Taxation; and Business Finance.

Flexibility will be afforded for the next Professional Stage sitting in September 2002, where there will no longer be any restriction to the number of papers attempted at each sitting, with a maximum of six attempts.

The second sitting of the AAT Top Up paper maintained a high pass rate at 82%.

Mark Spofforth, Chairman of ICAEW Education and Training Board commented:

"These results are extremely encouraging and demonstrate the continuing success of the Professional Stage. I am

particularly pleased by the AAT Top Up Test results, the pass rate represents a real achievement on the part of the students entering the ACA qualification by this route.”

INSTITUTE PLEDGES SUPPORT FOR GOVERNMENT'S INTERIM REPORT

The Institute of Chartered Accountants in England and Wales (ICAEW) pledged its support for Government efforts to rebuild confidence in UK financial reporting following recommendations featured in the interim report on audit and accounting issues published by the Treasury and Department of Trade and Industry (DTI).

ICAEW President, Peter Wyman said: “We are committed to do all we can to work with Government to restore faith in UK capital markets and financial reporting following recent corporate failures in the US. The ICAEW already has in hand work on audit quality, auditor independence, the role of audit committees and better financial reporting. In addition, the ICAEW has already moved to tighten auditor independence; new guidance will be in place from 1 October incorporating the latest European Commission reforms to promote auditor independence including a two-year cooling-off period for auditors seeking to join clients.

The DTI and Treasury report also includes proposals to investigate competition among the big firms and discusses ideas surrounding auditor rotation. Peter Wyman commented: “Eighteen months ago, the OFT concluded the auditing and accounting profession was extremely competitive and the collapse of Andersen, with only a relatively small market share in the UK, does not fundamentally alter the position. Furthermore, it is hard to see what remedies exist to increase competition beyond market forces that will exert their influence if the market itself believes there is too little choice. On rotation, we already have mandatory audit partner rotation in the UK. The ICAEW is now keen to explore with Government

whether or not any further tightening of the rules on partner rotation is necessary. Audit firm rotation, on the other hand, risks damaging audit quality without necessarily improving auditor independence and should be avoided.

The most important recommendation in this report is for the enhanced role of the Audit Committee in the appointment and remuneration setting process for auditors and the policy for awarding non-audit service contracts – this change alone will do a great deal to improve both auditor independence and audit quality.

He added: “We must continue with the reform programme we began after our own corporate failures in the early nineties to maintain the high quality of audits. This report shows great development in that process.”

APPOINTMENTS TO FINANCIAL REPORTING COUNCIL

The appointments of Sir John Egan, President of the CBI, and Peter Wyman, President of the Institute, as Deputy Chairmen of the Financial Reporting Council were announced today by Melanie Johnson, Minister for Competition, Consumers and Markets, and the Governor of the Bank of England, Sir Edward George.

Sir John Egan succeeds Sir Iain Vallance. His appointment will run from 1 July 2002 to 30 June 2004. Peter Wyman succeeds Michael Groom. His appointment will run from 1 July 2002 to 30 June 2003.

The Financial Reporting Council promotes good financial reporting and oversees arrangements for the Accounting Standards Board and the Financial Reporting Review Panel. It was established following acceptance of recommendations in the 1988 report of the Committee on the Making of Accounting Standards, chaired by Sir Ron, now Lord, Dearing CB.

A Delegates Viewpoint - Governemnt Accountancy Service Trainee Conference 2002.

This year's conference took place in the land of the Beatles - yes Liverpool!!! And was a lot less energetic than last years for those of you that can remember.

Well this year's conference started for me by a three-hour journey to Liverpool from London Euston Station on a lovely warm sunny day the train left on time and the journey was so pleasant that I slept most of the way. On arrival at Liverpool we checked into our hotel The Holiday Inn, which was located just across the road from the train station. The day started with the registration and getting to know one another and meeting with people that you met at the last conference and then lunch, which was very enjoyable. After lunch the DART team welcomed the attendees and off we went to our respective institute syndicate (though I am aware of one DART member who took the opportunity to explore Liverpool.) The sessions were incredibly useful not only did we have the opportunity to hear the latest news from the horse's mouth but were able to pose those lovely student teasers! The organisers had managed to arrange for an exam setter or marker to be in attendance to give us all pointers on where those valuable marks could be picked up – if only the conference had been in May !

After the syndicate sessions it was back to the main hall for a closing session and then off to get ready for an evening of networking. Two 1960s coaches appearing outside was a prelude to a lively and educational tour round Beatles landmarks – though the Cavern was one landmark too far ! Even so dressed in our best 60's gear we visited the homes of





John Lennon, Paul McCartney and George Harrison; saw their schools, and visited Strawberry Fields and Penny Lane. After the tour dinner was on board the ferry Daffodil including a live band, the Mersey Beatles! At the end of the night we returned to the hotel whilst some went off the Cavern I crawled up to my room and went to sleep.

Friday dawned bright and sunny, a shame others spirit didn't match, but Kevin got the morning off to a bright start! Francis Braganza from FTC gently took us through an accounting standards update session although first thing in the morning this proved to be very useful. A cup of coffee and an excellent session with two of Roberta's favourite government accountants, at the end you could see why. Alan Roberts, Head of Pay Services in the Home Office whilst not dwelling on his own career was knowledgeable and gave us an insight into his experiences on career progression. Dave King, from OGC on the other hand offered us a personal view on how his career has progressed, complete with tips and hints; overall we received some very good advice.

More coffee and into a very informal session with Kevin and Roberta on the Government Accountancy Service, never realised they had such a wide remit or it had existed for so long! By the end of the session it made me realise exactly what I was part of and whilst at times I feel remote from others its comforting to know what a large organisation GAS is. The final session of the day and Sir Andrew Likierman closed the conference by sharing with us his personal view on recent developments and the future for government accountants. This bought home the whole picture and the implications of what I am doing in my department in relation to everyone else. Andrew has the knack of making a complicated topic, interesting and understandable. Whilst we could all have listened to and asked questions all day Andrew bought the conference to a close.

In summary, it was a very good conference and a good incentive to continue with my studies and to pursue a career in government.



BRAIN TEASER

(answer somewhere in this edition!)

In the equation below, replace each question mark with one of the signs: +, - x, or /.

Each sign can be used only once.

$$7 ? 5 ? 4 ? 7 ? 6 = 15$$

Ed's note the first sign is +.

PUBLICATIONS FROM THE TREASURY

Below are details of recently produced publications etc from the Treasury, which you may find informative or useful.

Remember some of these documents are available on the Treasury gsi site <http://www.hm-treasury.gsi.gov.uk/> and WGA public site <http://www.wga.gov.uk/pages/guidance.html>

If you are aware of a particular source of papers not being covered let the editor know.

CA

Date issued	Issued by	To	Subject
12 Apr	Chris Ruston	RABIG	RABIG(2002)13 : 1st Batch of amendments to the 2002-03 version of the Resource Accounting Manual (RAM), Executive Non-Departmental Public Bodies (NDPB) accounting guidance and Trading Funds accounting guidance – this letter covers copies of the latest amendments to central government accounting guidance for 2002-03.
19 Apr	Larry Pinkney	RABIG	RABIG(2002)14 : English NHS Trusts Manual of Accounts – Disclosures not Covered in the RAM – this letter sets out proposals to amend the RAM to include additional disclosure requirements within the NHS Trusts Manual.
22 Apr	Nick Bailey	RABIG	RABIG(2002)15 : Amendments to the RAM and Other Guidance – Seconded Staff – this letter sets out proposals to clarify the treatment of seconded staff in financial statements.
26 Apr	Larry Pinkney	RABIG	RABIG(2002)16 : Accounting Treatment of Grant-in-Aid – Anticipation of Grants – this letter seeks information on the extent to which executive NDPBs anticipate grant-in-aid within their accounts.
29 Apr	Nick Bailey	RABIG	RABIG(2002)17 : Amendments to RAM and NDPB Reports and Accounts Guidance – Annual Reports – this letter covers proposals to update the guidance to reflect the Cabinet Office's guidance on annual reports.
22 May	Nick Bailey	RABIG	RABIG(2002)19 : Amendments to RAM and Other Guidance to Clarify that Ministers are Related Parties – this letter covers proposals to update the guidance to clarify that Ministers are related parties.
29 May	Nick Buxton	RABIG	RABIG(2002)20 : Early Departure Costs – this letter seeks departments' views as to whether changes need to be made to the RAM and other accounting guidance in respect of early departure costs following the introduction of FRS17 Retirement Benefits.
11 June	Sue Gamble	RABIG	RABIG(2002)21 : Note of the Outcome of the 23 May meeting of the Financial Reporting Advisory Board (FRAB).
17 June	Chris Ruston	RABIG	RABIG(2002)22 : 2nd Batch of Amendments to the 2002-03 Versions of the Resource Accounting Manual, Executive Non-Departmental Public Bodies (NDPB) Annual Reports and Accounts Guidance and Trading Funds Accounting Guidance – this letter covers amendments to the guidance following the May meeting of the FRAB.
18 June	Larry Pinkney	RABIG	RABIG(2002)23 : Accounting Treatment of Grant-in-Aid – Anticipation of Grants – this letter sets out a proposal that would not permit Non-Departmental Public Bodies (NDPBs) to anticipate grant-in-aid in their accounts.
18 June	Nick Bailey	RABIG	RABIG(2002)24 : Amendments to the Resource Accounting Manual (RAM) – Salaries of Ministers who are Members of the House of Lords – this letter sets out a proposal for narrative explanation of the salary arrangements for such ministers.
19 June	Nick Bailey	RABIG	RABIG(2002)26 : Amendments to RAM and Other Guidance – Salary and Pension Disclosures for Joiners and Leavers – this letter covers proposals to amplify the guidance on the treatment of joiners and leavers.

PSDA			
29 May	Daniel Ryan	PFOs	PFO letter M PFO(02)07 : Adding It Up Website – this letter provides details of the launch of this website on 5 June. The site aims to stimulate interest among and debate with the academic community.
TOA			
15 Apr	Rob Molan	AOs	Dear Accounting Officer (DAO) letter DAO(GEN)11/02 : Treatment of Asset Sales in Estimates and Resource Accounts for 2001-02 and 2002-03 – this letter sets out how to account for asset sales in Schedule 1 of resource accounts for 2001-02, and 2002-03 Main Estimates and resource accounts.
14 May	Rob Molan	AOs	Dear Accounting Officer (DAO) letter DAO(GEN)12/02 : List of DAO Letters which are still extant – this letter sets out the current list of DAO letters that remain in force.
20 May	Rob Molan	PFOs	Principal Finance Office (PFO letter MPFO(02)05 : Executive Non-Departmental Public Bodies (NDPBs) – Model Management Statement and Financial Memorandum – this letter sets out a revised draft model applying to all NDPBs.
20 May	Rob Molan	AOs	DAO letter DAO(GEN)13/02 : Salary and Pension Disclosures – Inflation Rate to be used in Calculating the Real Increase in Pension Entitlements – 2001-02 – this letter gives details of the inflation adjustment to be used in carrying out the calculations to support the disclosure of information on pay and pensions in accounts for 2001-02.
21 May	Rob Molan	AOs	DAO letter DAO(GEN)14/02 : Direction Given by the Treasury under Section 7(5) of the Government Resources and Accounts Act (GRAA) 2000 – this letter draws departments' attention to the issue of the Direction.
30 May	Rob Molan	AOs	Dear Accounting Officer (DAO) letter DAO(GEN)15/02 : Reporting Details of Thefts and Fraud to the Treasury – New Arrangements – this letter sets out the revised procedures for such reporting, to be applied from the 2002-03 reporting exercise.
12 June	Rob Molan	AOs	Addendum to DAO letter 14/02 – Direction Given by the Treasury under Section 7(5) of the GRAA2000 – this is a clarification of the letter originally issued on 21 May.
17 June	Lorraine Constable	PFOs	Principal Finance Office (PFO letter MS PFO(02)23 : Implementation of Sharman Audit and Access Orders – this letter seeks departmental input into the preparation of such orders to be made under the Government Resources and Accounts Act (GRAA) 2000.
21 June	Lorraine Constable	PFOs	PFO MS PFO(02)24 : Update on Matters Associated with the Public Accounts Committee (PAC) – this letter draws departments' attention to events and best practice in relation to issues associated with the PAC.
WGA			
11 Apr	Ian Carruthers	Consolidation Managers	Dear Consolidation Manager (DCM) letter DCM 3/02 : Central Government Accounts (CGA) – Bodies designated for the Second (2002-03) Dry Run – this letter lists, by departmental consolidation groups, all bodies designated in a Statutory Instrument for inclusion in the CGA dry run for 2002-03.
20 May	David Watkins	RABIG	RABIG(2002)18 : Accounting for EU Transactions – this letter sets out proposals to clarify guidance in the Resource Accounting Manual (RAM) on how to account for EU transactions.
28 May	Ian Carruthers	Consolidation Managers	Dear Consolidation Manager (DCM) letter DCM04/02 : Central Government Accounts (CGA) – Government OnLine Data (GOLD) Rollout – this letter identifies bodies that will be given direct access to GOLD for the first dry-run CGA for 2001-02 and identifies technical options for the set-up of GOLD.
19 June	David Watkins	RABIG	RABIG(2002)25 : Minutes of the WGA Consultation Group meeting on 21 May.

WEBSITE OF THE MONTH

Accounting Web has previously featured but a recent addition to the site is the Business Management Zone. The zone is described as a key business tool for finance directors and others interested in adding value to their businesses. The site will include a library of topical articles creating an online environment covering topics such as employment law, work life balance and finance tools to enable users to improve their management knowledge and learn new techniques.

http://www.accountingweb.co.uk/business_management

The following site may prove a useful source of information in our role as managers, the Chartered Management Institute offers another avenue for ongoing professional training. It is the leading organisation for professional management and aims to share intelligent insights and sets standards in management development, to deliver results in a dynamic world

The Institute has a vast range of development programmes, qualifications, information resources and career guidance to help managers and their organisations meet new challenges in a fast-changing environment.

<http://www.managers.org.uk/index3.htm>

One final suggestion in the same vein is the Coaching & Mentoring Network ('The Network') established to provide a service both for people who provide coaching or mentoring services and for those seeking them.

Primarily this is a Web-based service which aims to de-mystify coaching and mentoring services and make them more accessible for people in both the business and broader communities.

This is a community portal and resource centre on the Internet providing information and services relating to coaching and mentoring.

<http://www.coachingnetwork.org.uk>

For those of you who may have a question you've never dared to seek the answer this may be the site for you. Y? doesn't even care if you ask out of ignorance or lack of understanding, just as long as you're not asking out of hate - or feel you already know the answer to your own question. I would however, strongly recommend you read the guidelines before wading in as the site does have its own protocol.

<http://www.yforum.com/welcome1.html>

MANAGING RESOURCES LATEST ADDITIONS

In the last few weeks' two new and one-updated publications have been added to the Managing Resources family. Briefly these are:

Reporting to the Board (the "Burgundy Guide") – July 2002

Provides guidance on how financial management information can best be used to support departmental Boards in their resource management role.

Audience – departmental Boards and their advisers

Better decision taking in departments (the "Green Guide") 2nd edition – July 2002

Identifies specific examples of the benefits to departments of using a resource based approach.

Audience – those inside or outside government seeking actual examples.

Accountability (the "Chocolate Guide") – July 2002

Explains how resource based financial management impacts on accountability responsibilities.

Audience – Accounting Officers and their advisers

"Managing Resources" publications are available on the Treasury website and on the GSI. Hard copies can be ordered from anne.perryman@hm-treasury.gsi.gov.uk (tel: 020 7270 1749).

CMPS - CIVIL SERVICE COLLEGE DIRECTORATE

ACCOUNTING AND FINANCE COURSES SEPTEMBER TO DECEMBER 2002

September

16	Resource Accounting	CMPS	London
17	Resource Budgeting	CMPS	London
23-25	Resource Accounting and Budgeting	CMPS	Sunningdale

October

2-4	Management Accounting & Budgeting	CMPS	Sunningdale
2	Resource Accounting	CMPS	Edinburgh
3	Resource Budgeting	CMPS	Edinburgh
7-9	Government Accounting	CMPS	Sunningdale
14-16	Finance for Non-Financial Managers	CMPS	Sunningdale
16-18	Business Management in the Public Sector	CMPS	Sunningdale
21-23	Introduction to Budgeting	CMPS	Sunningdale
22	Technical Update for Accountants in Government	CMPS	London
28-29	Introduction to Government Finance	CMPS	London
30-1 Nov	Introduction to Financial Management for Senior Staff	CMPS	Sunningdale

November

6-8	Government Accounting	CMPS	Sunningdale
13	Financial Aspects of Sponsoring NDPBs	CMPS	London
19	Resource Accounting	CMPS	London
20	Resource Accounting	CMPS	London
26	Understanding Company Accounts	CMPS	London

December

2-3	Public Expenditure and Government Accounting	CMPS	London
9-11	Resource Accounting and Budgeting	CMPS	Sunningdale

Answer to Brain Teaser (7 + 5) / 4 x 7 - 6 = 15

Government Accountancy Service Website



Government Accountancy Service - Homepage

[GSI](#)

[Home](#) | [A-Z Index](#) | [What's New](#) | [Frequently Asked Questions](#) | [Useful Links](#) | [Contact Us](#)

The Government Accountancy Service (GAS) was established in 1982 when all professional accountants in government were brought together into a single functional specialism. The GAS is currently made up of about 1750 trained accountants and 800 trainees together with around 1600 accounting technicians holding various levels of NVQ and 400 ACCA Diploma holders (including qualified members and trainees). GAS members are employed by central Government Departments and related agencies.

There is no central government management function within the Government Accountancy Service, so all recruitment and career development issues concerning accountants and technicians are dealt with by individual departments and agencies rather than a specialist management unit for accounts.

Subject Index (or use the [A-Z Index](#))

- [Gas Plan](#)
- [Review on the Government Accountancy Service*](#)
- [Finance Trainee Committee*](#)
- [Special Investigations Group](#)
- [Financial Management Reporting & Advisory Directorate](#)
- [College Survey](#)
- [Pay Survey](#)
- [Gazette*](#)
- [Training](#)
- [Guidance on Recruitment](#)
- [Vacancies*](#)
- [Conferences](#)
- [Contacts](#)

*links to HM Treasury website

[Home](#) | [A-Z Index](#) | [What's New](#) | [Frequently Asked Questions](#) | [Useful Links](#) | [Contact Us](#)

Last updated 27 May 2002

The GAS gsi site has recently been launched and can be found via DART's home page

<http://www.hm-treasury.gsi.gov.uk/fmra/darthomepage.htm>

The site contains information relating to the Finance Training Committee, Special Investigations Group, the pay and college surveys, training guidance, details of conferences and presentations from past conferences, the PDF version of Gazette and, of course, details of current vacancies. In addition to the subjects shown there are plans to add an area for the HOAP network, and two notice boards one for qualified accountants and the other for trainees. These will contain not only material specifically to these two groups, but also a facility where questions and advice can be sought from colleagues on accounting issues.

As always your views are important to us as the site is being developed for the benefit of members and your feedback is valued. Any comments or suggestions to Daljit – daljit.singha@hm-treasury.x.gsi.gov.uk

For those without gsi access the GAS also has a site on the public site at

<http://www.hm-treasury.gov.uk/OtherHMTSites/GovtAccountService>



Government Accountancy Service – Trainee Q&A Bulletin Board

[GSI](#)

[Home](#) [A-Z Index](#) [What's New](#) [Frequently Asked Questions](#) [Useful Links](#) [Contact Us](#)

Welcome to the Trainee Homepage pages on HM Treasury's GSI website. [The Government Secure Intranet](#) (GSI) provides a new medium for disseminating Government Accountancy Service (GAS) information and guidance.

On this site you'll find a wealth of information about public spending, including Spending Reviews, Resource Accounting and Budgeting, Public Investment, Public Service Agreements, Estimates, International Issues and much more.

We've also added information about the Treasury, including its organisational structure, contact details for staff across Directorates and key contacts for the PES database (or click [here](#) for the Treasury's Public Website).

The [What's New](#) page provides details of the latest additions to this site, or you can use the new [A-Z Index](#). If you can't find what you are looking for try the [Frequently Asked Questions](#) page or please [Contact Us](#) and let us know! We very much welcome feedback from any user of this site.

[Home](#) [A-Z Index](#) [What's New](#) [Frequently Asked Questions](#) [Useful Links](#) [Contact Us](#)

Subject Index (or use the [A-Z Index](#))

- ACCA study area
- CIMA
- CIPFA

Who's studying where – links to colleges

Contact colleagues in other departments/agencies

Around the regions – events, conferences etc

You ask – we answer!

GAS HOTLINE

We would like to apologise for the loss of this service following our recent move from Allington Towers to 1 Horse Guards Road. Our telecoms staff have assured us that the service will be restored and are due to discuss with the DART team an improved Vacancy Hotline which will allow callers to select the details they require without listening to every recording. The improved service will be introduced during the Autumn, and if you have any suggestions as to how the new service should be formatted please contact Anne Perryman on 020 7270 1749.

FAREWELL TO KEVIN

An end of an era occurs at the end of September with Kevin Ross, Head of DART, moving to pastures new. Kevin will take up his appointment as Finance Director with Commission for Racial Equality on 1st October. I am sure you would all like to join myself and the DART team in wishing him every success in his new post. Next issue will include an article by Kevin on his time with GAS and the many changes which have taken place.

WHAT'S ON

AUGUST

19	Practice and Audit Orientation course	ACCA	London
27-28	Effective Writing skills	CMPS	London

SEPTEMBER

2-3	Introduction to Government Finance	CMPS	London
9-10	Negotiating Skills	CMPS	Sunningdale
10	Risk in Procurement	IPF	London
11	Beginners guide to financial numeracy	CMPS	London
11	Risk in Procurement	IPF	Cardiff
12	2002 Conference for the regions	CiPFA	Market Bosworth, (near Nuneaton)
16	Resource Accounting	CMPS	London
17	Resource Budgeting	CMPS	London
18	Time Management	CMPS	London
23-25	Resource Accounting & Budgeting	CMPS	London
26	CIPFA Health 2002	CIPFA	Brighton
26-27	Introduction to Government Finance	CMPS	London
26-27	Assertiveness at Work	CMPS	Sunningdale
30	Management Accounting in Action	DSFM	Worthy Down
31	Contract Audit	CIPFA	Newport

OCTOBER

1	Intellectual Capital & Knowledge Management	DSFM	Worthy Down
2	Resource Accounting	CMPS	Edinburgh
2	Investment Appraisal Advanced	DSFM	Worthy Down
3	Employment Tribunals	DSFM	Worthy Down
3	Resource Budgeting	CMPS	Edinburgh
2-4	Management Accounting & Budgeting	CMPS	Sunningdale
4	Company Law	DSFM	Worthy Down
7-9	Government Accounting	CMPS	Sunningdale
8	CSE Quiz night	IPF	London
9	CIPFA quality forum conference	IPF	Birmingham
10-12	International Public Sector Conference	CIPFA	Cambridge
11	Regional Conference	CIPFA	Liverpool
11	CSE Annual dinner	CIPFA	London
14-16	Finance for non-finance managers	CMPS	Sunningdale
16	Risk in Procurement	IPF	York
16-18	Presenting data & Analysing statistics	CMPS	Sunningdale

16-18	Business Management in the Public Sector	CMPS	Sunningdale
18	Annual regional seminar	IPF	Warwick
21	Risk in Procurement	IPF	Bridge of Allan
21-23	Introduction to Budgeting	CMPS	Sunningdale
22	Technical Update for accountants in Government	CMPS	London
28-29	Introduction to Government finance	CMPS	London
30	Finance Training Committee meeting	DART	HM Treasury
30-31	Assertiveness at Work	CMPS	London
30-01	Introduction to Financial Management for Senior Staff	CMPS	Sunningdale

NOVEMBER

6	Special Investigations Group Conference	HMT/DART	Somerset House
6	2002 Accountancy Age Awards		London
6-8	Government Accounting	CMPS	Sunningdale
13	Financial Aspects of Sponsoring NDPBs	CMPS	London
13-14	Government Accountancy Service Qualified Accountants Conference	HMT/DART	Southampton
19	Resource Accounting	CMPS	London
20	Resource Accounting	CMPS	London
26	Understanding Company accounts	CMPS	London

DSFM Defence School of Finance & Management 01962 887 333/01962 887 566
Email: agcsfm@gtnet.gov.uk

HEADS OF ACCOUNTANCY PROFESSION AND SENIOR PROFESSIONALS CONTACTS CHANGES

Since the last issue we have been notified of four changes to the contact details. If you are aware of any changes or inaccuracies in the details published please let the Editor know.

Department for International Development. Mr K Grimshaw, Senior Adviser, Government Department, Room 7E7, 1 Palace Street, London SW1E 5HE
Tel: 020 7023 0399. Fax: 020 7023 0704

Department for the Environment, Food & Rural Affairs. Mr I Grattridge, Room 211, Whitehall Place (West Block), London SW1A 2HH Tel: 020 7270 1938. Fax: 020 7270 8668

Office of the Rail Regulator. Mr D Kavi, 1 Waterhouse Square, Holborn Bars, 138-142 Holborn, London EC1N 2ST Tel: 020 7282 2003. Fax: 020 7282 2044

OFSTED. Mr P Jolly, Head of Finance Division, 3rd Floor, Alexandra House, 33 Kingsway, London WC2B Tel: 020 7421 6534. Fax: 020 7421 6707

RECRUITMENT UPDATE

Closing Date	Dept	Grade / Level	Job	Location	Press/ Trawl	No Applied	No Interviewed	Appointee
04.01.02	Home Office	HEO	6 vacancies – Finance Foundation Project	Liverpool & London	Trawl HEOOG D63.01/ 1522			Vacancies withdrawn
07.01.02	UK Passport Agency	Grade 7	Deputy Director of Finance	London	Press	14	5	Not Successful
08.01.02	MOD	C2 & C1	4 C2 & 1 C1	London	Press	60	19	Not Successful
11.01.02	MOD	EO	Finance Officer	Gosport/ Birmingham	Daily Mail	10	2	Miss E J Gardiner
31.01.02	HM Prison		9 vacancies - Head of Finance	Various Locations	Trawl			Still Sifting
08.02.02	Charity Commission		Manager of Accounts	London	Trawl			Not Successful
11.02.02	NAW		1.Head of Budget Planning 2.Head of NHS Finance Perf. & Accts. Man	Wales	Press	15 20	2 3	Not appropriate Alison Gerrard
14.02.02	The Learning Skills Council		Senior Assurance Officer	Midlands	Accountancy Age			Information not Available
15.02.02	The Rural Payments Agency	HEO	Project Liaison Officer	Reading	Press			Not filled – job on hold
15.02.02	OFGEM		Regulatory Accountant	London	Press			Nelish Chetty
15.02.02	The Sure Start Unit	SEO	Finance Personnel & Planning Team	London	Trawl			Not filled
15.02.02	The Sure Start Unit	HEO	Finance Personnel & Planning Team	London	Trawl			Name withheld
18.02.02	National Savings		1. Accounts payable Manager 2. Accounts payable clerk	West London	The Metro	60 93	5 5	Ms. E Coffey Amy Fitzgerald
20.02.02	The Financial Services		Accountants to joint the multidisciplinary Team	London	Accountancy Age			Name withheld
21.02.02	Youth Justice Board		PFO		Trawl	26	6	Matthew Guntrip
21.02.02	HM C&E		Director of Tax Practice	London	Press			Chris Tailby
22.02.02	The Strategic Rail Authority		Assistant Management Accountant	London	Accountancy Age			Information not available

If you have recently appointed a member of staff to a post advertised either via the GAS website, Hotline or national press please contact Christine Ruston on 020 7270 4579 to notify her of the outcome - thank you.

**THE GOVERNMENT ACCOUNTANCY SERVICE
QUALIFIED CONFERENCE 2002.**

@

**SOUTHAMPTON
13 & 14 NOVEMBER**



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Making it Work**

**MoD Balanced Scorecard in
Action**



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For enquiries regarding the conference, contact DART on 020 7270 1750. Bookings should be made via your Head of Accounting Profession.

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COURSES FOR ACCOUNTANTS

INTRODUCTION FOR ACCOUNTANTS IN GOVERNMENT

A one-day course designed for CCAB qualified accountants who are fairly new to the Civil Service. It provides a foundation in the techniques and institutions associated with Government Accounting.

The course covers:

- The Constitutional Context, Parliament and the Civil Service
- Overview of Government Finance
- Parliamentary Control of Expenditure
- Accountability
- Audit
- The Government Accounting Service

COURSE DETAILS

Course date: 25 March 2003

Location: London

Price: £310 Code: IAG

Enquiries: Diana Devine 01344 634585

TECHNICAL UPDATE FOR ACCOUNTANTS IN GOVERNMENT

A one-day update course for qualified accountants. The course is designed to keep participants up-to-date with recent accounting standards and other technical issues facing accountants in the Civil Service.

COURSE DETAILS

Course dates: 22 October 2002 4 February 2003

Location: London

Price: £325 Code: TUAG

Enquiries: Diana Devine 01344 634585

TECHNICAL UPDATE No. 28

Except where indicated otherwise, ASB publications can be obtained from:

ASB Publications
PO Box 939
Central Milton Keynes MK9 2HT

Details of how to obtain ASB documents and other material are at <http://www.asb.org.uk>.

Publications

The IASB exposure draft (ED) are available at www.iasb.org.uk. A summary can also be found at www.iasplus.com.

Exposure Draft of a Proposed Extended Transitional Regime for FRS17 Retirement Benefits

The Board announced an Exposure Draft (ED) of a proposed amendment to FRS17. The reason for this proposal is that the IASB has announced a project to reconsider the provisions of the corresponding international accounting standard, IAS19.

The Treasury is considering the implications for the central government sector. We have already discussed the issue with the Public Sector Pensions Group and the FRAB.

Exposure Draft of a Revision of the Operating and Financial Review (OFR)

The Board's Exposure Draft (ED) and the revised OFR statement is to enhance reporting transparency and is structured as follows:

- Introduction – the OFR statement sets out the directors' view of the business, providing investors a historical and prospective analysis of the reporting entity;
- Principles – applied by directors when preparing an OFR revised statement;
- Guidance – on how principles can be applied, focusing on business objectives and strategy, a review of operating performance, and on a financial review, including the financial structure.

The consultation period runs through to 31 October.

Consultation Paper *IASB Proposals on First-time Application of International Financial Reporting Standards (IFRS)*

The ASB published a Consultation Paper setting out an ED issued by the IASB that proposes requirements for how entities that apply IFRS in full for the first time should restate their financial statements and disclosures.

The Board has decided to issue an ASB Consultation Paper containing the full text of the IASB ED and an ASB Preface.

Seven Financial Reporting Exposure Drafts (FREDs) and a Consultation Paper

The Board has published the following:

- **FRED23: Hedge Accounting;**
- **FRED24: The effects of changes in foreign exchange rates and financial reporting in hyperinflationary economies;**
- **FRED25: Related party disclosures;**
- **FRED26: Earnings per share;**
- **FRED27: Events after the Balance sheet date;**
- **FRED28: Inventories and Construction and service contracts;**
- **FRED29: Property, Plant and Equipment, and Borrowing Costs; and**
- **CP: IASB Proposals to Amend Certain International Accounting Standards.**

Financial Reporting Exposure Draft (FRED) 30: Financial Instruments

The Board has published FRED30. The proposals are to achieve convergence with IASs 32 and 39, and the withdrawal of FRS4, FRS13 and a number of related UITF Abstracts.

From 1 January 2004 the new UK standards based on IASs 32 and 39 should come into effect. The differences between the proposed new UK standards and IASs 32 and 39 would be:

- mandatory for an entity to follow the

measurement and hedge accounting requirements of IAS 39 only if the entity chooses to adopt fair value accounting in its financial statements;

- unlisted entities would not be required to provide the IAS 32 disclosures; and
- provisions in IAS 39 that require certain gains and losses recognised in the STRG&L to be recognised subsequently in the profit and loss account would be replaced in the UK standard with a prohibition on the use of recycling techniques.

By 2004, legislative changes will aim to eliminate inconsistencies that exist at the moment between IASs 32 and 39 and companies legislation;

The proposed plan of action for change is:

- Recognition – no change to existing UK requirements;
- Measurement and hedge accounting – to amend UK standards with effect from 1 January 2004;
- Presentation – to amend UK standards with effect from 1 January 2004;
- Disclosure – to replace existing UK requirements with effect from 1 January 2004.

The disclosure FRS is intended to replace FRS13 and to implement the requirements of IAS32.

The measurement FRS applied to all financial statements intended to give a true and fair view. Entities applying the fair value accounting rules from 2004, will require:

- Measurement at fair value of all derivatives;
- Measurement at cost of all financial assets that are 'held for maturity', and all financial liabilities that are neither derivatives nor held for trading; and
- Immediate recognition in the profit and loss account of all changes in the fair value of financial instruments, with the exception that changes in the fair value of available for sale financial assets are required to be recognised immediately in the STRG&L.

The consultation period runs through to 14 October.

FRED on Business Combinations

The ASB will issue the proposals for comment in the UK at the same time as the IASB.

The main issues considered are:

- Is there such a thing as a merger?
- Non-amortisation of goodwill and the impairment test – The Board has some concerns about the robustness of the IASB's proposed 2-stage impairment test for goodwill; and
- Negative goodwill – The IASB proposal is to recognise negative goodwill immediately as a gain in the performance statement. This differs from FRS10 *Intangible Assets* treatment of negative goodwill.
- The first draft of the Preface was to identify the main proposals that will impact on UK GAAP.

FRS6 allows merger accounting to be adopted for group reconstructions. If FRS6 is withdrawn on implementation of a new standard on business combinations, there will be no guidance on accounting for group reconstructions, although the likelihood is that entities will continue to adopt merger accounting. The Treasury will monitor developments on this project.

Preliminary draft ASB preface to a FRED on business combinations

The Board has again discussed the draft. The IASB is still working on the text of its ED. The purpose is to identify the main proposals that would impact on UK GAAP.

Summaries of each document can be found on the ASB website.

Urgent Issues Task Force (UITF) Abstracts

The Board published 2 new UITF Abstracts, which are now effective.

Abstract 34 – Pre-Contract Costs:-

Any costs incurred before certainty that a contract will be obtained should be immediately expensed. Directly attributable costs incurred after, should be recognised as an asset and expensed over the period of the contract.

Abstract 35 – Death-in-Service and Incapacity Benefits:-

Clarifies the accounting required under FRS17 Retirement Benefits for the cost of death-in-service and incapacity benefits.

Latest Update; Consolidation policy: paper for discussion at IASB

The Board discussed the work the IASB has commissioned from the ASB on consolidation policy and the principles that might be applied in determining an internationally agreed control-based consolidation policy. The Board is continuing to discuss this with other national standard-setters and the IASB.

Recognition and derecognition: leasing, service concessions and related issues

The Board examined leasing and outsourcing, there were no specific proposals.

Revenue recognition: progress to date

The Board has continued discussions on its revenue recognition project and discussed the following issues:

- The definition of revenue.
- The business operating cycle; and
- Incomplete contractual performance - The proposal is that revenue should be recognised to the extent that the seller has performed and that performance has resulted in benefit accruing to the customer; and
- A customer’s right of return – The proposal is that

where goods are sold with a customer’s right of return, revenue should be recognised on the accrual of benefit to the customer. No revenue should be recognised until the right of return expires or is surrendered.

Pre-performance options

Confer rights allowing the customer to enter a transaction on particular terms, including items such as ‘pay-as-you-go’ mobile telephone top-up vouchers. The Board considered a conceptual discussion of the issues arising from such options.

The Board concluded an option issued for no consideration does not rise to a liability.

On an option, the issue is whether the consideration should be recognised as a gain or a liability. The conclusion is it is the latter, but giving rise to the issue of how to measure the liability. Further work will be done on this.

Repricing

The Board is sticking to the position taken in the Discussion Paper on revenue recognition.

Reporting Financial Performance

The Board has continued to discuss the proposal that there should be a single statement of financial performance.

The Board considered the implications of accounting for financial instruments in a single statement of financial performance. With a focus on the display of the performance of financial instruments, between the two columns envisaged for the performance statement: current performance in column 1 and revisions of past measurements in column 2:

Column 1	Column 2	Total
Income and Expenses Relating to Current Period Operations	Income and Expenses Resulting from Revisions to Prior Expectations about Future Periods (Remeasurements)	

The plan is for the IASB to work towards the issue of an ED of an IFRS, rather than first issue a DP. The final publication should be in three complementary forms:

- An amendment to the IASB’s *Framework of Principles/ASB Statement of Principles* to include the performance reporting principles;
- A new IFRS that specifies the format of the new performance statement; and
- Consequential amendments to existing standards.

Recognition and Derecognition

The PSNC has considered recognition and derecognition issues. The IASB is trying to develop its own approach. The ASB is exploring the issues of recognition and derecognition to try and find a long-term conceptually acceptable approach.

The PSNC has noted that this could have significant implications, for Public Private Partnerships (PPPs) and Private Finance Initiative (PFI) projects. The ASB Secretariat will keep the PSNC abreast of developments.

Revaluation

The PSNC has been given an update of progress on the work of a revaluation group, comprising the standard setters of the UK, Australia, New Zealand and South Africa. The aim is to find a consensus approach to revaluation of fixed assets that can be put to the IASB to consider a possible project on revaluation. This has particular implications in the public sector, which requires the revaluation of most tangible fixed assets.

Discussion focused on the revaluation base to be used. The group reached tentative conclusions, such as:

- Revaluation should be described as 'fair value', but an alternative description should be considered;
- Fair value should be based on market price, using cash flow information or cost evidence;
- Where based on market price, fair value should reflect the optimal action of the owner;
- Fair value should be based on the expected use of the asset; and
- Specialised assets should be valued on the basis of depreciated replacement cost.

The group's view is, there should be little difference between the valuation derived under the proposed model and the existing UK deprival value model.

Insurance accounting issues

The Board has been updated on two issues:

- To develop a new standard on accounting for insurance contracts – will not be in place by 2005;
- Proposals for a revised SORP on accounting for insurance in the UK. The Board is clear that future profits should not be recognised.

The Board is considering what, if anything should be done about insurance accounting in the UK, given that any international standard is years away.

Sale and Leaseback Transactions

The Board discussed accounting for sale and leaseback transactions. Under present leasing standards, these give rise to material amounts of off-balance sheet financing when they are reported as operating leases.

There are basically two approaches to the accounting:

- Treating the sale and leaseback as a linked transaction, involving the partial disposal of a property interest. The Board continues to favour this approach of accounting standard setters; or
- Treating the sale and leaseback transactions entirely as financing transactions, with no immediate disposal of a property being recognised. The seller-lessee will simply record a liability for the amount received at inception.

Options for ASB Publication on IASB ED on First time Application of International Financial Reporting Standards (IFRS)

The ED addresses how an entity is to apply IFRS when it adopts them as a whole as its basis of accounting.

US Financial Accounting Standards Board (FASB) proposals for new rules on consolidation of Special Purpose Entities (SPEs)

The Board was informed of FASB's post-Enron proposals for consolidation and the treatment of SPEs, in the form of an ED of an Interpretation of Accounting Research Bulletin 51 *Consolidated Financial Statements*. The latest proposals envisage increasing this from 3 per cent of total capital to 10 per cent.

Implications for Statements of Recommended Practice (SORPs) of the EU Regulation on international accounting standards (IAS)

The Board has started to consider the implications for SORPs and the Board's policy on SORPs of the recently adopted EU Regulation on the application of IAS by EU-listed companies by 2005.

The sectors addressed by SORPs appear to fall into three groups:

- Sectors where all entities will continue to use UK accounting standards and not IFRS, eg local authorities and pension schemes;
- Sectors where there are a number of entities that will use IFRS, eg banks and insurance companies;
- Sectors where it is reasonable to suppose that the great majority of entities will use UK accounting standards, but the possibility of entities within the sector cannot be discounted, eg charities, Registered Social Landlords.

The Board's PSNC and Financial Services and Other Special Industries Committee (FSOSIC) will consider whether the Board's policy on SORPs should be subject to formal revision to reflect the above.

The Board will return to this subject once the DTI consultation paper on the application of international accounting standards (IAS) in the UK is issued.

Revised draft Association of British Insurers (ABI) SORP

The Board has in principle approved an ED of the revised ABI SORP *Accounting for Insurance Business*. The final revised SORP should be ready by the end of December.

Statement of Recommended Practice (SORP): Limited Liability Partnerships (LLPs)

The Board has given its approval to publish the SORP.

Charities Statement of Recommended Practice (SORP)

The Board has approved for publication a SORP update bulletin for the charities SORP.

Statement of Principles for Not-for-Profit entities (SoP NFP)

The Board has considered a progress report of the work of the PSNC in developing the SoP NFP. It also discussed a paper on liabilities that the PSNC considered at its June meeting (see below).

On progress to date:

- Types of entity to be covered – the PSNC still favours the SoP NFP apply to “public benefit entities”. The ASB will find an alternative terminology;
- Defining class of user – described as “present and potential funders and financial supporters”. The Board has asked for some work to be undertaken on the objectives of financial statements for economic decision;
- Definition of an asset – the PSNC agrees that the definition in the ASB’s Statement of Principles for Financial Reporting (SoP) applies. The Board agrees this incorporates the concept of “service potential”, as it can’t be measured in terms of cash inflows;
- Notional costs – an issue as to whether any reference should be made to such costs, to make clear that they do not meet the definition of a gain or a loss, but are sometimes required to be recognised in the financial statements of public sector entities.

The aim is to publish a Discussion Paper (DP) by December 2002.

Liabilities

The second paper examined the issue of liabilities; the PSNC concluded:

- No change is required to the definition of liabilities applied in the Board’s Statement of Principles for Financial Reporting;

- Difficulties arise interpreting this definition in the NFP context to determine at which point an obligation arises, where a legal obligation does not exist; and
- While the proposed DP on the SoP NFP should raise some of the issues, a solution should be deferred pending the wider international debate on social policy obligations, being considered by a Steering Group of the PSC of the IFAC.

The Board had a discussion on what constitutes liabilities; particularly in the context of Government ie obligations to provide education, health care and the basic state pension were discussed. A number of members argued that these are not liabilities, but on-going activities undertaken by the Government as part of its ‘social contract’ with the population at large. The Treasury will be monitoring this.

The PSNC has also looked at two other specific issues.

Revenue Recognition

NFP entities have different sources of “revenue”, ranging from direct taxation to donations. In order to assess revenue recognition, there is a need to determine whether any transactions need to be disregarded, considering the definitions in the ASB’s *Statement*:

Most ‘public benefit entities’ are unlikely to receive contributions from owners, and similarly will not make distributions to owners.

The PSNC discussed - treatment of Public Dividend Capital for trading funds, which needs further thinking. The PSNC is also considering whether all gains should be treated as revenue, even where gains are not arising from the operating cycle of the goods or services provided by the entity.

Historic and Inalienable Assets

The PSNC considered the issue of historic and inalienable assets, in particular:

The PSNC has concluded that such assets do meet the definition of an asset;

Reliable measurement of such assets – the view is that the principles and commentary in the ASB’s *Statement* do not appear to need expansion to enable users to address this issue.

CHANGE OF ADDRESS

DART are now located at 1 Horse Guards Road, London SW1A 2HQ.

All telephone numbers remain the same but the fax number is now 020 7270 4545.