

CIPFA THE CIPFA

FAST TRACK ROUTE FOR QUALIFIED ACCOUNTANTS

CIPFA now offers a new Fast Track route which enables accountants qualified with other CCAB accounting bodies to obtain the CIPFA qualification by studying only that which is unique to CIPFA. It involves just two papers:

- Financial Reporting and Accountability – which gives you the particularly relevant technical expertise to meet the requirements of Central Government. The paper also includes in-depth coverage of the new Whole of Government Accounts. Training in how to operate in a framework of public service

ethics and accountability is also provided.

- Case Study – this paper will enhance your executive problem-solving skills and your ability to ‘think on your feet.’

The course is on an open learning basis, so you do not need to be away from the office. It takes just takes 9 months and involves an average of 4 study hours per week. You have access to a 24-hour telephone helpline staffed by experienced tutors who can advise on any aspect of your studies.



WHY I CHOSE THE FAST TRACK

Masood Beg - Head of Financial Accounting, Youth Justice Board, Home Office

“Despite being fully AAT, CIMA and ACCA qualified, I choose CIPFA’s Fast Track scheme because I had come to a point in my career where although my experience and qualifications had prepared me well, there were gaps in my understanding of government accounting. CIPFA is unique in that it deals explicitly with these complex issues. It also tests the way you apply your skills, not just your factual knowledge, and this appealed to me.

Easy to use open learning system – I study while travelling

CIPFA’s open learning material is very user-friendly, backed with good illustrative examples. I can even study when travelling to and from work.

How CIPFA has helped me

The studies have strengthened my knowledge and understanding of government accounting, keeping me abreast of finance and accounting matters and the application of Accounting Standards to the public sector. I have also gained an insight into how accounting is evolving in a government environment, particularly with regard to the new Whole of Government Accounts which are being introduced.

Being dual-qualified will enrich my knowledge base and help me to excel in my career ambitions. I can highly recommend this course to Central Government colleagues. “

What others think ...

The Fast Track has become very popular with accountants working in and with the public services. Cameron Revie, FCCA, CPFA, Partner with PricewaterhouseCoopers said: “I would recommend the Fast Track route to accountants who are keen to progress their careers in and with the public services”

Mal Singh, Head of the Development of Accountancy Resources Team at the Treasury commented, “**this is an excellent opportunity to become dual-qualified and one way in which to achieve your continuing professional development objectives**”

Further information

If you would like further information please contact Paul Myner on 020 7407 9010. A leaflet on the Fast Track is also enclosed.

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Editorial

Welcome to another edition of Gasette, my thanks to everyone who has been in touch about the new style Gasette and its content, without your feedback I am unable to improve your magazine.

This edition sees us focus on further opportunities available via the Institutes in respect of either continuing your studies or their latest position on Continuing Professional Development. The ICAEW recently held a lunch to host their first Public Sector Initiative event, a full report can be found in this edition.

Those of you studying with AAT might want to take note of James Price's article on the new standards and deadlines for completion under the current standards, you might want to check those sponsoring you are aware of the changes. Conference season is rapidly approaching and this edition gives more details of the GAS Trainee conference in July and introduces this year's sponsor PASS magazine, and there is an opportunity to sign up for your own monthly copy. The Special Investigations Group continues to flourish but unfortunately their conference coincided with the production of this edition, a full report next time.

My thanks to those who have contributed to this edition, if you have an article you would like to submit please contact me. I am always keen to learn of success stories from you and to carry them in the magazine so let me know of any achievements you have had.

For your diaries the next copy date is 18th July 2003. I trust you enjoy this edition and good luck to those of you taking exams during the summer session.

Roberta

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VIEWS EXPRESSED IN GASETTE ARE NOT NECESSARILY THE OFFICIAL VIEWS OF THE GOVERNMENT ACCOUNTANCY SERVICE OR HM TREASURY

SYSTEMS ACCOUNTANTS NETWORK GROUP

In the Winter edition I heralded the launch of the Systems Accountants Network Group. I am pleased to report that the group has gone from strength to strength with over thirty departments being represented. The inaugural meeting was a chance for about twenty representatives to meet and discuss what they wanted from the forum, in essence the network are keen to share experiences learnt from implementation projects, to work with OGC in defining a common core requirement and to cover areas of common interest which impact on the financial systems run by departments e.g. Euro preparations, HM Treasury reporting requirements, interfaces etc.

A second meeting was held in March where the network discussed in more detail the work being undertaken by Dave King, of OGCbuyingsolutions, and how any core requirement would impact on the work of the group and departments. A number of issues were raised and discussed at length but a further full day workshop will be required to cover this in depth. Euro preparation, being a current, topic was also discussed and acted as a useful catalyst for those in attendance to ensure they were abreast of both the subject and work in progress. Subjects to be taken forward were workshops on Lessons Learnt, HM Treasury Reporting

Requirements, Systems Process Re-engineering and working with the FTC (Finance Training Committee) where issues overlap.

April saw the first workshop held with David Parkinson (Scottish Executive) and Peter Rendell (Highways Agency) give honest and informative presentations on their recent implementation project experiences. Those in attendance used the session to question both speakers on certain elements of the projects and some of the finer detail. At the end of the day, the network agreed it would be an ideal opportunity to produce their first good practice note based on the wealth of experience within the network on the Dos and Don't of Implementation Projects.

At the end of May the group are meeting with representatives from the Public Spending Directorate at the Treasury to discuss reporting requirements, to investigate what the systems accountants in departments might be able to do to assist this process.

The next full meeting of the group will be on Tuesday 17th June, if you would like further details please contact Roberta on 020 7270 1746 or via e mail roberta.woodcock@hm-treasury.gsi.gov.uk

ASSOCIATION OF ACCOUNTING TECHNICIANS (AAT) CHANGES TO QUALIFICATION – JAMES PRICE, ASSISTANT BUSINESS DEVELOPMENT MANAGER



2003 sees a number of changes affecting the nature of AAT qualifications. The standards of competence (upon which the qualifications are based) have been revised to maintain their relevancy to the demands of

the work place. There is also a change in terminology with respect to the AAT qualifications. This is to simplify the language of our qualifications and make them more explanatory.

CHANGE OF STANDARDS

To ensure that all vocational qualifications reflect the needs and demands of industry they are regularly reviewed. The standards of competence are the basis for all NVQ/SVQs and lay down the requirements that all awarding bodies have to adhere to. The standards of competence for NVQ/SVQs in Accounting and Payroll Administration have just been revised. All persons registering to undertake an AAT qualification from 1 July 2003 will automatically be registered under the revised standards.

Those persons who are already studying for an AAT qualification will still be able to

complete their qualification under the current standards. There are a number of deadlines they need to keep in mind. They will need to complete the level or qualification by the following dates. If they do not they will have to repeat their studies under the new standards.

Once someone has completed a level under the current standards they will be able to continue their studies under the new standards. If there are any queries about progressing from the current standards onto the revised standards students should contact their college in the first instance.

DEADLINES FOR COMPLETION UNDER THE CURRENT STANDARDS

AAT Accounting Qualification

Foundation Level 2

Last exam sitting December 2004
Skills Tests to be completed by 31 July 2005

Intermediate Level 3

Last exam sitting December 2004
Skills Tests to be completed by 30 June 2006

Technician Level 4

Last exam sitting December 2004
Skills Tests to be completed by 30 June 2006

AAT Payroll Administration Qualification

Level 2

Last exam sitting December 2004
Skills Tests to be completed by 31 July 2005

Level 3

Last exam sitting December 2004
Skills Tests to be completed by 31 July 2005

Diploma in Government Finance

Last exam sitting December 2004
Skills Tests to be completed by 30 June 2006

CHANGES IN TERMINOLOGY

The terminology surrounding our qualifications has been simplified. From 1 July 2003 the following changes will occur;

NVQ/SVQ in Accounting will now be called the AAT Accounting qualification.

NVQ/SVQ in Accounting will now be called the AAT Payroll Administration qualification.

Central Assessments will now be called exams.

Devolved Assessments will now be called skills tests.

Diploma in Government Finance Course structure New Standards

Core Units

Maintaining financial records and preparing accounts (exam and skills test)

Contributing to the management of performance and the enhancement of value (exam)

Contributing to the planning and control of resources (exam)

Drafting financial statements – Central Government (exam)

Optional units

Preparing reports and returns (skills test)

Working with computers (skills test)

NVQ/SVQ in Accounting Course structure

NVQ/SVQ in Accounting – Level 2 - Foundation

Units

Recording income and receipts

Making and recording payments

Preparing ledger balances and an initial trial balance (exam)

Supplying information for management control

Working with computers *

Achieving personal effectiveness

Health and safety *

NVQ/SVQ in Accounting – Level 3 - Intermediate

Units

Maintaining financial records and preparing accounts (exam)

Recording and evaluating cost and revenues (exam)

Preparing reports and returns

Working with computers *

Health and safety *

* - unit can be completed at either stage

NVQ/SVQ in Accounting Course structure

NVQ/SVQ in Accounting – Level 4 - Technician

Units

Contributing to the management of performance and enhancement of value (exam)

Contributing to the planning and control of resources (exam)

Drafting financial statements (exam)

Managing systems and people in the accounting environment (project)
Health and safety *

Plus two of the following four options

Operating a cash management and credit control system

Implementing audit procedures

Preparing business taxation computations (exam)

Preparing personal taxation computations (exam)

* - unit can be completed at any stage

NVQ/SVQ in Payroll Administration Course structure

NVQ/SVQ in Payroll Administration – Level 2

Covers the day to day processing of information in the payroll function.

Units

Maintaining employee records

Ascertaining gross pay

Determining net pay (exam)

Working with computers *

Achieving personal effectiveness *

Health and safety *

NVQ/SVQ in Payroll Administration – Level 3

Covers the management of the payroll function.

Units

Managing the payroll function

Completing year end procedures (exam)

Maintaining working relationships with external bodies

Working with computers *

Achieving personal effectiveness *

Health and safety *

* - unit can be completed at either stage

ICAEW FIRST PUBLIC SECTOR INITIATIVE – 15TH APRIL 2003

The Institute of Chartered Accountants in England & Wales (ICAEW) has recognised the importance of the role of accountancy within central government departments, by holding its first Public Sector Initiative event. The Institute invited all Heads of the Accountancy Profession and Senior Professionals to a lunch meeting where they were able to express their views, and in turn the ICAEW was able to get to grips with the needs of members in this sector.

The ICAEW is aiming to build upon connections already established with the Public Sector. A Group in London has been organising events for accountants in the Public Sector from all Chartered bodies over the past five years, and this Initiative gave the opportunity for the Institute and the London Group to join forces and develop new ideas on a national basis.



David Illingworth, ICAEW, Deputy President, who hosted the event acknowledged the growing importance of the Public Sector within the ICAEW Membership. He introduced the discussion on 'Corporate Governance and Risk Management'. The issues that arose were then addressed by a Panel comprising – Nigel Turnbull, Chairman of the Technical Strategy Board; Mike Suffield, Director of Financial Audit Policy, National Audit Office and Martyn Jones, National Audit Technical Partner, Deloitte & Touche.

Three years after publication of the Turnbull Report, Nigel Turnbull provided his advice on corporate governance. He suggested that:

- A Board must concentrate on a few key risks and not try to tackle everything – a maximum of 8 to 10 otherwise the process becomes too bureaucratic;
- One risk per Board meeting should be discussed in depth.

Mike Suffield agreeing with what Nigel Turnbull said emphasised that progress in the Public Sector requires further embedding of risk management. He recommended more open disclosure in published statements as a review by NAO suggests that many organisations undersell their progress and achievements at present. He also noted that the NAO is very much aware that the Public Sector



can be resistant to taking risks for fear of future adverse criticism.

Martyn Jones reported that Turnbull had gone down very well in the Private Sector. He considered that many Public Sector risks were linked to change. Therefore where, the significant risks are based on risks which are a legacy of the past they need to be challenged.

The ease and cost effectiveness of ACA training within the central government environment was profiled by Trevor Faulkner, ICAEW Training Consultant. He outlined the benefits and quality of the AAT to ACA Fast Track route and its flexible application in the Public Sector. The ACA is now a practical alternative to training for other accountancy qualifications especially since the more general business and finance perspective has been added to the new ACA.

Great strides have already been made with ACA training being adopted by the Inland Revenue, HM Customs and Excise, the Rural Payments Agency and the NHS. Other opportunities to demonstrate the flexibility of the qualification are sought by the ICAEW working in partnership with the Public Sector.



Anna Coen, Director Policy & Development, ICAEW Education & Training Directorate presented some of the principles underlying the proposed new approach to

Continuing Professional Development (CPD) which helps to ensure that members remain competent throughout their careers to perform their work in accordance with the fundamental principles of our ethical code. Effective CPD should be based on assessments by individual members of what is expected of them and the risks they face in achieving those expectations. All members will be expected to undertake appropriate CPD and the monitoring will focus on members whose work poses the greatest risk to the public and to our reputation. There is to be a member wide consultation.

Virginia Burrell, Director, Member Services highlighted the services provided by the Library and Information Services, Ethics Advisory Service, Technical Advisory Services and the Audit & Assurance Faculty. She then presented a final challenge to guests and the panel to articulate their support needs before they were allowed to leave! The plan is now for the Member Services Directorate to formulate a

strategy, which would build support with the Public Sector.

Based on initial feedback, the ICAEW will look at holding similar events perhaps later in the year. A theme such as financial reporting for the future is a specific area where much was happening and where ICAEW could work with the Public Sector. During the energetic discussion that followed, a strong theme emerging was "how do you run and monitor 'Performance Management' systems"? This might be an area where ICAEW could initiate and muster appropriate support and influence.

There will be telephone interviews to gain further feedback and ideas from delegates. The results will be reported to all Heads of the Accountancy Profession and Senior Professionals. Finally, invitees expressed substantial interest in and strong support for the initiative.

INTERNATIONAL FEDERATION OF ACCOUNTANTS - UPDATE

Following on from last month's article I thought I'd take a brief look at the other committees run by the organisation, which might interest some of you. The federation runs a number of different committees focusing on various areas of accountancy, however this month I am returning to education but also exploring the Public Sector Committee (PSC) and the Financial Management Accountants Committee (FMAC).

The Public Sector Committee focuses on the accounting, auditing, and financial reporting needs of national, regional and local governments, related governmental agencies, and the constituencies they serve. It addresses these needs by issuing and promoting benchmark guidance, conducting educational and research programs, and facilitating the exchange of information among accountants and those that work in the public sector or rely on its work.

This element of the website contains an update on the committee's two annual meetings which in December 2002 majored on the Modernisation of Government Accounting in France and the Cash Basis IPSAS: Financial Reporting under the Cash Basis of Accounts. The reports of the meeting also give information on the latest developments being discussed by the various Steering Groups, for example non-exchange revenue, budget reporting models and arrangements used across the IFAC membership. There is also an outline of the current work program, which in December included

Impairment of Assets and Accounting for Development Assistance amongst other topics. The report also includes the latest developments relating to IPSAS (International Public Sector Accounting Standards) and exposure drafts.

The Financial Management Accountants Committee (FMAC) publishes guidance, sponsors research programs and facilitates the exchange of ideas to develop and support financial and management accounting professionals. The Committee produces a number of themed booklets annually, which can be downloaded from the site. Currently the site is hosting the results of a study entitled 'A Profession Transforming: from Accountancy to Management.' The committee have obtained the views of members worldwide on the changing role of accountants, an interesting study should you have the time to dip into its pages. Competency Profiles for Management Accounting Practice and Practitioners highlights the competences related to best practice in management accounting and the competences required of those taking key roles in this field of management. A succinct Overview and a Users Guide, which can also be downloaded from the site support this comprehensive study.

The Education Committee continues to examine and discuss areas which accountants are required to be competent in and have issued a document suggesting the knowledge and competency level required in the IT environment, it includes examples of tasks accountants should be able to perform. IT

For Professional Accountants has been developed to assist bodies and academic training providers in ensuring they included the correct aspect of IT skills in their training.

The committee has also examined the use of Internet and distributed learning techniques and have produced a document titled 'Quality Issues for Internet and Distributed Learning in accountancy Education.' The document includes a number of recommendations for assessing the quality of the type of media.

IFAC has a number of committees which work with its membership to discuss and investigate areas of common ground with a view to achieving its objective to 'develop the profession and harmonise its standards worldwide to enable accountants to provide services of consistently high quality in the public interest.'

For more information their website address is <http://www.ifac.org>



Government Accountancy Service Conference Dates 2003

10th - 11th July 2003

GAS Trainee Conference - York

23rd - 24th July 2003

Heads of Accountancy Profession/Senior Professionals - Sundridge Park

13th - 14th November 2003

Gas Qualified Conference - York

Further details will be available in due course via HOAP's and Senior Professionals or via DART on 020 7270 1750 or 020 7270 1746



CREDIT ARRANGEMENTS FOR ICAEW MEMBERS - Trevor Faulkner, Training Consultant

The ICAEW's Chartered Accountant qualification (denoted by the letters ACA or FCA) is known for the number of doors it opens for holders to careers in practice, business and academy. What may be less well known is that the qualification is also a useful springboard to further qualifications and designations, both within the accountancy field and outside in related professions.

The inner core of credit arrangements for the holders of the ACA/ FCA are with the major accountancy bodies in the UK and abroad. A three-way automatic membership agreement exists between the ICAEW and its sister institutes ICAS (Scotland) and ICAI (Ireland). ICAEW also has reciprocal membership agreements with the chartered institutes in Commonwealth countries such as South Africa, Canada and Australia. And within Europe, the Mutual Recognition Directive allows ICAEW members to become members of parallel accountancy and auditing institutes on the continent upon passing a conversion test. Further accountancy credit available to

members includes exemptions with the ACCA (who offer significant credit to all ICAEW members and will automatically admit more senior ICAEW members to full ACCA membership) and CIPFA, who require the passing of only two further papers to gain full membership.

But in addition the ACA/ FCA qualification allows holders to achieve credit towards the requirements of examinations and designations outside of accountancy. For instance, with regard to the CIOT, ACAs and FCAs are permitted to train directly for the CTA designation without first having to do the ATT qualification. Similarly, the ACT exempt ICAEW members from their first four papers in accountancy practice and introductory economics, financial analysis, corporate tax and business law. And in insolvency, the IPA exempts ICAEW members from their early entry exams. With regard to credit against MBA awards, however, the picture is more variable. Exemptions are in theory available from MBA courses, but in practice are more difficult to achieve. AMBA say that key factors include

the standard of the business school (with the more highly ranked schools less likely to offer credit) and whether the course is full-time or part-time (with credit more likely in the case of full-time study).

For further information on the above, please contact the Post Qualification Team at the ICAEW on postqual@icaew.co.uk or 01908 248028.



FURTHER DEVELOPMENT FOR ACCA MEMBERS - Helen Ripley, Training Manager Public Sector

Gaining an additional professional qualification or higher degree is an excellent way for ACCA members to broaden skills, expand their knowledge of a specialist area or simply study an area of personal interest.

Key factors to consider when selecting a course are:

market value of the qualification involving discussions with course providers, colleagues, mentors, managers and even prospective managers.

methods of study available including considering the appropriateness of the study method to work and personal commitments.

Funding options - depending on the course, cost and method of study, employers may fund all or part of the qualification and may provide study leave.

Further qualifications and CPD

Study leading to an additional relevant examinable postgraduate qualification (e.g. an MBA) will count towards the CPD requirement for ACCA members.

For further information, visit www.accaglobal.com/members/cpd2002/

MBA from Oxford Institute of International Finance

Developed through a strategic alliance between ACCA and Oxford Brookes University, the MBA has been specially developed for professional accountants and is a valuable complement to your ACCA qualification.

Key Features:

- AMBA accredited
- Self-paced study
- With students in over 40 countries, a truly global qualification, providing a real insight into international business practice
- Study wherever you can plug in your laptop or access a computer
- Exceedingly good student retention rate (95% compared to average of 33% for MBAs generally)
- Available to ACCA members or holders of equivalent recognised qualifications, with a minimum of 3 years' professional/managerial experience
- Can be completed in 18 months

For further information visit www.oxfordinstitute.org/oxiif

ACCA

CIMA'S HENLY MBA AND THE CIMA QUALIFICATION FRAMEWORK



Lifelong Learning and the CIMA Qualifications Framework

Awareness is growing amongst professional institutes that they need to address the lifelong learning needs of all their customers, both students and members, if they are to support them to the standards expected of a premier institute. **CIMA**, recognising this, has now formalised its qualifications into **the CIMA Qualifications Framework** to provide fully integrated, lifelong career support for business professionals and accounting specialists. Put simply, **CIMA** supports students and members throughout their careers.

This formalisation is in answer to employer demand as well as CIMA's desire to support members in achieving their personal career aspirations. CIMA had already negotiated a fast-track route through to membership of the **Association of Corporate Treasurers** and now CIMA has secured a fast track MBA route through **Henley Management College**, ranked in the top 30 among the world's leading business schools and fourth in the UK.

Fast track Route to the Henley MBA

The fast-track MBA allows CIMA members who meet Henley's entry criteria to gain over 50% exemption from the qualification, leading them straight into Part 3. This enables them to complete their MBA in significantly less time than other participants.

This opportunity is available through a choice of study modes: one year for the Modular, Two Year MBA and the Flexible Evening MBA and eighteen months for the Distance Learning MBA.

Benefits to CIMA members

The Henley MBA will provide CIMA professionals with:

- an internationally recognised MBA qualification
- focus on leading edge management through relevant development and learning
- consolidation of analytical decision making skills
- knowledge, skills and information to take on a wider breadth of responsibility within senior management

CIMA

Details of the Henley MBA and the CIMA fast track:

	Non-CIMA members	CIMA members	
Part one	Foundations of Management	EXEMPT	}
	Managing Information	EXEMPT	}D
	Managing People	EXEMPT	}I
	Exam	EXEMPT	}P
Part two	Managing Marketing	EXEMPT	}L
	Managing Performance	EXEMPT	}O
	Managing Financial Resources	EXEMPT	}M
	Exam	EXEMPT	}A
CIMA Members on the fast track route are required to undertake a conversion workshop and complete a 10,000 word management project and then join Part 3 of the Henley MBA.			
Part three	Strategic Direction		}
	Business Transformation		}M
	Exam		}B
	Electives		}A
	Dissertation (15,000 words)		}

This is the latest addition to the CIMA Qualifications Framework which, apart from the core qualification, also offers the CIMA Certificate in Business Accounting for those students that pass at Foundation level, and the CIMA Advanced Diploma in Management Accounting for those students that complete the Intermediate level.

If you'd like further information on the Henley MBA, including entry requirements and the conversion workshops, visit the Henley website at: <http://www.henleymc.ac.uk/mba>

or the CIMA website at: <http://www.cimaglobal.com/main/prospective/career/mba/>



CIPFA AGREES TO RECOMMEND MANDATORY CPD - Eileen Cummins, CPD Manager

CIPFA Council has agreed to recommend mandatory continuing professional development (CPD) for all working CIPFA members. The recommendation will be the subject of a full postal ballot of all members culminating in a decision at the Annual General Meeting in Harrogate on 12 June 2003.

The proposal flows from a very successful consultation exercise through which members and students have helped to refine and improve CIPFA's CPD scheme.

The revised Scheme is based on what members told CIPFA they would like in an extensive consultation and listening exercise.

Members will be asked to develop a range of skills and knowledge covering technical and management areas appropriate to their needs by undertaking a range of structured and unstructured development activities.

Two levels of participation have been developed which determines what paperwork will be required annually. At Level 1 you will be required to complete a Learning and Development Record and Portfolio of Evidence. Whilst at Level 2, the best practice level, you will be required to complete a Learning and Development Plan, Learning and Development Record and a Portfolio of Evidence.

At both levels members will be asked to complete a minimum of 120 hours over a three-year period with 20 hours in any one year.

Annually, members will be asked to declare their compliance with the Scheme and a percentage of members will be also

be asked to provide information in support of their participation. Participation at Level 2 will be recognised in the List of Members and a Certificate will also be awarded to those members completing three continuous years at Level 2. In special circumstances members will be able to suspend their participation for an agreed period of time.

The CPD guidelines are being revised in light of these changes and will provide detailed definitions of what is regarded as technical and management development and structured and unstructured activities.

The Council is confident that its extensively revised and more flexible scheme will be a helpful framework for systematically planning and reflecting on individual development needs and maintaining a record of CPD activities.

Roger Tabor, CIPFA's President, said:

"We have been moving in the direction of mandatory CPD for some time. The world is changing ever more rapidly and public expectations of accountants are becoming increasingly demanding. In order to stay ahead it is essential for modern professionals to follow a systematic approach to refreshing and extending their skills and knowledge, appropriate to their role and future career plans – and to be seen to do so. It is no more than employing organisations, clients and the public are entitled to expect."

"Members want the CIPFA brand to be synonymous with the very highest professional standards. By introducing our new scheme on a mandatory basis we can evidence this commitment in the most practical, tangible way."

TOP 10 INTERVIEW QUESTIONS

Following on from last time's article on CVs a search of the Internet brings up numerous sites, which purport to have the answer to the question 'What are the most frequently asked questions at interview?' The list below does not claim to be the most frequent as some are obvious like 'Why do you want this job?'; 'What are your career plans?'; 'What skills can you bring to this job?'; etc. Whilst not the easiest questions to answer when put on the spot I hope you find the following a little more thought provoking.

Have you ever had to get a point across to different types of people?

Give me an example and tell me what approach did you take?

Give me an example of a time you did more than what was required in your job.

What was the best decision you ever made? What were the alternatives? How did you go about making it?

Tell me about a time you had to gain the cooperation of a group over which you had little or no authority. What did you do? How effective were you?

Tell me about a problem you have had that would affect more than one department. How did you try to solve it?

What qualifications do you have that make you feel that you will be successful in your field?

If I spoke to your previous/current boss, what would they say were your greatest strengths and weaknesses?

What do you see as the most difficult task in being a manager?

What was the most difficult decision you ever had to make?

How long do you think it would be before you make a significant contribution to the team/organisation?

Many of the above questions are seeking to investigate skills in leadership, communication, initiative, decision-making and personal judgment. Interview panels never set out to trick or confuse candidates, however they do want to find out what you are capable of so remember to prepare and think about what you might be asked.

CCAB VIEWPOINT



ARE YOU AN AAT FULL MEMBER? - WOULD YOU LIKE TO SPEND A WEEK IN AFRICA?

Spend a week in Zambia, helping to deliver finance training to local non-governmental organisations involved in relief and development work.

In association with the AAT, Mango is looking to recruit an AAT full member to help deliver finance training for a week-long project in Zambia in August 2003. Mango is a UK-based charity working to improve standards of financial management amongst Non-governmental Organisations (NGOs) working in overseas development.

Terry Lewis, Mango's Training Director, wants to hear from MAATs who are interested in helping as a co-facilitator on Mango's popular Practical Financial Management for Non-Governmental Organisations workshop. The course will take place from 11-15 August 2003 in Lusaka, Zambia.

This highly practical course is aimed at managers and finance officers of small to medium-sized NGOs who need to improve their financial management systems

and procedures. Course content includes basic accounting, budgeting and reporting skills, and it aims, above all else, to build the confidence of participants by showing that finance can be interesting and useful!

The successful applicant will assist Mango's Financial Management Trainer to deliver participatory-style training sessions and facilitate group activities. The co-facilitator will also participate in local and national publicity to promote the work of AAT in UK and Zambia.

Ideally, the recruit will have practical experience of the voluntary/NGO sector and some background in training. However, the successful candidate will receive a full briefing in advance of the course and be given the opportunity to attend Mango's short Training for Finance Trainers course, if required.

This project provides an excellent opportunity to develop training skills and to experience first-hand how AAT

technical skills can be positively applied in the developing world. All travel, accommodation and subsistence expenses will be paid, plus a modest consultant's fee.

For more information on Mango and the AAT project, please contact Terry Lewis on tlewis@mango.org.uk or take a look at Mango's website: www.mango.org.uk

AAT appoints new Director of Education and Training

The Association of Accounting Technicians' (AAT's) former Director of Professional Development, Clare Morley, takes over as its new Director of Education and Training from 1 April 2003. The previous incumbent, Jeanette Purcell, leaves to take the role of Managing Director at the Association of MBAs.

Clare Morley has worked at the AAT since January 1994, starting as the Association's Continuing Professional Development (CPD) Officer responsible for lifelong learning and branch activity, and joining the AAT's Directorate team in March 1998. Prior to working for the AAT, Clare spent time both as an in-house training advisor for a large Australian insurance company and as a recruitment consultant.

AAT launches revised syllabus to meet business needs

In response to the changing skill needs of UK businesses, the Association of Accounting Technicians (AAT) has revised its qualifications to help accounting students, and their employers, stay abreast of current workplace practice. Launched at the AAT's annual conference for tutors and lecturers in April, the syllabus for

both the AAT's NVQ/SVQs in Accounting and Payroll Administration have been revised. The changes are effective from 1 July 2003.

In particular the changes include greater use of IT in the AAT's technical accounting units, and a more logical progression in the structure of the educational levels. People management has also been introduced at Technician / part-qualified accountant level (NVQ/SVQ level 4) to reflect the increasing responsibility and role of accounting technicians within the profession.

The qualifications also take on a global dimension and recognise the work of those in multi-national corporations, with candidates able to answer questions in the context of either UK or international accounting standards.

Those enrolled with the AAT before 1 July 2003, will continue to be assessed under the AAT's old syllabus for the complete level for which they are currently studying (Foundation, Intermediate or Technician). All candidates will have until 31 December 2004 to complete their exams, 31 July 2005 to complete Foundation level skill tests and 31 December 2006 to complete Intermediate/Technician skills tests or portfolio.

See main article in this edition for more details.

For more information, please contact the AAT's Student Services team on tel: 020 7415 7644.

For more information, please contact: Kate Martin, Communications Manager, AAT - tel: 020 7415 7670, e-mail: kate.martin@aat.org.uk

TAXMAN'S 'SPEND AND SAVE' POLICY COULD PLACE UNFAIR BURDEN ON SMALL BUSINESSES, WARNS ACCA



Moves by Gordon Brown to invest an extra £66 million in tackling fraud and tax avoidance, with the aim of collecting £1.6 billion in extra revenue over the next three years, will result in disproportionate burdens falling on small businesses, says ACCA.

Alongside measures aimed at larger companies, such as tackling the concealment of undeclared income or profits offshore, the crackdown will extend to countering avoidance of corporation tax and National Insurance Contributions (NIC) on employment income – and that could involve people who employ domestic help, such as cleaners and home helps through agencies.

Chas Roy-Chowdhury, Head of Taxation at ACCA, said: "While we support any measures which prevent or combat fraud, we are concerned that tax inspectors looking for soft targets may concentrate on small

businesses and individuals, rather than on multi-national companies which may have adopted complex tax avoidance measures which will be costly and time consuming to unravel. In some cases, rather than tackling serious and deliberate fraud, tax inspectors could even be targeting elderly people who may have neglected paying NIC on home helps because they have been confused by the system."

Small company audit move increases risk of fraud says ACCA

Shareholders and other stakeholders in smaller companies run an increased risk of being defrauded if the government significantly raises the audit exemption threshold, warns the Association of Chartered Certified Accountants. (ACCA)

The Chancellor announced in his budget speech that he would consult on 'removing thousands of companies' from the need for an annual audit. ACCA President, Jonathan Beckerlegge, said "Coming so soon after the intense debates over the Enron affair and over corporate governance generally, we are surprised that the Treasury should consider promoting a "less is best" audit regime for smaller companies. While on the surface it may seem a way of cutting red tape, the fact is that a large hike in the audit threshold could result in increased levels of deception, and lower standards of compliance, governance and financial management generally."

Research undertaken by ACCA* has shown that, in the absence of more sophisticated ways of determining the need for audit, many of the parties involved in the small business arena - including banks and the Inland Revenue - feel that the present level of audit exemption remains appropriate. This enables truly micro-companies to opt out of the audit regime but provides safeguards for the external shareholders and creditors of slightly larger enterprises.

Mr Beckerlegge added: "Audit is the best means there is of checking the finances of a company and is the most effective deterrent to fraud. In our experience when frauds are detected it is very often by the external auditor. A decision to raise the threshold would give all the wrong signals to would-be fraudsters."

ACCA makes key appointments to take forward global strategy

ACCA (the Association of Chartered Certified Accountants) has made two key staff appointments which will play important roles in enabling the organisation to continue its rapid global development.

Giuseppe Messina is to join ACCA during May as Director – Special Assignments; he will be based in Rome. He will advise ACCA on relevant international policy matters, with an immediate focus on South America and the Mediterranean region. He will also act as an adviser on issues which are relevant to small and medium sized accountancy practitioners (SMP) worldwide and will be responsible for creating and supporting business development opportunities for ACCA.

He has been at the centre of policy making in both the Federation des Experts Comptables Europeens (FEE) and the International Federation of Accountants (IFAC) for the past decade. He is fluent in French, Italian, Spanish and English.

He has held a number of senior posts in the Italian accountancy profession, including Chief Executive of the Consiglia Nazionale dei Dottori Commercialisti (CNDC), and has been Head of International Affairs at CNDC and the Consiglio Nazionale dei Ragionieri e Periti Commerciali (CNPR). He is currently Secretary General of the Mediterranean Federation of Accountants and is closely involved with the profession in South America.

The second major appointment is that of John Ferguson to the position of Head of Communications for North America. He will be responsible for public relations, government relations and developing the media in Canada and the US. He joined ACCA on 1 May and will be based in Toronto. John Ferguson has been a senior writer with The Canadian Press wire service and National Economics Editor and syndicated columnist for the Southam Newspaper Group. He headed the Communications Group at Canada Post Corporation for four years and spent six years at Canadian Imperial Bank of Commerce (CIBC), one of the largest banks in North America, as Senior Vice President, Communications and Public Affairs. Since 1999 he has worked as a communications consultant to Canadian and international corporations.

ACCA Chief Executive Anthea Rose said: "We are delighted to announce these important appointments, both of which will support ACCA's global development. Both appointees bring considerable experience to their roles and will make a significant impact on ACCA's work."

ACCA breaks new ground with IFRS accounts

ACCA (the Association of Chartered Certified Accountants) has become the first professional accountancy body in the UK to prepare its annual accounts under International Financial Reporting Standards (IFRS). The 2002 Accounts were presented to ACCA's Annual General Meeting on 8 May. A full reconciliation to UK GAAP (Generally Accepted Accounting Principles) was also available.

In another first, an Operating and Financial Review (OFR) accompanied ACCA's accounts. The OFR is a narrative report which expands on the financial information in the accounts and is designed to give stakeholders more detail about ACCA's operations, its financial position and its future business strategies, prospects and risks. ACCA decided to prepare the OFR in line with proposals contained in the Department

of Trade and Industry's White Paper Modernising Company Law, which is currently out for consultation.

Douglas Kerr, ACCA's Vice President and chairman of its Finance Committee, said: "As a global organisation, ACCA is committed to the harmonisation of standards. That is why it has decided to take a lead in the preparation of accounts under IFRS – which will, in any event, be mandatory for listed companies in Europe from 2005.

"The inclusion of an OFR reflects the public interest dimension of ACCA's activities and will provide additional information for our members. ACCA's 2002 accounts will also provide them with a useful framework when they advise their own business and clients on the move to IFRS and the introduction of the statutory OFR," said Douglas Kerr.

Businesses need to be prepared for mandatory internet filing

Businesses with more than 250 employees need to begin making preparations to avoid breaking the law and ensure that they are able to file their Pay As You Earn (PAYE) returns electronically by the May 2005 deadline, ACCA (the Association of Chartered Certified Accountants) has warned.

Chas Roy-Chowdhury, ACCA's Head of Taxation, said: "Businesses with more than 250 employees must start adopting appropriate systems immediately to give them sufficient time to ensure that their systems work properly. At the same time, businesses with fewer than 50 employees should consider whether they should start filing electronically from 2005 as this will enable them to qualify for special financial inducements which are on offer.

"These businesses will be entitled to payments of £250 if they start filing PAYE electronically from May 2005. Financial incentives are available to them until 2009. Chas Roy-Chowdhury added: "ACCA is concerned that there is to be no exemption from mandatory e-filing of PAYE. This means that the elderly, and people with disabilities who need to employ domestic help to enable them to carry on living in their own homes, will have to use the internet to file the details of their domestic help. ACCA wants those people, along with voluntary organisations and new business start-ups, to be exempt from mandatory e-filing."

New audit standards need greater support than proposed by IFAC, says ACCA

While proposals by the International Federation of Accountants (IFAC) on the terms of reference for the International Auditing and Assurance Standards Board (IAASB) are welcome, they need to be bolstered to ensure that any standards it produces have overwhelming support, says ACCA (the Association of Chartered Certified Accountants). In its response to IFAC's proposals, ACCA has called for any proposed International Standards on Auditing to have the support of three quarters of the membership of IAASB – not the two thirds support as suggested by IFAC. This would

send clear signals to the profession that any standards produced by the board had overwhelming international support, says ACCA.

ACCA has also called for the proposals to be clear and consistent and to be based on principles, rather than adopting an unwieldy, procedural 'rule book' approach, which could lead to some exploitation of loopholes, as demonstrated by the Enron scandal in the US. ACCA President Jonathan Beckerlegge said: "While we welcome the approach adopted by IFAC, we believe it is vital that any proposed auditing standards should have the support of the overwhelming majority of IAASB to send out clear messages about the strength of feeling behind those standards. In turn, this should make enforcing those standards more straightforward

Finance professionals need to embrace a change in approach, says ACCA

Finance professionals working within the National Health Service (NHS) have grown used to constant cutbacks and battling with limited finance. This will change with the Government's huge cash investment in the service. With this investment, comes a new set of responsibilities and challenges for finance professionals to embrace, says the Association of Chartered Certified Accountants (ACCA).

The increase in NHS spending for 2002/03 is now an average of 9.9% for England. This is well above the original plan of about 6.1%. This extra spending sets a new and vastly different set of challenges for finance professionals in the NHS. After 19 years of cash planning, spending constraints and cost improvement targets of between 1% and 3%, finance professionals now have to change their philosophy from cutting the costs of healthcare to how they can invest extra money to achieve healthcare performance targets which move the UK towards the European average. This needs a different approach to financial management.

Even with huge increases in spending power, finance professionals will still have to help to change the balance of resources between secondary and primary healthcare. Local financial strategies will have to provide for increased investment in IT for patient and clinical information from about 2% to about 4% of total trust spending. Earmarked money is provided as part of the modernisation initiatives and this will have to continue over several years to finance the information priorities needed to improve the quality of healthcare.

Tom Jones, ACCA Health Spokesperson, says: "Even though spending in the UK will still remain below EU levels, the performance targets for the NHS can be achieved within the increase of 9.9% for 2002/03. Government announcements indicate that the current financing model has been endorsed by the Wanless Report and this confirms the financial stability needed to improve delivery. "To deal with the sweeping improvements, finance professionals in NHS must achieve two goals. They must turn round their mind set 180 degrees and lead change in healthcare, while simultaneously keeping a tight grip of the financial base," said Tom Jones.



CIMA'S BENCHMARKING CONTACTS REGISTER - SIXTH EDITION LAUNCHED

Finance professionals using benchmarking to help establish best practice in organisational performance, were pleased to receive the 2003 Edition of CIMA's Benchmarking Contacts Register recently.

Benchmarking has long been recognised as a valuable exercise by firms seeking to optimise the efficiency, effectiveness and economy of a wide range of activities, and the Register provides a comprehensive source of potential partners, with global reach.

With the relatively recent emergence of the Best Value regime, public sector and other not-for-profit bodies are increasingly relishing the challenge of benchmarking all aspects of their performance to assist in setting new standards of service provision.

The breadth of value of benchmarking as a management tool is reflected in range of activities included in the Register. Participants note experience of benchmarking financial (payments, management accounts, banking, internal audit etc.) and operational / production-related processes, through to 'overheads' (human resources, disaster recovery, management information systems etc.) and beyond.

You can receive a free copy of the Register and be included in future editions, by completing and submitting the on-line registration form, found by selecting business resources, then services, then benchmarking.

If you would like more information please contact Liz Murby Phone: +44 (0)20 8674 9080
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CIMA Publishing acquired by Elsevier - New partnership promises to deliver

Elsevier has completed the acquisition of the publishing assets, known as CIMA Publishing, of The Chartered Institute of Management Accountants (CIMA). CIMA Publishing will be integrated into Elsevier's Business Books Division and will form the basis of a long-term publishing partnership with CIMA. Bertoli Mitchell, acting for CIMA, brokered the transaction.

"This is a very exciting development for both CIMA and Elsevier. We are very pleased that CIMA chose to work with us as publishing partners for their professional and educational publications. Already we have struck up a lively working relationship. Together we have many ideas for future development, both in the UK market and overseas. We look forward to growing the business jointly with CIMA" said Philip Shaw, Elsevier's Managing Director, Science & Technology Books.

"Strategically, this acquisition is a complementary fit with our finance book publishing lists. Furthermore, this move adds significant value to our business books portfolio

and meets our mission to serve the professional community. A publishing partnership with such a high profile, professional institute as CIMA is one that does not come along too often, so it is especially pleasing that this has come our way" said Mike Cash, Publisher, Elsevier Business Books.

"Here at CIMA we think that this is a very exciting opportunity. It is not the end of publishing at CIMA, but entry into a partnership with widely respected publishers, Elsevier. We are certain that a strengthened range of publishing products will emerge from these new arrangements, which I believe are a winning formula for all concerned,"

said Charles Tilley, CEO, CIMA.

Robert Jelly, CIMA's Director of Education added: "This is very good news indeed for our students and members. Working in partnership with one of the world's largest publishers, we will continue to ensure that the official CIMA Study Systems remain of the highest quality in support of our students' studies. In addition, the partnership will enable CIMA to develop a new range of learning products to support both our students and members into the future."

The two main objectives of CIMA publishing are: to provide the best possible study materials for its students, prepared by CIMA's own examiners and syllabus writers, and to keep the professional membership informed of the latest developments through a range of practical, problem-solving titles.

The CIMA Publishing list contains over 250 accountancy titles at student and professional level, including CIMA's Official Study Systems, the only study texts published by CIMA and endorsed by the examiners. Designed for students attempting to pass their CIMA examinations, these extensive Study Systems are revised annually in line with changes to CIMA's examinations. Elsevier will have the official status of CIMA's publishing partner, and have expert guidance from the CIMA educators to help sustain a long-term publishing programme. Leveraging the brands of CIMA and CIMA Publishing and those of Elsevier will create a powerful force in accountancy publishing both in the UK and internationally as both partners reach into wider markets.

CIMA welcomes new regulatory regime - Urges focus on accountants in business

CIMA has responded positively to the Department of Trade and Industry regarding the Government's decision to transfer the functions of the Accountancy Foundation to the Financial Reporting Council (FRC). CIMA's Council recognises the FRC's strong emphasis on planning, accountability and transparency as well as its outward looking stance.

Charles Tilley, CIMA Chief Executive, said: "CIMA looks forward to playing a full part on its own and jointly with Consultative Committee of Accounting Bodies (CCAB) colleagues to help identify and implement any necessary changes and contribute fully to the effectiveness of the new regime."

He added: "CIMA looks to the new structure to differentiate the roles and needs of, and pressures on, accountants in business and the various sectors in which they operate."

The FRC's purpose is to strengthen the accountancy and audit professions by providing a more effective system of regulation. Its key roles will include setting UK accounting and auditing standards; proactively enforcing and monitoring them; and overseeing the self-regulatory professional bodies.

If you would like more information please contact Lottie Muir
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CIMA launches improved training programme - More support for employers

CIMA has announced the launch of a new training programme that will improve the support available from CIMA to employers wanting to develop their financial and business management people to Chartered Management Accountant level. CIMA Training provides official recognition for employers who meet CIMA's training standards, and offers employers and students significant benefits including guidance materials and technical support.

Charles Tilley, CIMA Chief Executive, said: "The recent accounting scandals in the US have demonstrated very clearly the need for business accountants that investors, analysts and the public can rely on. Leading employers recognise the competitive advantage to be gained by investing in the development of managers that not only have the financial and business management skills needed to deliver competitive advantage, but also the ethical and professional underpinning gained through membership of a professional body such as CIMA."

Ray Perry, Director of Brand Management at CIMA, said: "This new win-win partnership for employers and students will attract the top students who see the benefits of high quality training support to get them to the top, while providing employers with strongly motivated students who have the level of support necessary to achieve success in their CIMA exams and thereby gain professional membership in the shortest time possible."

Building on the unquestioned strengths of CIMA's Training Through Partnership (TTP) scheme and following extensive research into the training needs and requirements of existing TTP employers, CIMA Training requires specific benchmarked training standards to be met by employers. This will give students the confidence that their training is delivered within all CIMA Training organisations to the same consistently high standards.

In addition to the advantage of having CIMA Training support programmes officially recognised and promoted, extra benefits of CIMA Training include the opportunity to run in-house computer based assessment for the Certificate in Business Accounting (Foundation level). Employers will now be able to provide easy-to-use and flexible assessment and recognition of financial skills for all levels of staff (including non-financial managers) as well as those CIMA students who gain the Certificate as a springboard to the Intermediate level of the CIMA qualification. Employers and CIMA students will also receive the latest technical, corporate and product information from CIMA via a bi-monthly electronic newsletter as well as access to a password-protected area of the CIMA website containing downloadable guidance materials and leading edge

presentations on key topics.

The CIMA Training Scheme offers two levels of certification:

CIMA Training – Partner. This is a web-based entry level to CIMA Training and represents the minimum level of support that should be provided by employers of CIMA students

CIMA Training – Quality Partner. This is the recommended level of support advocated by CIMA to enable students to successfully progress through the exams and achieve full professional membership.

The CIMA Training Standards matrix is comprised of five standards which need to be met in order to achieve certification, as opposed to TTP's nine. In addition, the CIMA Training brochure for employers has been revised to make it easier to read, follow and use, and is now available via the CIMA website at www.cimaglobal.com/cimatraining, where companies can also apply to join the CIMA Training scheme online.

Charles Tilley said: "CIMA's qualification is already the number one choice for accountants in business. Employers will now be able to benefit from being associated with the quality of the CIMA brand to deliver all their financial and business management training."

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CIMA report calls for 'framework of transparency' 'High quality, timely information' is essential

Unless finance professionals provide better decision support for the board and other governance committees, Higgs's efforts to improve board effectiveness and ultimately trust in the capital markets will not be fully effective, according to a report published recently by CIMA. **'The Role of the Non-Executive Director: Making Corporate Governance Work'** has been sent by CIMA to the UK's top 1000 finance directors.

CIMA believes that the messages communicated to investors and other stakeholders should reflect the messages communicated to board members. This framework of transparency – a continuum between internal and external reporting – should be the cornerstone of good governance.

Following the Higgs review into the role of the non-executive director (NED), which calls for a widening of the gene pool of NEDS, financial training and more open communication with shareholders, this latest report from CIMA addresses the crucial part of the corporate governance jigsaw which has not been widely addressed: the provision of high quality and timely information to the board. Only with relevant and complete information and analysis can boards run effectively, with good strategic decisions leading to improved business performance and competitive advantage.

Charles Tilley, Chief Executive, CIMA, said: "One of the most important points in the Higgs review refers to the importance of good quality information. A board is powerless to make good decisions without complete information and analysis of business drivers, key performance indicators and risks, both financial and non-financial. It is business accountants who have a crucial role in getting these right."

He added: "A fundamental contribution of the finance professional to board effectiveness is the provision of relevant and timely information. This information is especially important for NEDS who generally have less involvement in day-to-day business operations. They can only comment on, and make decisions about, those matters that have been brought to their attention. Any gaps in the information they receive will result in poor decision-making."

He continued: "Both boards and investors need to understand the implications of decisions. Good information and good governance enable boards to take good decisions, and enable investors to better assess the future prospects of a business."

The report goes on to conclude that:

"The established role of finance professionals is to ensure that the board has a clear picture of the financial health of a company. But they should also be extending the horizons of decision-making to encourage boards and investors to take a long term approach. Of course, accountants in business cannot do this alone – they will need help from other market participants, particularly investors."

CFOs and FDs aside, accountants in business – at whom this guide is primarily aimed – need to understand the inner workings of the boardroom. But, in order to fulfil their role of providing information to the board, they need a comprehensive understanding of how that information is used. This report provides an overview of recent corporate governance developments, as well as some pointers as to how accountants and finance professionals can contribute to the effectiveness of their boards.

'The Role of the Non-Executive Director: Making Corporate Governance Work' is available to download free.

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CIMA members to benefit from new partnership - Groundbreaking fast-track route to Henley MBA

CIMA has today announced the launch of a groundbreaking scheme that will benefit employers and members by enabling Chartered Management Accountants to enjoy a fast-track route to the world renowned Henley Management College MBA. Henley is currently ranked in the top 30 business schools worldwide and amongst the top four in the UK. In a world first for Henley, it is partnering with a chartered professional body to offer over 50% exemptions to members of CIMA who meet their standard admission requirements.

Robert Jelly, Director, Education at CIMA, said:

"CIMA is the professional financial qualification of choice

for many employers including Unilever, Procter & Gamble and Nestle. The CIMA qualification focuses on strategy grounded in financial skills and understanding, making it a great partner for a world leading MBA qualification. Henley's commitment and relevance to business today provides an excellent match for CIMA members eager to continually develop within executive senior management roles. This exciting initiative means that our members will be able to complete the Henley MBA in significantly less time than other participants, which is great news for members, and also great news for employers."

The Henley/CIMA scheme enables appropriate candidates to join the final part of the MBA (Part Three) after they have completed a workshop and assessment. Entry is possible on to the Distance Learning MBA, the Modular Two Year MBA and the Flexible Evening MBA. Candidates need to satisfy Henley's standard admission criteria for these programmes.

Professor Ian Turner, Director of Graduate Business Studies at Henley said:

"We are delighted to be working with CIMA in offering their members this exciting new route to achieving a Henley MBA. There is an excellent fit between the CIMA syllabus and the early stages of our MBA. The new conversion course enables CIMA members to experience the Henley approach to management development and demonstrate their ability to solve practical business problems before they join their counterparts on the final stages of our MBA. We are looking forward to the contribution which CIMA members with their financial acumen and experience can bring to the team based learning on the Henley MBA.

This partnership forms another important part of the recently launched CIMA Qualifications Framework for Business."

Henley is rated as one of the leading business schools across the world, and its qualification, like CIMA's, is recognised globally. The Financial Times ranked Henley in the top ten schools in Europe for top salaries increases, most sponsored students, most experienced intake and graduates still working for their original company. The Henley MBA is accredited by EQUIS (European Quality Improvement System) and AACSB (the US based International Association for Management Education).

Information about the scheme can be found on both the CIMA and Henley web sites.

If you would like more information please contact Lottie Muir Phone: +44 (0)20 8849 2402
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CIMA

CIPFA SEMINARS AND EVENTS ON CENTRAL GOVERNMENT FINANCE

CIPFA is planning two one-day seminar events devoted exclusively to Central Government Finance in 2003. *Current Developments in Central Government Finance* will take place on 17 July in London. The programme will cover early accounts closure, the revised Green Book, e-government services, corporate governance, financial reporting and an update session on other major

accounting issues. The second seminar, in December, will be a one-day seminar '*An Introduction to Central Government Finance.*' For further detail, or to book a place, please contact Alex Aarons, email alex.aarons@cipfa.org

CIPFA's annual conference takes place in Harrogate on

10-12 June this year. As usual, the conference will cover a wide range of public sector issues. The theme this year is 'On the front line – adding value, making it work'. Speakers will include Charles Kennedy MP, leader, Liberal Democrats; Paul Boateng MP, Chief Secretary, HM Treasury; Neil Kinnock, vice president for administrative reform, European Commission, Ron Aldridge, executive chair, Capita Group, Plc; Nick Montagu, chair, Inland Revenue; Francesca Okosi, director of change, DEFRA; Robert Chote, director, Institute of Fiscal Studies; Mathew Taylor, director, Institute for Public Policy Research; Polly Toynbee, writer and journalist; Robert Black, auditor general for Scotland and many others. Their focus will be on posing and answering questions directed at the heart of government policy: Is

investment getting through? Are reforms making a difference? Can excellence be transported? Can improvements to poor services be fast-tracked? Can failing organisations be turned round? Can auditors and inspectors really add value? In addition, there will be a challenging programme of workshops and a fringe lecture with Tony Banks MP. The detailed programme is available on the CIPFA website at www.cipfa.org.uk/conference/programme

Places for the conference are still available at the time of writing and can be booked online at www.cipfaconference.org.uk. There is a discount for organisations sending two or more delegates.

CIPFA SPECTRUM

CIPFA has launched a new publication providing policy and technical perspectives for on public services and technical issues. The publication, named 'CIPFA Spectrum', is available to all through the CIPFA website. The first edition includes a two page article by the Treasury's Head of the Whole of Government Accounts programme, Ian Carruthers, entitled Accounting for UK plc on the Whole of Government Accounts. There is also an in-depth round-up by Vernon Soare, CIPFA's

Policy and Technical Director, of the latest developments on regulatory issues affecting the UK accountancy profession articles. The article brings home how corporate collapses in the USA have a growing relevance to the UK accountancy profession through the increasing international convergence of the regulation of the global accountancy profession. Other articles cover government and the charity and voluntary sector, NHS foundation trust hospitals, and financial reporting developments.

PUBLIC MANAGEMENT AND POLICY ASSOCIATION

The PMPA offers managers and policy makers a range of opportunities to keep in touch with and understand the wider cross-cutting developments in public policy making that affect the governance, general and financial management of public services.

Opportunities coming up include:

DEBATE

PMPA Annual Conference Delivery: Time to Judge?

A debate, to be chaired by Sir Michael Bichard, on the extent to which the Government's delivery agenda is succeeding

12 June 2003 at the Harrogate International Conference Centre

Are the Government's plans to improve public services working and what can we learn from the evidence? PMPA's 2003 conference will take the form of a debate where two teams of leading practitioners, researchers and commentators from across the public services will present their arguments for or against the claims that the Government's delivery agenda is motivating people, achieving success and driving further improvement.

Speakers taking part in the debate include Mark Britnell (University Hospital Birmingham NHS Trust); Clive Grace (Audit Commission in Wales); Ita O'Donovan (Stoke-on-Trent City Council); Colin Talbot (University of Glamorgan); and Anne Weinstock (Connexions Service National Unit).

The conference runs alongside CIPFA's annual conference and delegates have the option of attending the first two sessions of the CIPFA conference in order to hear Charles Kennedy (Leader, Liberal Democrats) and Neil Kinnock (European Commission) address key

delivery issues or of coming straight to the PMPA debate at 11.15 a.m.

TAKING PART

PMPA members may attend the PMPA conference without further charge. New members, whose subscription is paid in full before the conference, are also entitled to a free place.

Non-PMPA members may attend at the following rates: bookings received by 23 May first two places: £125 plus VAT each; third and subsequent places: £75 plus VAT each. Bookings received after 23 May first two places: £225 plus VAT each; third and subsequent places: £125 plus VAT each.

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.

A booking form can be downloaded via the association's website (www.pmpa.uk) or requested from sandra.harper@cipfa.org



A LIFETIME LIMIT ON PENSION SAVINGS ELIGIBLE FOR TAX RELIEF WILL NOT ENCOURAGE GREATER RETIREMENT PROVISION SAY CHARTERED ACCOUNTANTS

Government proposals to introduce a single lifetime limit on the amount of pension saving that can benefit from tax relief will do nothing to encourage people to save more for their retirement, the Tax Faculty of the Institute of Chartered Accountants in England & Wales (ICAEW) is arguing.

In its response to the Inland Revenue and Treasury joint consultation paper on 'Simplifying the taxation of pensions', the Institute's Faculty says that while it supports in principle the plans to simplify pensions taxation by replacing the existing eight different tax regimes governing pensions with one set of rules and a single lifetime limit of £1.4 million, this will not in itself encourage people to set aside funds for their retirement.

Ian Young, Technical Manager at the ICAEW's Tax Faculty, commented: "We are concerned that the Government is not doing enough to address this country's serious pensions crisis. While Stock Exchanges will in due course recover, demographic change combined with low long-term annuity rates will result in significant underfunding for retirement provision. Moves to simplify the taxation of pensions are laudable, but the Government should also consider introducing greater tax incentives to encourage people to save more for their old age."

The Tax Faculty is concerned that the proposal to

index the lifetime limit by reference to the Retail Price Index will, over time, act as a disincentive to saving for a growing percentage of the population. Because earnings are likely to increase faster than the RPI for the foreseeable future, the lifetime limit will not keep pace with earnings growth and more and more people will be caught by it.

Since pensions are a form of deferred earnings, the Faculty believes that it would be fairer to define the lifetime limit by reference to a maximum pension indexed to increases in average earnings.

To put the problem into perspective, supposing that prices continue to rise at the recent rate of 2% per annum, and earnings rise by 4% per annum, after 20 years earnings will have increased by nearly 120% but prices by only 49%. The lifetime limit will have been reduced by about 33% in real terms: in other words the current limit of £1.4 million will be reduced to about £940,000.

The Government estimates that only 5,000 people have personal pension schemes worth more than £1.4 million. The Faculty believes that the annual limit is likely to be problematic for a considerably larger number of people than the consultation document seems to be suggesting. In its view, the Government should undertake more work to validate the underlying figures of those people who are likely to be affected by the current proposals.

CHANCELLOR BOOSTS MOVE TO REGIONAL REGENERATION

The Budget (9th April) revealed that the Chancellor proposes sharing tax revenue from the creation of additional start-up businesses with the regions. This is his most radical proposal and counters criticism that Regional Development Agencies lack the budget to achieve economic development.

In addition, he announced workforce development plans would be revised with the objective of relocating 20,000 jobs in non-departmental bodies from the South East to the regions. "Moving employment away from South East where business is more buoyant, will give a boost to regional economies which have been begging for more support as well as reducing the burden on housing in South East," said Clive Lewis, Head of SME Issues, Institute of Chartered Accountants in England & Wales.

Lewis added: "2000 of the most deprived areas in the UK will benefit from the Enterprise Areas'

Initiative. The Chancellor's plans include: abolishing stamp duty and freeing planning regulations on business properties. This will provide a further incentive for businesses to start-up in these Enterprise Areas."

Business start-ups in the regions outside the South East are substantially lower and the Chancellor's announcements seek to encourage enterprise and job creation. The acid test will be whether business start-ups and employment really do take off in these regions.

"Finally, Gordon Brown's apparent mantra Flexibility with Fairness seems to have been translated into his plans for regionalisation and business growth among SMEs. Brown's turnaround policy seems to suggest that he is emulating the US on flexibility and Europe for fairness," Clive Lewis concluded.

A TRANSPARENT ACCOUNTANCY PROFESSION WILL HELP RESTORE INVESTOR CONFIDENCE, ICAEW VICE-PRESIDENT TELLS COLLEGE OF EUROPE STUDENTS

Making the accountancy profession more transparent and providing clear explanations of what an audit actually does will help to restore public confidence in the world's capital markets, Paul Druckman, Vice-President of the Institute of Chartered Accountants in England & Wales (ICAEW), told students on Wednesday 26 February at the Collège d'Europe in Bruges. The Collège is a centre of excellence devoted to developing policy making and high-level negotiating skills for future European leaders.

In his speech at a seminar on 'Accountancy and Europe' organised by the Institute and the Collège, Paul Druckman said: "Many of the criticisms about the accountancy profession have centred on lack of transparency about our own businesses and we have recognised we must address that.

"In the UK, therefore, the largest dozen or so firms, who together audit 90% of the listed companies in the UK, have agreed to publish, on a voluntary basis, an annual report with full accounts, and disclosures on their international structures, governance procedures and quality control processes. It is a start and we hope that others will follow."

Mr Druckman also spoke of the UK profession's recognition of the need to explain clearly to the public "what the audit does and does not do and to stress the benefits and professional elements that underpin audit quality and, more widely, the quality of financial reporting."

He said that there is a widespread but mistaken perception that the audit certifies the financial statements, whereas "The purpose of the audit is to express an opinion with reasonable assurance that the financial statements give a true and fair view. It is an opinion, not a certificate or a legal warranty that they are

completely accurate and without error. Such certification would be impossible without exhaustive verification of every detail.

"That professional opinion must, of course, be based on certain fundamental principles: accountability, integrity, objectivity and independence, technical competence, rigour, judgement, clear communication and added value – the qualities which underpin the very being of a profession. If confidence is to be restored, the profession accepts it needs to demonstrate to the world that it does indeed subscribe wholeheartedly to these principles."

Mr Druckman argued that audit without ethics is devalued: "My own Institute's code is based on principles, which help ensure the independence of the auditor. We set out fundamental ethical principles, which the auditor must apply on a client by client basis and follow in the spirit of the guide, as well as the terms. This approach prevents the use of narrow legalistic interpretations to circumvent independence requirements."

Mr Druckman praised the European Commission for finalising the International Accounting Standards Regulation in June 2002, requiring all listed companies – around 7,000 in all – to use IAS for their consolidated accounts by 2005.

He said: "Similar foresight was shown in Europe with the EU Recommendation on auditor independence last year which set out clear criteria for ensuring that European auditors would remain objective and independent of companies' managements."

The Institute's Vice-President went on to explain that the European accountancy profession is working closely with the Commission on the major task of ensuring that international accounting standards are applied with the same degree of rigour and understanding across the EU.

INSTITUTE OF CHARTERED ACCOUNTANTS PLEDGES SUPPORT FOR GOVERNMENT REPORT ON AUDITING AND ACCOUNTING ISSUES

The Institute of Chartered Accountants pledged its support for Government proposals to rebuild confidence in UK auditing and accounting following recommendations put forward in the final report of the joint co-ordinating group set up by the Chancellor of the Exchequer and the Secretary of State for Trade and Industry.

Institute President Peter Wyman commented: "The report sets out a comprehensive and sensible package of measures, which build on more than a decade of corporate governance and financial reporting reforms here in the UK. The proposals set out in the report need to be viewed in their totality as a serious response to the loss of confidence in global capital markets. Taken with the recently published Higgs and Smith reviews, they will further enhance the quality of UK auditing, which is already widely acknowledged as the global benchmark."

Auditor independence

The Institute gave strong support for the Government's package of measures designed to strengthen auditor independence.

Peter Wyman commented: "I welcome the new role for the audit committee as the primary interface between the auditor and the company. This will do much to reinforce the auditor's independence. Independence will be strengthened by more closely aligning the auditors with the audit committee, which itself comprises independent directors acting on behalf of shareholders.

"I am pleased that Government has recognised the importance of the measures we introduced in June of last year to strengthen public confidence in the independence

of auditors. The Institute's early adoption of tougher measures to rotate engagement and other key audit partners after five and seven years respectively, taken with the introduction of a two-year cooling off period where audit partners wish to join a former audit client firm, were in particular welcomed by the Government review."

The Institute also supports the Government approach on the provision of non-audit services to audit clients. Peter Wyman commented:

"I support the Government's proposal that auditors should assess which services should be undertaken against key principles, which is in line with the Institute's current guidance that auditors should not perform management functions or audit their own work.

"I particularly welcome Government's recognition in the report that there are benefits to companies, their shareholders and audit quality arising from the provision by auditors of some non-audit services, such as tax advice. In the areas of IT systems installation and internal audit outsourcing, we have already gone further than the Government's recommendations, and these services will no longer be provided."

Corporate governance and the role of the audit committee

Peter Wyman reiterated his support for the recommendations of the Higgs and Smith reviews published last week.

Wyman commented: "Their recommendations dovetail with the Government review. They are sensible and proportionate and will build on the UK's existing and highly effective Combined Code. Derek Higgs' review, by emphasising an enhanced role for the senior independent director, will bring about a subtle, but important, shift in the relationship between companies and their investors.

"Similarly, by switching the key audit relationship from executive directors to the independent audit committee, Sir Robert Smith will have done more to enhance auditor independence than any rules-based approach could ever have achieved. The newly defined audit committee will itself be strengthened by the inclusion of at least one independent non-

executive director with significant, recent and relevant financial experience."

Peter Wyman added: "We now see our role as helping to turn these reports into practical realities. The Institute is examining how we can widen the pool of non-executive directors and provide relevant support for them. We are also planning a number of measures to provide immediate support and guidance to audit committee members."

While broadly welcoming both the Higgs and Smith reports, Peter Wyman sounded a note of caution.

"In implementing these changes, care needs to be taken not to undermine the unitary board which has enabled companies to benefit from the commercial experience of knowledgeable non-executive directors. By requiring non-executives to be corporate policemen, companies may find they attract box-tickers, not entrepreneurs, to their boards. This would ultimately be detrimental to company performance and UK competitiveness."

Transparency of audit firms

Peter Wyman commented: "It has been clear over recent months that audit firms need to become more transparent in their operations. The Institute fully supports the introduction of comprehensive voluntary annual reports for large audit firms with UK listed company clients, which I believe will do much to dispel the suspicion surrounding the audit profession."

Financial reporting: standards and enforcement

The Institute has for many years advocated the adoption of International Accounting Standards based on principles rather than rules, which we see as essential for the effective functioning of global capital markets.

Peter Wyman commented: "We support the Government in their efforts to ensure that we have a set of International Accounting Standards, which are at least as robust as the current UK equivalent, by 2005."

"We also welcome the European Commission's support for the adoption of International Accounting Standards by 2005. The Institute

of Chartered Accountants supports a more pro-active approach to the enforcement of accounting standards. The FRRP has greatly influenced the quality of financial reporting in the UK and set the benchmark overseas, and it is important that this role is maintained. The Institute can see great benefits arising from a system where the FSA will have primary responsibility for identifying the companies to be reviewed and the FRRP will have primary responsibility for investigation and enforcement.”

Monitoring of audit firms

Peter Wyman commented on the proposed changes to the Joint Monitoring Unit:

“The Institute made the case to Government for the continuation of the existing arrangements for the Joint Monitoring Unit. The monitoring arrangements we have in the UK are already recognised as world class and have operated effectively for many years. However my recent

discussions with overseas regulators have made it clear that many of them regard a monitoring regime separate from the profession as an essential condition for mutual recognition for auditors of UK companies with dual listings. We look forward to working with the DTI to ensure that this transition is handled as smoothly as possible.”

Review of the regulation of the accountancy profession

The Institute welcomed the Government’s proposals to streamline the overly complex structure for the regulation of the accountancy profession.

Peter Wyman commented:

“The FRC is a body that already commands wide support and is ideally placed for this new role. The challenge will be to ensure that the new structure is established quickly and cost effectively to maintain public support and confidence.”

CHARTERED ACCOUNTANTS APPLAUD BUDGET MEASURES TO HELP BUSINESS BUT WARN COMPLEXITY REMAINS A DANGER

Chartered Accountants have applauded the renewed commitment of the Chancellor in his Budget to improve business and productivity, but warn that the benefits must not be stifled by yet more red tape. The Institute of Chartered Accountants’ Tax Faculty say that bar hidden surprises in the budget bundle, the Chancellor’s restraint in not introducing a plethora of new initiatives will be welcomed by business, which badly needs a period of stability after the tax complexities of recent years.

Ian Hayes, Chairman of the Tax Faculty of the Institute of Chartered Accountants, said: “We applaud the Chancellor’s renewed commitment to improving UK business productivity and competitiveness. This was particularly commendable given the increase in business costs earlier this week due to the rise in employers’ NIC costs originally announced in last year’s Budget.”

The Tax Faculty welcomed the further measures to encourage spending on research and development and information technology. Ian Hayes said: “For too long the UK tax rules on research and development have been both restrictive and complicated. The Government has already taken steps to encourage more spending on R & D and these proposals will provide a positive boost to R & D spending, which is a cornerstone in improving the productivity and prosperity of the UK.”

However, the Tax Faculty advised the Chancellor to guard against the risk that any tax changes have the effect of distorting business decisions.

Ian Hayes explained that: “The UK needs tax rules which encourage enterprise, but do not distort business decisions. Take stamp duty for example. The changes to stamp duty rules made in recent years are distorting business decisions. What was once a simple and uncontroversial tax is rapidly turning into a nightmare, where a level-playing field has been turned into a minefield. It is rapidly becoming a serious drag on the UK property market, and the changes announced today will not help.”

The Tax Faculty is also concerned that any benefits will be swallowed up by more complexity.

Frank Haskew, Head of the ICAEW’s Tax Faculty, commented: “Whilst it was good to hear the Chancellor’s commitment to cut red tape, the proof of the pudding will be in the eating. There remains a danger that any measures to improve enterprise and productivity will be strangled by more red tape. The UK tax system is drowning in a sea of complexity and we need urgently a root and branch review of the UK tax and benefits system.”

Frank Haskew concluded: “There is an urgent need to get back to first principles. Taxes need to be simple and certain, fair and reasonable, easy to collect and avoidance measures need to be properly targeted. Tax changes must not distort business decisions. When we come to see the detail, we will be checking to see how these measures match up to these fundamentals. If they are found wanting, then UK plc is unlikely to see any real benefits.”

CONFIDENCE IN UK AUDITED INFORMATION REMAINS HIGH DESPITE ENRON FALL-OUT

Confidence in UK audited information remains high despite the fall out from major corporate scandals in the US, research commissioned by the Institute of Chartered Accountants in England & Wales, has found.

A survey carried out by an independent market research company revealed that three in five (60%) UK fund managers and nearly three-quarters of US fund managers (74%) express “a great deal” or “a lot” of confidence in UK audited financial information. Of the remainder, 30% of UK fund managers and 24% of their US equivalents say they have “some confidence”. None of those questioned say they have no confidence at all and only 3% of UK fund managers and 2% of US fund managers state that they do not have very much confidence.

In contrast, UK fund managers are markedly less trusting of US audited financial information. Fewer than one in five (19%) have a “a great deal” or “a lot” of confidence in US information compared to three in five (60%) US fund managers.

In order to assess the impact that Enron and WorldCom may have had, researchers asked fund managers in both the UK and US whether their level of confidence has changed in the last twelve months. For the majority, attitudes towards UK audited information have been unaffected, with half of UK fund managers and 71% of US fund managers reporting no change. Indeed, nearly one in four Americans (23%) and 14% of UK respondents claim to have more confidence in UK information than they did a year ago.

Only 1% of UK fund managers spontaneously mentioned the reliability of UK audited accounts as their biggest concern when deciding which companies to invest in.

Far larger concerns for UK fund managers are “earnings/growth potential of companies” (mentioned by 34%), “economic risk/global

economy”, (10%), “liquidity” (8%) and “profitability” (8%).

The study showed little demand for increased regulation of UK auditing. When asked to identify areas of improvement in UK audited information, fund managers’ priorities were increased transparency and disclosure and quarterly reporting. Only one US and five UK fund managers out of a total of 205 suggested that auditing should be separated from consultancy in the UK. Similarly, only three UK fund managers and one US respondent expressed an enthusiasm for rotating auditors in the UK.

Commenting on the research results, Andrew Ratcliffe, Chair of the Institute’s Audit and Assurance Faculty, said: “It’s reassuring to see that fund manager confidence in UK audited financial information remains high despite the shock waves generated in the aftermath of Enron and WorldCom.

“The lack of demand among this group for major changes in UK auditing practice, or for greater regulation, provides backing for the measured approach to reform the Government has adopted.

“I believe the public interest is best served by considered improvements to the solid foundations laid in financial reporting and corporate governance over the last decade. The Audit & Assurance Faculty will continue to encourage improvement in auditing in the UK to further strengthen investor confidence in the quality of audited financial information.”

The Institute’s Audit and Assurance Faculty will continue the work started last year with the publication of Audit Quality, which analyses the way auditors produce quality audits. The publication is aimed at both auditors and those who use audited financial information, such as non-executive directors and those who sit on audit committees.

CHARTERED ACCOUNTANTS SEE WAY FORWARD FOR HIGGS PROPOSALS

Peter Wyman, President of the Institute of Chartered Accountants, used the Institute’s annual dinner on 1st April to suggest a new

approach for the implementation of the Higgs Review recommendations for corporate governance.

He told an audience of over 300 leading chartered accountants, business and political leaders and Guest of Honour, Digby Jones of the CBI, that a consensus can be built around the critical aspects of the Higgs review.

Much of the recent debate and rancour has centred around the revised draft code published at the same time as the Higgs Review which, Peter Wyman contends, departs from the successful corporate governance model developed here in the UK over the last fifteen years.

Wyman said: "It is the way the code has been drafted rather than the Higgs Review itself which has caused so much consternation. It is too prescriptive. We must not, inadvertently, create a system of box ticking."

Peter Wyman advocated three key measures to build support amongst the business community:

"First, if the consultation process shows a broad consensus towards modification, then the necessary change should be made and should be seen as a positive improvement rather than some kind of defeat.

"Secondly, I suggest that the revised draft code be re-written. I firmly believe that it is the way the code has been drafted, rather than the Higgs report itself, which has caused so much consternation in the business community. The code will be stronger for being revised to place a greater emphasis on principles and best practice guidance.

"Thirdly, the implementation should be deferred until 1 January 2004 with transitional processes to mitigate the inevitable consequences of premature implementation. Companies should not be reporting widespread non-compliance because they have insufficient time to adopt the recommendations."

WORKING TOWARDS A BETTER TAX SYSTEM

The Tax Faculty at the Institute of Chartered Accountants in England & Wales welcomed the report "Making Tax Law", issued last week by the Institute for Fiscal Studies (IFS). In 1999, the Tax Faculty issued a discussion paper: Towards a Better Tax System, to help stimulate debate on how to achieve significant improvements to the UK tax system.

Robert Maas, Chairman of the Technical Committee of the Tax Faculty said: "The IFS report is a welcome contribution towards this debate. We are particularly pleased that the paper recognises that simplification, while desirable, should not be the sole objective.

Mr Maas added, "In our own discussion paper, we were seeking to highlight that simplicity needs to be weighed against certainty, fairness and other desirable objectives."

The Tax Faculty believes that the institutional processes by which Parliament makes tax law are important. If taxation is to be the prerogative of Parliament it is ultimately the processes by which Parliament scrutinises and enacts tax legislation that will determine the shape of the tax system. The ICAEW's Tax Faculty fully endorses the conclusions of the IFS report that Parliament needs to get involved in the enactment of tax legislation at a much earlier stage than at present. In particular, it would welcome the formation of the report's proposed Parliamentary Select Committee on Taxation. Although The Tax Faculty very much welcomes the increase both in the amount and quality of consultation by the tax authorities in recent

years, there are distinctly flaws in the consultation process once interested parties have responded to a consultation document.

There is often little feedback as to whether suggestions raised in the consultation process are being pursued further, and there is little opportunity to challenge either the policy behind proposed changes, or objections by the tax authorities or the Minister to suggestions made in the course of consultation. The Tax Faculty believes that legislation would be immeasurably improved if a Parliamentary Select Committee were available to consider such matters, and make recommendations to Parliament, between the issue of a discussion document and the appearance of the proposed legislation in the Finance Bill.

The Tax Faculty also welcomes the Report's suggestion of a Tax Structure Review Project alongside the existing Tax Law Rewrite Project.

Maas commented, "We have always been very supportive of the Rewrite project. However, as we have said on previously, we think it a tragedy that areas where the rewrite identifies need for change are not looked at more closely to see whether change is indeed desirable. We also believe that there are areas where the original objective of a provision has been undermined by subsequent changes to it. We would therefore welcome the introduction of a body with a remit both to look at tax legislation and to question whether it is the right legislation rather than merely whether it is intelligible."



ICAS CRITICISES REVENUE RULE CHANGE

The Institute of Chartered Accountants of Scotland (ICAS) today criticised a rule change affecting the way the Inland Revenue taxes share option gains.

ICAS points out that on the 12 December 2002 the Court of Appeal rejected the Revenue's proposal to tax gains from share options. On 8 January 2003, almost a month later, the Revenue issued new guidelines explaining how it would apply the revised rules with effect from 12 December.

The Scottish Institute points out that the change generally favours individuals who hold share options, but that they can only claim its advantage by formally amending their tax returns.

The Revenue is required by law to open an enquiry within 12 months of the filing date. The purpose is to give the taxpayer the certainty of a time frame. However, submitting an amendment after the fixed filing date extends the enquiry window period until the next quarter day, following the anniversary of the amendment. Therefore, instead of the tax payer being certain that their return for the year ended 5 April 2001 is finalised, making an amended return now will deny a taxpayer certainty until 31 January 2004. ICAS claims this unfairly extends the period during which the Revenue can raise enquiries into such returns.

ICAS also claims that the change works against trusts that employers have set up to facilitate employee share option schemes. The Institute points to the example of a disposal of shares in the year ended 5 April 2002. This will have

been decided on the basis of the rules before they were changed. However, the Revenue has announced that the rule change will be retrospective. ICAS highlights the fact that trustees who are adversely affected may not have the funds to pay the further liability. It also points out that the transition announced by the Revenue unfairly hits trusts that prudently delayed submission of their tax returns until after the 12 December judgement. Trusts that submitted their return prior to the 12 December will not incur further liability, those who submit after that date will be liable.

Ian Dewar, Convener of the ICAS Taxation Practices Committee said:

"We accept that the Revenue must apply this new rule change. However, we are disappointed that they have not come up with a transition that is fair to those taxpayers likely to be adversely affected."

Mr Dewar added:

"The Revenue have a responsibility for the care and management of the tax system. But they have announced arbitrary changes in the tax rules for trusts only three weeks before the 31 January filing deadline. This places impossible burdens on trustees."

The Scottish Institute has urged the Inland Revenue to issue a revised statement. ICAS would like individuals to benefit from the changes without being exposed to increased risk of tax enquiries. Furthermore, the Institute suggests that the changes to trusts should apply only to transactions or events taking place after the date of that announcement.

ICAS CALLS FOR CLARITY ON HIGGS IMPLEMENTATION

The Institute of Chartered Accountants of Scotland (ICAS) has called for clarity in the implementation of the Higgs report and the revised Code of Corporate Governance. The Scottish Institute made the call following comments from Derek Higgs and the Government indicating that further changes might be made.

In a letter to Derek Higgs, ICAS points out that if the implementation date of 1 July 2003 is not feasible, then clarification is needed to remove the uncertainty for all affected parties.

The Institute recognises that the report has received some criticism. ICAS supports the setting out of current best practice and believes

much of the criticism is unwarranted. It points out that companies will remain free to depart from the provisions of the revised code by explaining their reasons for doing so. The main effect will be increased disclosure as companies explain any departures from the code.

ICAS welcomes this increased transparency, so long as

investors take a responsible attitude to compliance of the code and disclosures on non-compliance. The Institute expressed concern at reported comments from shareholder representative bodies that they will seek 'full compliance' with the code. This appears to move away from the 'comply or explain' approach endorsed by Higgs and strongly supported by ICAS.

ICAS ACCOUNTANTS LAUNCH REVISED GUIDANCE ON REALISED PROFITS UNDER THE COMPANIES ACT

New guidance on the determination of realised and distributable profits under the Companies Acts has been issued today by The Institute of Chartered Accountants of Scotland (ICAS) and The Institute of Chartered Accountants in England and Wales (ICAEW).

The revised guidance in Technical Release 7/03 follows two public consultations, and addresses the practical concerns of a wide range of commentators. Although its objective is to bring greater certainty to the question of how much of a company's profits are available for distribution, Tech 7/03 does not preclude companies from seeking advice on their own specific issues.

Commenting on the new guidance, Working Party Chairman Malcolm Woodford said:

"We are very grateful to the companies and advisers who

have contributed throughout the process of developing this guidance. We now have clear principles to guide companies in determining whether a profit is distributable. We believe that this guidance will answer many of the practical questions faced by companies in this difficult area, without constraining them in the way they organise their affairs in the best commercial interests of their shareholders."

Stuart MacDonald, Convener of the Scottish Institute's Accounting Standards Committee welcomed the completion and publication of the guidance:

"There has been a great need for up to date guidance on this difficult area of company law and we hope that companies and their auditors and other advisers will find this new guidance of assistance."

ICAS EXPRESSES CONCERN AT PENSION TAX REFORM

The Institute of Chartered Accountants of Scotland (ICAS) today criticised proposals to restrict tax relief on pension contributions.

In a letter to the Inland Revenue, the Scottish Institute said:

'We are deeply concerned that the changes may act as a disincentive to further savings. Individuals should be encouraged to save so that they can support themselves independently throughout their retirement. A predictable and stable system for pension provision is the single most important incentive that would sustain such behaviour throughout an individual's working lifetime.'

In its formal submission, ICAS claimed that the uncertainty caused by any change in the taxation of pension savings is likely to have an adverse impact.

Ian Dewar, Convenor of the ICAS Tax Committee, said:

"We welcome the proposals to the extent that they simplify the taxation of pensions, but we have expressed

concerns about other changes to the pensions tax regime. Long-term saving should be encouraged, but every change in the rules undermines confidence and discourages more taxpayers from saving for retirement. We also question encouraging long-term savings and then penalising those who achieve good investment returns."

The Institute criticised plans for annual and lifetime limits on the tax relief available for pension savings. It warned that it is unrealistic to expect taxpayers to be able to cope with the added complexities of ensuring compliance with these new restrictions when they complete their income tax returns under self-assessment.

The Institute has also called for the introduction of the new regime to be postponed, so that pension providers, scheme administrators and individual taxpayers have the opportunity to understand the impact of the new rules before they come into effect.

ACCA

EXAM RESULTS: FEBRUARY 2003

Names	Department	Paper Passed
Terence Newell	DFEE	1.2
Valerie Kendall	MOD	1.3
Sarah Davis	MOD	2.1, 2.2, 2.3, 2.4
Linda Hopkins	NAW	2.3
Alexandra Lovett	UKPA	2.3
Catherine Allan	Registers of Scotland	2.3
Jean Shakeshaft	DWP	2.3
Susan Bunting	DfES	2.4
Komal Kahad	LCD	2.4
Gary Laughland	DEFRA	2.4
Mary Spann	DFT	2.4 & 3.4
Peter Marshall	DWP	2.5
William Hunter	SFO	2.5
Daljit Singha	HM Treasury	2.5 & 2.6
Kofoworola Ighavini	Food Standards Agency	2.6
Douglas Stirling	Scottish Executive	2.6
Louisa Wood	Vehicle Inspection - DFT	2.6
Robert Clement	Rural Payments Agency - DEFRA	2.6
William Farnell	OGC	3.1, 3.4
Joanne Warnes	DWP	3.1
Melanie Morrice	DfEE	3.2
Irene Higson-Turner	DWP	3.3
Andrew Laycock	FSA	3.3
David Dutton	MOD	3.3
Stuart Bennett	IR	3.3
Pearl Perry	FSA	3.4
Navnit Savjani	DWP	3.4
Lynette Marsden	DWP	3.4
John Sayles	IR	3.7
Eamonn Moloney	DTI	3.7

WEBSITE OF THE MONTH

Film Reviews

Go on get out and catch the latest movie this weekend, it could be the latest Jennifer Lopez or Tom Cruise flick, but how will you know it is the right movie for you? Check out the BBC's Film 2003 with Jonathon Ross. The site offers you the opportunity to view film reviews, new releases, see what's going on in Holly Wood, take part in quizzes and lots lots more so what are you waiting for?

http://www.bbc.co.uk/films/film_2003/

Owl Online Writing Lab

This site offers you great tips on writing professional handouts and Resources. It also covers writing that CV/Resume and cover letter that will get you the job, also on this site amongst

many other things there are tips on searching for the right job so log on a get searching.

<http://owl.english.purdue.edu/handouts/pw/>

Your Health

Too embarrassed or not bothered to go to the doctor? This great new website offers you your own in-home doctor. If you are not feeling well you can use the self-help facility, you just input your symptoms and see what advice you are given. The site features five top topics for the days ranging from Diabetes to giving up smoking and has an easy to use health encyclopaedia.

<http://www.nhsdirect.nhs.uk/>

Finding GAS On The Internet

We are often asked if there is a shortcut to finding the pages for the Government accountancy Service on the main HM Treasury public site ? The answer is Yes!

<http://gas.treasury.gov.uk>

Business News

For breaking business news, results, updates, live share prices and to sign up for business newswires check out the Accountancy Age Website.

www.accountancyage.com/business

General Information

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PASS Magazine sponsor session: Evolving Role of Accountants



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what is PASS?

PASS is the leading UK title for accountancy students working in industry practice and the public sector.

PASS was established in 1982 and is distributed free, only on request, to over 20,000 part-qualified accountants nationally each month.

PASS is mailed to business addresses, giving you a substantial post-investment.

PASS is supported by many trading organisations and one of the UK's main accountancy bodies - CAW, ICAI, ICAE, ACCA, CIMA and CIPFA.

PASS is the only magazine in the UK dedicated to part-qualified accountants.

PASS is the established students' champion, offering career and exam advice, exam studies, salary guides, competitions and a dedicated student feedback line for readers to air their views.

PASS is the undisputed part-qualified market leader carrying 87% of all part-qualified vacancies advertised.

(IASP Survey, January-December 2000)

Unbiased and honest, PASS is totally independent in its editorial coverage.

what PASS does

PASS encourages on-line contributions from its readers. Our Talkback line gives all students the opportunity to comment on what matters to them.

The Training Association of the Year Award has freely established itself as the premier showcase for student accountants in the UK. One of our most popular regular features is our monthly letters page where views are exchanged not only by students, but also recruitment consultants, employers and industry bodies, making this an acknowledged focus for all.

PASS

2002

media information

'giving accountancy trainees a voice'



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For all your on-line financial recruitment advertising requirements, contact Steve Smith-Howes, Sales Director, jobfinancial.com on 01908 609 909 or 07712 186 632 or e-mail him at steve@jobfinancial.com

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Sponsorship Opportunities

Job of the Month

A new and unique advertising opportunity for all recruitment advertisers, 'Job of the Month' offers an outstanding vehicle to promote your vacancy and corporate image on the front cover of Pass. Designed with client paid advertisements in mind, 'Job of the Month' is not only a great way to highlight a specific vacancy, but is also a fantastic branding exercise for recruitment consultants. Limited to one advertiser per issue.

Trainee Accountant of the Year

Now firmly established as the most prestigious annual award for part-qualified accountants, the Pass Trainee Accountant of the Year competition is a fiercely fought annual event that pits the smartest and most competitive young professionals against each other and culminates in a luncheon and awards ceremony that in 2002 was held in Claridges. Sponsors benefit from high profile media exposure within the magazine and on promotional literature throughout the duration of the voting process.

Salary Survey

Once a year, Pass provides the part-qualified accountancy professional with the definitive guide to salaries and opportunities around the UK. In a 'state of the nation' issue, we publish what our readers consider to be the 'must read' survey of the year. As a result, sponsorship of the salary survey provides an extremely high profile marketing opportunity.

Letters Page

The Pass 'Letters Page' is available for sponsorship on a six or twelve month basis. It is the forum for part-qualified accountancy professionals to air the issues that impact on today's trainee accountant. The Letters Page is another high-profile, must-read section of Pass and sponsors are assured of maximum impact on a monthly basis.

Talk Back Line

As Pass is a totally independent magazine, it positively encourages feedback from its readers regarding their experiences of the accountancy profession, both good and bad. The Pass Talkback line is a dedicated service allowing readers to 'sound off' and ensures that students can voice their concerns about invigilators, exam hall conditions and the exam itself. The Pass Talkback line is so successful that even examiners now call to see what students thought of their offering. Again, there is an opportunity to brand this unique service with your company name and profile.

For contact information - see contacts sheet

There is more to PASS than PASS magazine

Temping & Contracting Times

Our twice-yearly supplement takes a look at what is on offer to those looking to temp. Published in April and September each year, the supplement is sent out to all 25,000 readers. As well as providing practical job-finding tips, Temping and Contracting Times looks at how to find a job on the web and provides real life profiles of part-qualified accountants actually doing it. Another popular section is our regular review of working overseas. The most recent issue looked at working in South Africa, Hong Kong and Central and Eastern Europe.

Weblife

The PASS definitive guide to the web, published in December. The ground-breaking supplement gives an annual no-holds-barred review of the main accountancy websites. It has become a 'must read' and best magazine for trainees. Each year teaches into the best sites. Recent winners were:

- Best accountancy blog: ACCA
- Best private sector employer: FTI
- Best big five firm: KPMG
- Best multinational: Grant
- Best recruitment consultancy (larger firm): Accountancy Personnel
- Best recruitment consultancy (medium): Accountancy Connective
- Best online recruitment site: Monster
- Best general site: ASB
- Best publisher: Paula Lynch

Workspass 2003

Pass Magazine was delighted to present an exhibition and conference programme for students in a pilot event called Workspass. 20 exhibitors, including recruitment consultancies, professional bodies and universities joined Pass at the Napoleonic Suite, Grosvenor on 20 March 2003.

Pre-bookings confirmed that we were expecting over 600 students to visit during the day. In actual fact in excess of 700 part-qualified accountancy professionals took the opportunity to visit the exhibitors and to take part in the interactive conference sessions.

The conference room was filled with 330 students for the outlining of ASB, and the panel discussion with the professional bodies also proved to be an excellent session. Delegates were treated to a variety of 'theatres' from the exhibitors as well as sound advice regarding placements and CVs.

Workspass had been borne from an idea relating back 12 months. Little had been done for the student market and this became an ideal opportunity to speak to the delegates and offer assistance. As the event was entirely beneficial to the students, Pass Magazine have decided to undertake the project again in 2003.

To book your exhibition stand or to discuss the many sponsorship opportunities available at Workspass 2003, contact the advertising team now (see contact sheet for further information).

I look forward to seeing you at the next workspass event in 2003.

Ann Grant
Head of Training
CMAA

Readership breakdown

breakdown by area of UK

Northern Ireland and Lee	1%
South England	20%
Wales	2%
Scotland	5%
Yorkshire and North East	7%
North West	6%
Midlands	12%
East Angles	8%
South West	11%
London and the South East	32%

breakdown by accountancy body

ICAEW	6%
ICAG	1%
ICN	1%
CIMA	11%
ACCA	37%
CIPFA	2%

passmagazine.com

passmagazine.com is an independent website that aims to give accountancy students, in the UK and abroad, a voice. It gives them the support they need to pass their exams 24 hours a day, seven days a week. The site covers news from all the professional bodies, asking the questions that nobody else asks and it tells it like it is. In addition, it provides study material that students cannot get in the magazine or free of charge anywhere else. The site was launched in April 2002 and has attracted thousands of visitors, who continue to come back.

It includes:

- Up-to-date news and analysis on the issues that matter
- A free weekly e-mail update, alerting students to what they need to know
- Exam fact files, guides and top exam tips from lecturers, weblogs to the Web
- The Big Question, which asks visitors to vote on a topical issue and often leads to changes at the professional bodies
- Discussion forums where students can debate the issues close to their heart
- Grumbles, a section that offers 'right-hearted rant' and features plenty of giveaways and special offers
- PASSnotes, a study-style section for the past quarter that makes things more to the... featuring quizzes, tests or courses, interviews, fresh charts and more
- Access to hundreds of jobs

Visit www.passmagazine.com

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A bespoke service is available for advertisers who want to customise their advertisements, perhaps with animations or short films. Consultation and prices on request. To discover how your company can benefit from on-line advertising at www.passmagazine.com, call the advertising team now.

For contact information - see contacts sheet

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.

Date Issued	Issued by	To	Subject
CA			
3 Feb	Chris Ruston (CA)	RABIG	RABIG(2003)06: 2002-03 Resource Accounting Manual (RAM), Executive NDPB Annual Reports and Accounts Guidance and Trading Fund Accounts Guidance – this letter informs departments of the forthcoming availability of the 2002-03 versions of the above accounting guidance.
26 Feb	Chris Ruston (CA)	RABIG	2002-03 Executive NDPB Annual Reports and Accounts Guidance and Trading Fund Accounts Guidance – this letter covers copies of 2002-03 versions of the above accounting guidance.
GEP			
24 Mar	Adam Sharples (GEP)	PFOs	MS PFO(03)/11: 2003-04 Supplementary Estimates and Departmental Reports – this letter informs departments that the Treasury does not intend to hold a Revised/Summer Supplementary Estimates round this year and notes that departmental reports will be published between 28 April and 16 May.
TOA			
6 Feb	Rob Molan (TOA)	PFOs	MS PFO(03)06: Annual Public Accounts Committee (PAC) Debate – this letter informs departments of the key points arising out of the debate.
11 Feb	Brian Glicksman (TOA)	Accounting Officers (AOs)	Dear Accounting Officer (DAO) letter DAO(GEN)01/03: Delivering Success in Government IT-enabled Projects and Programmes – this letter informs departments of new procedures that have been introduced by the Office of Government Commerce (OGC) with the objective of improving the delivery of IT-enabled projects and programmes.
25 Feb	Rob Molan (TOA)	AOs	DAO(GEN)02/03: Resource Accounts – Accounts Direction for 2002-03 – this letter covers out the Treasury accounts direction for resource accounts for 2002-03.
25 Feb	Rob Molan (TOA)	AOs	DAO(GEN)03/03: Executive Agencies – Accounts Direction for 2002-03.
25 Feb	Rob Molan (TOA)	AOs	DAO(GEN)04/03: Trading Funds – Accounts Direction for 2002-03.
27 Feb	Rob Molan (TOA)	Accounting Officers (AOs)	Dear Accounting Officer (DAO) letter DAO(GEN)05/03: Green Book – Appraisal and Evaluation in Central Government – this letter informs departments of the publication of the new edition of the Green Book and outlines the main changes in the revised guidance.
17 Mar	Rob Molan (TOA)	PFOs	MS PFO(03)08: Review of Controls in Government Accounting – this letter advises departments that the Treasury is about to start a review to test whether Treasury controls remain necessary or appropriate in their current form.
20 Mar	Debbie Edwards (TOA)	PFOs	MS PFO(03)09: The Register of Surplus Public Sector Assets – this letter advises departments of the creation and maintenance of a register and seeks information about surplus land and property.
21 Mar	Rob Molan (TOA)	AOs	DAO(GEN)06/03: Resource Accounting Manual (RAM) 2002-03 - Guidance on the inclusion of an Operating and Financial Review (OFR) in an Annual Report – this letter sets out the guidance that departments should follow on the inclusion of an OFR in their annual reports for 2002-03.
HM Treasury Permanent Secretary			
21 Mar	Gus O'Donnell (PermSec)	Consolidation Officers	Dear Consolidation Officer (DCO) letter DC 1/03: CGA – Progress during 2002 and 2002-03 Dry Run timetable – this letter summarises progress in 2002 and sets out the requirements for Milestone 4 (CGA dry-run for 2002-03).

Date Issued	Issued by	To	Subject
WGA			
10 Mar	Ian Carruthers (WGA)	Consolidation Managers	Dear Consolidation Manager (DCM) letter DCM 1/03: Post Balance Sheet Events for First Dry Run Central Government Accounts (CGA) 2001-02 – this letter sets out the treatment of such events for dry-run CGA for 2001-02 and highlights the information required from departments.

DIARY DATES

JUNE							
4	Business Process Mapping	ICAEW	North West	10	Time Management	CMPS	London
4-5	Assertiveness at Work	CMPS	London	10 & 11	Trainee Conference*	DART	York
4-6	Introduction to Budgeting	CMPS	Sunningdale Park	15	Local Government Finance	Publicsecta. com	London
5	What CRM Can Do For Your Organisation	CIMA	London	16	Practice Assurance	LSCA	London
5-6	Introduction to Government Finance	CMPS	London	16	Budgeting & Budgetary Control	Publicsecta. com	London
7	Payroll Year End Update	AAT	York				
9-11	Resource Accounting & Budgeting	CMPS	Sunningdale	23 & 24	HOAP conference	DART	Sundridge Park
14	Payroll Year End Update	AAT	York	24	Introduction to Business Risk Management	CIPFA	London
16	Faster Financial Closing	CIMA	London				
16-18	Resource Accounting & Budgeting	CMPS	London	25	Financial Aspects of Sponsoring NDPB's	CMPS	London
17	System Accountants Network Group Meeting	DART	London				
18	Company Law – the Essential Update	ACCA	London				
19	Money Laundering	ICAEW	Solihull	11-13	Finance for Non-Financial Managers	CMPS	Sunningdale Park
20	Key Developments in Management Accounting	ICAEW	London	20-22	Communicating Effectively	CMPS	Sunningdale Park
24	Data Protection & Information Management	Publicsecta. com	London	27	Audit Orientation Course & Test	ACCA	London
24	Accounting Standards Update	ACCA	Waterford				
24	Project management	Publicsecta. com	Leeds				
24	Advanced Presentation Skills	ICAEW	London				
24	Service Level Agreements	Publicsecta. com	Dublin				
25	Portfolio Investment	ACCA	London				
25	Putting Strategy to work	ACCA	London				
25	Government Accounting	CMPS	Sunningdale Park				
25-27	Effective Presentation	CMPS	Sunningdale				
30	Introduction to Foreign Exchange	DSFM	Worthy Down				
30	Continuing Professional Development (Series 3)	DSFM	Worthy Down				
JULY							
1	Data Protection-How to audit your business	ACCA	London	15-17	Developing Tomorrow's Manager	CMPS	Sunningdale
1	Risk Management for Accounting Practices	LSCA	London	16	Accounting Standards Update	ACCA	Edinburgh
1	Data Protection & Information Management	Publicsecta. com	Glasgow	16-17	Making Successful Presentations	CCH	Central London
2	How to put the E in Procurement	CIPFA	Birmingham	17	Acting as a Trustee	CCH	Huddersfield
3	What's new in Financial Reporting	ACCA	London	17	Tax Update	ACCA	Leicester
5	International Accounting Standards	AAT	London	18	Advanced Presentation Skills	CCH	Central London
7	Key Persuasive techniques for Accountants	ICAEW	Central London	19	Key persuasive Techniques for Accountants	CCH	Central London
8	Introduction to Business Risk Management	CIPFA	London	22-24	Introduction to Budgeting	CMPS	Sunningdale Park
8	Accounting in Italy and Spain	ACCA	London	24	Fraud	CCH	Central London
8	The Balanced Scorecard	Publicsecta. com	Glasgow	26	The Balanced Scorecard	CCH	York
				29	Introduction to Accountants in Government	CMPS	London
				30	Pension Schemes	ABG	Central London
AUGUST							
				1-3	Presenting Data and Analysing Statistics	CMPS	London
				3-5	Business Management in Public Sector	CMPS	Sunningdale Park
				4-5	Preparing Business Cases	CMPS	London
				8	Employment Bill 2001	ACCA	Harrow
				8-9	Introduction to Government Finance	CMPS	London
				8-10	Resource Accounting & Budgeting	CMPS	Sunningdale
				9	Accounting Standard Update	ACCA	Glasgow
				10-12	Achieving an effective work/life balance	CMPS	Sunningdale
				15	Corporate Accounts Update	ACCA	Dublin
				15-17	Management Accounting and Budgeting	CMPS	Sunningdale
				15-17	Developing Tomorrow's Manager	CMPS	Sunningdale
				16	Accounting Standards Update	ACCA	Edinburgh
				16-17	Making Successful Presentations	CCH	Central London
				17	Acting as a Trustee	CCH	Huddersfield
				17	Tax Update	ACCA	Leicester
				18	Advanced Presentation Skills	CCH	Central London
				19	Key persuasive Techniques for Accountants	CCH	Central London
				22-24	Introduction to Budgeting	CMPS	Sunningdale Park
				24	Fraud	CCH	Central London
				26	The Balanced Scorecard	CCH	York
				29	Introduction to Accountants in Government	CMPS	London
				30	Pension Schemes	ABG	Central London
SEPTEMBER							
				1-3	Presenting Data and Analysing Statistics	CMPS	London
				3-5	Business Management in Public Sector	CMPS	Sunningdale Park
				4-5	Preparing Business Cases	CMPS	London
				8	Employment Bill 2001	ACCA	Harrow
				8-9	Introduction to Government Finance	CMPS	London
				8-10	Resource Accounting & Budgeting	CMPS	Sunningdale
				9	Accounting Standard Update	ACCA	Glasgow
				10-12	Achieving an effective work/life balance	CMPS	Sunningdale
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				26	The Balanced Scorecard	CCH	York
				29	Introduction to Accountants in Government	CMPS	London
				30	Pension Schemes	ABG	Central London
NOVEMBER							
				13/14	GAS Qualified Conference	DART**	York

*Information has been sent to Heads of Accounting Profession

** Information will be issued during August

www.cch.co.uk

www.publicsecta.com

ACCA events can be booked on line or by telephoning 020 7396 5903

CIMA events can be booked on line or by telephoning 020 8849 2244

Recruitment Update

Closing Date	Dept	Grade/ Level	Job	Location	Press/ Trawl	Appointee
13.12.02	NHS Trust – The Royal Brompton & Harefield	Grade 7	Head of Management Accounts	London	Public Finance	Information not available.
16.12.02	Government Actuary's Department	HEO	Interim Cover	London	Trawl	Nigel Richards
23.12.02	Inland Revenue	SEO	Various accountancy posts	Worthing	Press	Information not provided by department
27.12.02	Highways Agency	Grade 7	Various accountancy posts	Hemel Hempstead/ Birmingham	Press	Stuart Yates, Larry South Andrew Tribe Pauline Brown
27.12.02	OGC	Grade 7	Head of Best Practice in IT	London	Press	Successful name not provided
27.12.02	OGC	Grade 7	Programme Manager	London	Press	Successful name not provided
27.12.02	OGC	Grade 7	Head of Intelligent Customer Services	London	Press	Successful name not provided
2.01.03	HM Prison Service	SEO	Senior Internal Auditor	London	Press	Unsuccessful
3.01.03	British Trade International	EO	Finance & Accounting Officer	London	Trawl	Successful name not provided
6.01.03	Dept for Culture Media & Sport	HEO	Accounting & Systems Manager	London	Trawl	Neil O'Grady
6.01.03	Dept for Culture Media & Sport	HEO	Group Finance Manager	London	Trawl	Gennine Greyo
3.01.03	HMT	SEO	Assistant Financial Accountant	London	Press	Richard Lewis Fiona McGregor
3.01.03	Office for National Statistics	HEO	Accounting Services Manager	Titchfield, Hants	Trawl	Successful name not provided.
6.01.03	House of Commons	SCS	Director of Financial Management	London	Press/ Public Finance	Chris Ridley
6.01.03	The Statistics Commission	Grade 7	Head of Resources	London	Press	Information not available
6.01.03	NHS - North Stoke Primary Care Trust	SEO	Sure Start Programmes Accountant	Stoke on Trent	Press	Paul Ronald
6.01.03	House of Commons – Treasury Select Committee	HEO	Treasury Committee Specialist	London	Press	Successful name not provided
6/01/03	The Office of Water Services	SEO	Accountant	Birmingham	Press	Successful name not provided
10/01/03	Office of National Statistics	HEO	Project Officer	Southport, Merseyside	Trawl	Post deferred
17.01.03	Inland Revenue	Grade 7	Project Manager Business in the Community	London	Press	Information not provided by department
23.01.03	Driver & Vehicle Licensing Agency	HEO SEO & HEO	Accountancy vacancies & Internal Auditor vacancies	Swansea, Wales	Press	Successful names not provided
24.01.03	NHS – Morecambe Bay Primary Care Trust	SEO	Financial Accounting Manager	Lancaster	Press	Successful name not provided
24.01.03	The Royal Surrey County Hospital NHS Trust	Grade 7	Financial Controller	Surrey	Press	John Caffrey
24.01.03	Food Standards Agency	7/SEO	Systems Accountant	London	Trawl	Short term casual contract
24.01.03	Dept for Education & Skills	Grade 7	Financial Accounting Division	Runcorn, Cheshire	Trawl	Unsuccessful
24.01.03	West Mercia Probation Service	HEO/SEO	Deputy Finance Manger	Kidderminster	Press	Tina Champken
24.01.03	NHS Trust – The IOW Healthcare	SCS	Director of finance	Isle of Wight	Press	Lynda Blue
27.01.03	Treasury Solicitor Office	Grade 6	Finance Director	London	Press	Tony Hindley
27.01.03	NHS Trust – Plymouth Hospitals	Grade 7	Divisional Finance Manager	Plymouth	Press	Information not available
31.01.03	DOH – Modernisation Agency	SCS	Director of Finance & Resources	London	Press	Information not provided by department
07.02.03	Home Office	Grade 6	Head of Accountancy Service	London	Press	Successful name not provided
07.02.03	NI Prison Service	SCS	Director of Finance & Pers	Belfast	Press	Information not available
07.02.03	Central Office of Information	SCS	Director of Finance	London	Press	Graham Beasant
10.02.03	DTI	SEO	SEO Accountant	London	Trawl	Renu Kumar
10.02.03	DTI	HEO	Accountants	London/Manchester	Trawl	Successful names not provided
10.02.03	DTI	HEO	Part-qualified Accountant	London		Seamus Mooney
10.02.03	Dept for International Development	Grade 7	Accountant	East Kilbride Scotland	Trawl	Jaqui Birch

Recruitment Update

Closing Date	Dept	Grade/Level	Job	Location	Press/Trawl	Appointee
13.02.03	DEFRA	SCS	Head of Accounting Services Division	York	Trawl	Roger Atkinson
14.02.03	National Assembly for Wales	Grade 7	Senior Accountant	Cardiff	Trawl	Nik Amor
31.01.03	Meat Hygiene (Food Standards Agency)	SEO	Project Manager	York	Trawl	Helen Wyatt-Pike
17.02.03	Privy Council	Grade 6	Deputy Director of Corporate Services	London	Trawl	Ceri King
18.02.03	English Heritage	EO	Senior Finance Assistant & Finance Assistant	London	Press	Successful names not provided
20.02.03	NHS Trust – West Suffolk Hospital	SCS	Director of Finance	Suffolk	Press	Successful name not provided
21.02.03	NHS Trust – Clatterbridge Centre for Oncology	SEO	Management Accountant	Merseyside	Press	Information not available
26.02.03	DWP	EOs	Financial Management trainees	Cardiff, Leeds, London, Sheffield, Salford, Quays, Newcastle upon Tyne	Press	Information not provided by department
28.02.03	DFES	SEO	Budgetary Control Manager	London		Marion Bevis, Jane Childs
28.02.03	UK Passport Services	SEO	Regional Heads of Finance in Glasgow & Belfast	Belfast & Glasgow	Trawl	Sandra Lovett (Belfast) Successful but information not provided for Glasgow
28.02.03	UK Passport Service	Grade 7	Project Accountant	London	Trawl	Interviewing still in process
28.02.03	DOH	6 Month Secondment	Finance Manager	London	Trawl	Richard Jefferies
21.02.03	Home Office	SEO	Head of Finance & Procurement Section	London	Trawl	Trawl withdrawn
28.02.03	NHS Trust Devon & Cornwall	Grade 7	Assistant Director of Finance	Devon & Cornwall	Press	Successful name not provided
21.02.03	LCD	HEO	Accounting & Finance Policy	London	Trawl	Unsuccessful
27.02.03	NHS – Tower Hamlets	HEO	Financial Accountant	London	Press	Dion Campbell
20.02.03	HMT	SCS	Director of the Financial Services – FRI	London	Trawl	Phil Wynn Owen
28.02.03	Dept for Education & Skills	SCS	Head of Internal Audit	London	Trawl	Successful name not provided

TECHNICAL UPDATE NO.31

ASB publications can be obtained from <http://www.asb.org.uk> or by correspondence:

ASB Publications
145 London Road
Kingston-upon-Thames KT2 6SR

The CGAA final report and a review of regulation of the accountancy profession can be accessed at www.dti.gov.uk/cld/post_enron.htm.

The DTI is chairing an implementation steering group to take forward the changes to the regulatory structure. Changes to the Combined Code on Corporate Governance will be made in the early summer once the Financial Reporting Council has consulted on the precise wording.

PUBLICATIONS

Statement ‘Operating and Financial Review (OFR)’

The Board published a revised version of its OFR statement. Proposals on how the OFR should apply to central government departments were circulated in RABIG letter 2003(03). The requirement on how the OFR should apply in the annual accounts for the year was circulated in RABIG letter 2003(05).

Financial Reporting Council (FRC) Annual Review 2002

The FRC has issued its annual review for 2002. The Review describes the activities of the FRC, ASB and FRRP for the past year. Copies are available from the FRC website at www.frc.org.uk.

Exposure Draft of an Application Note to FRS5 ‘Reporting the Substance of Transactions’ on revenue recognition

The ASB published an Exposure Draft (ED) of an Application Note (AN) to FRS5 Reporting the Substance of Transactions on revenue recognition. The Treasury will be assessing the implications for central government.

UITF Abstract 36 ‘Contracts for Sales of Capacity’

This Abstract sets out the criteria for recognising an immediate sale, for reporting transactions in operating results and for recognising revenues and gains in respect of exchanges and reciprocal transactions.

The Abstract applies to financial statements relating to accounting periods ending on or after 22 June 2003.

UPDATE: ASB

Revenue Recognition

The Board discussed the IASB/US Financial Accounting Standards Board (FASB) project on revenue recognition and outlined a number of key features of the main approaches to revenue recognition.

SORP for Investment Trust Companies

The Board has approved the revised SORP for publication.

Revaluation Group

The Board has considered a draft of the proposals that would bring IAS16 and the requirements of FRS15 Tangible Fixed Assets into line.

This has implications for central government and the Treasury is

monitoring this project closely.

Share-based payment

The Board has discussed the proposals that share-based payments should be recognised as an expense in financial statements.

Reporting Financial Performance

The Board discussed progress on a number of aspects of its joint project with the IASB on reporting financial performance.

There has been some consideration as to whether the single statement of financial performance should incorporate a "gains and losses", or "other business" category. This would be reported as follows:

Category	Sub-Category	Total	Income before re-measurements	Re-measurements
Business	Operating			
	Gains and losses			
	Financial			
Financing		Financing Expense		
Tax		Tax Expense		
Discontinuing		Discontinuing (post-tax)		
		Profit or loss		

The Board has also agreed proposals for field visits to a selection of preparers and users, to seek their views and assistance in developing of the ED of a standard. This project could have a major impact on central government (and WGA) and the Treasury is closely monitoring progress.

IASB Project on Retirement Benefits

The Board has been updated on the IASB's project on post-employment benefits convergence. The main issues considered include:

- The recognition of actuarial gains and losses;
- The asset ceiling;
- The expected return on assets;
- The presentation of the reporting entity's interest in the pension fund as a net interest, rather than one of the underlying assets in the scheme;
- The allocation of costs to periods of service.

Consolidation policy

The Board received an update on the latest work of the US Financial Accounting Standards Board (FASB) on consolidation and accounting for special purpose entities (SPEs). FASB issued Interpretation No.46 Consolidation of Variable Interest Entities. The aim is to tighten the requirements for consolidation of SPEs, now referred to by FASB as Variable Interest Entities (VIEs).

There is still a need to determine a longer-term consolidation policy and the Board is pressing ahead with its work for the IASB in developing an internationally agreed approach to consolidation policy. The Treasury is monitoring this work and its potential implications for central government.

Insurance Accounting

The Board received an update on phase 2 of the IASB's work on developing a standard on accounting for insurance contracts, and reached a number of tentative conclusions.

Control, derecognition and rights of use

The Board has examined the issue of control in agreements that convey the right to use some or all of the capacity of an item of property. The International Financial Reporting Interpretations Committee was examining this issue.

The EITF's tentative conclusions seem to equate control with the party taking substantially all of the output of the property (one implication is that it could bring all PFI schemes on the public sector balance sheet). ASB are planning to discuss this with the IASB. This is important as it has a direct link across to the Board's work on accounting for service concessions.

Accounting for Service Concessions

The Board is preparing a paper for the IASB on developing an equivalent to the Application Note F (of the FRS5).

Fundamental measurement issues

The Board has received a report of a project the Canadians are leading for the IASB on fundamental measurement issues. This project is to provide the basis for the IASB to initiate and:

- Revise and expand the measurement aspects of the conceptual framework; and
- Improve the measurement requirements of financial reporting standards by basing them on a coherent conceptual basis.

The draft paper prepared by the Canadians considers alternatives and proposed working definitions on:

- historical cost;
- replacement cost;
- net realisable value;
- value in use; and
- fair value.

The paper also considers two fundamental measurement objectives:

- Market versus entity specific.
- Entry versus exit value.

The Board confirmed that it should question the two assumptions made above and to continue to press the case for retention of the deprival value model.

Financial instruments: update on the IASB roundtables

The Board was given details of the meetings the IASB hosted on the proposed revisions to IAS32 and 39. The main areas included:

- Derecognition;
- Derivatives and hedging;
- The option to fair value instruments currently measured at cost; and
- Insurance;

Update: PSNC

Draft Statement of Principles for Public Benefit Entities (SoP PBE)

The PSNC has discussed a further draft of a DP of the SoP PBE. It is intended the SoP PBE will set out the Board's views of the application of its principles to entities that are not profit-orientated.

Current status of PSNC Statements of Recommended Practice (SORPs)

The PSNC received an update of the current status:

SORP	Status
CIPFA/LASAAC SORP for local authorities	Final version of 2003 SORP approved by PSNC. ASB approval to be sought on 10 April.
SORP for Registered Social Landlords (RSLs)	SORP Update Bulletin published November 2002.
Charity Commission SORP	SORP Update Bulletin published January 2003.
Higher Education/Further Education SORP	Comment period on Exposure Draft of revised SORP ended 13 March. Final ASB approval scheduled for May.