

THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY

England & Wales · Charity number 231060

Details

Other names	THE INSTITUTE OF MUNICIPAL TREASURERS AND ACCOUNTANTS, C I P F A
Status	Registered
Legal form	Other
Registered	1964-04-13
Register	View on the Charity Commission register

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Activities

Objects: A) TO ADVANCE THE SCIENCE OF PUBLIC FINANCE AND OF ACCOUNTANCY AND COGNATE SUBJECTS AS APPLIED TO ALL OR ANY OF THE DUTIES IMPOSED UPON AND FUNCTIONS UNDERTAKEN BY PUBLIC SERVICE BODIES. B) TO PROMOTE PUBLIC EDUCATION THEREIN. C) TO PROMOTE AND TO PUBLISH THE RESULTS OF STUDIES AND RESEARCH WORK THEREIN AND IN RELATED SUBJECTS. D) TO ADVANCE AND PROMOTE CO-OPERATION BETWEEN ACCOUNTANCY BODIES IN ANY WAY; TO ADVANCE AND PROMOTE ANY SCHEME OR SCHEMES (HOWSOEVER CONSTITUTED) WHICH, AS ONE OR MORE OF THEIR OBJECTS, REVIEWS, REGULATES OR SUPPLEMENTS IN THE PUBLIC INTEREST THE ESTABLISHMENT OF STANDARDS BY, AND THE TRAINING, REGULATORY AND DISCIPLINARY ACTIVITIES AND PROCEDURES OF, ANY ONE OR MORE ACCOUNTANCY BODIES.

Activities: CIPFA aims to work in the public interest to promote high standards and deliver excellence in governance and financial management throughout the public services.

Classification

- **How:** Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- Australia
- Bangladesh
- Botswana
- Canada
- China
- Ireland
- Italy
- Kazakhstan
- Lesotho
- Malta
- Northern Ireland
- Scotland
- Somalia
- Switzerland
- Tajikistan
- Turks And Caicos Islands
- United Arab Emirates
- United States
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£30,881,000	£27,947,000	£13,895,000	211
2023-12-31	£28,181,000	£28,111,000	£12,509,000	259
2022-12-31	£56,726,000	£27,341,000	£15,513,000	238
2021-12-31	£26,603,000	£23,129,000	£-3,673,000	214
2020-12-31	£26,417,000	£23,575,000	£-15,905,000	219

Trustees

Name	Role	Appointed
Amanda Dowse		2023-06-26
Andrew Francis		2025-06-23
Carol Ann Culley		2021-07-06
Caroline Al-Beyerty		2021-07-06
Clementine Johnson		2025-06-23
David Blair		2023-06-26
Dr Deirdre Bane		2021-07-06
Dr Jamie Carrahar MBE		2025-06-23
Hardev Virdee		2021-07-06
Harriet Aldridge		2025-06-23
Ian Owen		2023-06-26
Ian Williams		2021-07-06
Jack O'Shea		2025-06-23
Julie Murphy		2025-06-23
Libby Mason		2024-01-31
Lin Liu		2025-06-23
Marcel Mukeshimana		2025-06-23
Mark McBride		2021-07-06
Michael Curtis		2025-06-23
Michael Wildman		2025-06-23
Mike Newbury		2021-07-06
Nina Philippidis		2023-06-26
Paul Vorbach		2025-06-23
Peter Gillett		2021-07-06
Peter Welch		2025-06-23
Professor Toshihiko Ishihara		2023-09-26
Rebecca Nelson		2023-06-26

Name	Role	Appointed
Simone Hines		2025-06-23
Sir Mark Lowcock KCB		2022-07-12
Sofia Mahmood		2025-06-23
Steven Corbishley		2025-06-23
Theresa Channell		2023-06-26

Accounts

The CIPFA logo is positioned in the upper right quadrant of the cover. It consists of the letters 'CIPFA' in a white, bold, sans-serif font, followed by a white diagonal slash. The background features a dark blue grid with various geometric shapes and arrows in shades of teal, yellow, and purple.

Annual report and accounts 2024

A review of the year

cipfa.org

31 December 2024

The Chartered Institute of Public Finance and Accountancy.
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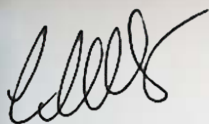
Contents

01	President's introduction and CEO overview	4
02	Our purpose	8
03	What we've achieved in 2024	15
04	2024 in review	22
05	How we work	36
06	How we are governed	40
07	Opportunities and risks	49
08	Financial summary	54
09	Administrative information	58
10	Financial report	60



01

President's
introduction and
CEO overview



Carol Culley
CIPFA President



As I approach the final stages of my time as CIPFA President, I reflect on a year marked by extraordinary challenges and the resilience shown by our members. The political and economic shifts of 2024 have added layers of complexity to an already demanding landscape – and such changes continue unabated into 2025. For public service professionals, adaptability is no longer optional; it has become a necessity. I am proud of how our members have embraced this shift, remaining committed to the critical work we do.

During my presidency, I have championed three key themes that I believe are integral to both our immediate and long-term future: pride and trust, sustainability, and equality, diversity and inclusion (EDI). These principles have helped shape CIPFA's response to the challenges faced by the public sector, and I am confident they will continue to serve as the foundation for the future of public finance.

Public finance is the cornerstone of effective public services, and we should take immense pride in the critical role we play in supporting services like healthcare, education and social care. Trust is equally vital in everything we do. Our communities rely on us to manage resources with integrity and accountability. Over the past year, I've been proud of our work to strengthen CIPFA's voice – speaking out on the issues that affect us all and championing the role of public finance in shaping fair and effective policy.

A key part of this has been our contribution to resolving the local audit challenges, recognising that high-quality audited accounts are critical to the reputation and accountability of local government.

Through it all, I've been consistently inspired by the dedication and values of everyone I've met. This responsibility is one we must continue to uphold, ensuring that the trust placed in us remains steadfast.

Sustainability is another theme that has shaped my presidency. It is no longer a matter of choice – it is an imperative. With rising demand and budget cuts, public finance professionals must adopt a long-term perspective in decision-making. This theme of sustainability will remain at the core of our work, ensuring that our financial decisions today do not compromise the future for generations to come.

Equally crucial is the work we've done to champion equality, diversity and inclusion (EDI). We must continue striving to ensure that public services are accessible to all, and that the workforce behind these services reflects the diverse communities it serves. Over the past year, CIPFA has taken significant steps to increase inclusivity within the profession, offering greater opportunities to under-represented voices. This work is ongoing, and we must continue to challenge policies that perpetuate inequality and push for reforms that promote social equity and fairness.

As CIPFA arrives at its 140th anniversary, I take pride in our collective journey. The events of 2024 have reaffirmed the need for bold leadership, innovation and long-term sustainability in public finance. I am confident that CIPFA will continue to lead the charge in ensuring financial resilience, advocating for inclusive policies and prioritising sustainability. As I pass the baton to my successor, Sir Mark Lowcock, I do so with optimism for what lies ahead for our profession.



Owen Mapley
CEO, CIPFA


As I reflect on my first year as CIPFA's CEO, I am reminded of both the challenges we've faced, and the remarkable resilience demonstrated by our members throughout the last year. It has been a year marked by significant change and turbulence for the public sector. Yet, even in the face of such challenges, the commitment, adaptability and strength of our members have remained unwavering.

Public services remain under immense financial strain, the workforce is stretched thin and the collapse of local audit has further complicated an already fragile landscape. Added to this, ongoing reforms – many still in their early development – are creating additional layers of uncertainty.

In this context CIPFA's role as the voice of public sector financial management has continued to be essential. Centred around independent professional standards, guidance, and advisory services, our mission remains consistent, **to be the global home of professional excellence in public financial management**, working to equip our members and other practitioners with the expertise and resources needed to navigate these complexities and continue delivering quality public services.

In the last year, CIPFA has worked to refine our membership proposition to position us as a trusted partner, aspiring to be a career companion at every stage of a public finance professional's journey. The

“ In a rapidly changing external environment, we are also changing within CIPFA to meet these needs and support our members.



“ Together, we will continue to lead with professionalism and integrity, supporting public finance professionals to deliver lasting, positive change.

demands on the public sector are changing, and so must we. We are focused on providing our members with the career development opportunities, networks, training and expert advice that will empower them to grow, thrive and succeed.

In a rapidly changing external environment, we are also changing within CIPFA to meet these needs and support our members. We have clarified our operating model, arranging ourselves more consistently around our three foundational pillars.

These are **CIPFA Thinks** – covering our work as thought leader, influencer and standard setter, **CIPFA Develops** – including our work to educate and support public finance practitioners, and **CIPFA Supports** – which is our work to partner with public service organisations to help improve their financial management.

We are also investing in our core systems including CRM, website and finance platforms, to enable us to offer more personalised, accessible support. These efforts are designed to make CIPFA more agile, responsive and effective.

And we are continuing to strengthen our strategic partnerships, particularly our collaboration with ICAEW, to broaden our offer, expand our reach and maximise the value we provide to public finance professionals globally.

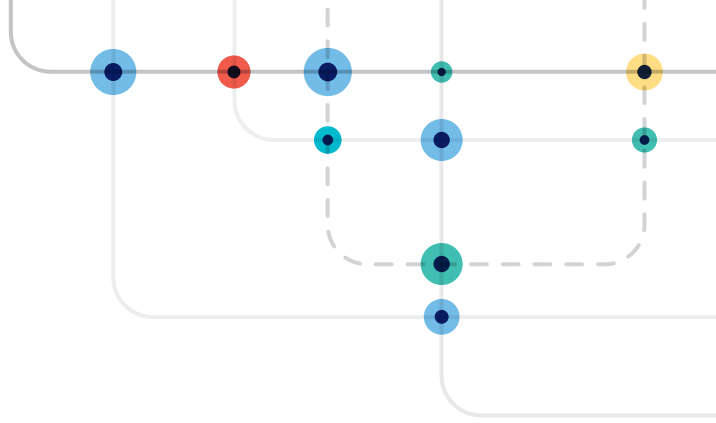
Despite the significant external challenges facing the public sector, I remain optimistic about CIPFA's future. The steps we have taken over the past year, along with the strong foundations we have built, position us well for the future. Together, we will continue to lead with professionalism and integrity, supporting public finance professionals to deliver lasting, positive change.



02

Our purpose





CIPFA is the global home of professional excellence in public finance. We exist to ensure public money is well spent and well managed for the benefit of us all.

CIPFA is the world's only professional accountancy body that specialises in public services. Our expertise, training and qualifications are highly respected around the world.

Our members work across all public services. They manage the largest budgets under the greatest scrutiny – that's why the CPFA designation is the foremost qualification for public service finance.

Founded in 1885 as the Corporate Treasurers and Accountants Institute, CIPFA has been the home of excellence in public financial management for 140 years, supporting professionals across the UK and internationally.

From working with local authorities to strengthening public finance systems in countries including Bangladesh, Pakistan and Rwanda, our mission is to ensure public money is well managed for the benefit of all.

We're an ambitious organisation, determined to deliver on our purpose for our members, our students, our customers, our stakeholders and our staff. We want to make a real difference to the world we live in and achieve sustainable, confident and resilient public services.

We are clear about what we will do. Our activity is shaped around three core pillars.

CIPFA's three pillars

Our three pillars of CIPFA Thinks, CIPFA Develops and CIPFA Supports define everything we do at CIPFA. We **shape the debate** on public finance, providing thought leadership and expertise. We **develop professionals**, equipping our members with lifelong skills and knowledge. And we **work with public sector organisations** to tackle public finance challenges and drive sustainable change.



CIPFA's strategic objectives



To make CIPFA's offering more relevant for today's public finance professionals and practitioners, with an emphasis on empowering them to respond to a changing world and to influence.



To develop our work and strategic partnerships in new and emerging areas of policy that impact on public finance.



To modernise our offer, leveraging new and emerging technologies to increase reach and impact.

CIPFA's values



Sustainability reporting

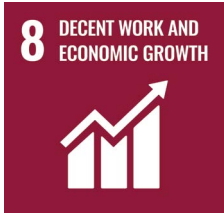
CIPFA supports the UN Sustainable Development Goals (SDGs) and the following SDGs are particularly relevant to CIPFA's purpose.



SDG 4: Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

We generate affordable and quality technical, vocational and tertiary education, increasing the number of youth and adults with skills, supporting our members, eliminating gender disparities and promoting sustainable development.



SDG 8: Decent Work and Economic Growth and SDG 13: Climate Action

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; take urgent action to combat climate change and its impacts.

We work with public sector organisations to promote economic growth and combat climate change within the UK and worldwide. We collaborate with internationally recognised standard setters to develop a clear understanding of sustainability requirements among finance professionals. We provide training in green skills to help accelerate economic growth and employment opportunities.

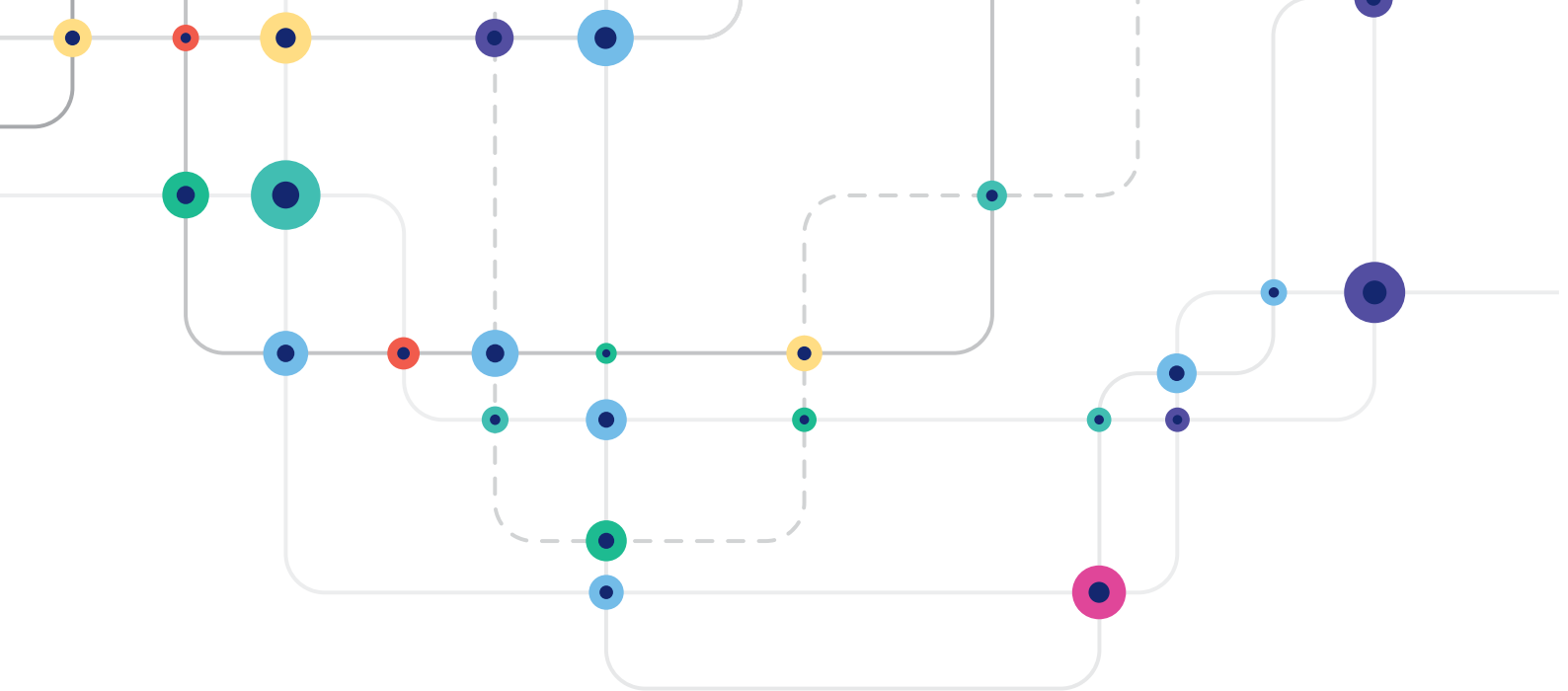


SDG 10: Reduced Inequalities

Reduce inequality within and among countries.

We work in emerging and developing economies to promote economic growth and reduce inequalities alongside public sector organisations. We equip public finance professionals within these organisations with the skills to apply sustainability principles.

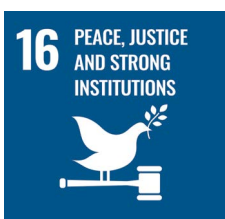




SDG 11: Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

We develop training programmes and projects to work collaboratively with research organisations such as UKRI to help public sector organisations deliver their sustainability agenda. We are developing our sustainability products and service offering, including work on our sustainability dashboard, carbon plan development, guidance on sustainability reporting and sustainable finance toolkits.



SDG 16: Peace, Justice and Strong Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

We work in the UK and around the world to support public sector organisations in their financial management and governance, and issue codes of practice and guidance alongside advisory services to promote best practice.

These internationally recognised goals provide a framework for our strategy and align to CIPFA's charitable objectives. They provide a prompt for us to think about what we do through a sustainable development lens, and to build in systems for evaluation as we look towards the future. This approach also demonstrates our commitment to discharging our charitable objectives to support public benefit.



CIPFA's charitable objectives

CIPFA is a charity constituted by Royal Charter. Our core purpose is set out in our charitable objectives.

These are summarised as follows:



Advancing the science of public finance, accountancy and related subjects: promoting best practice



Promoting public education: educating and training student members



Advancing and promoting co-operation between accountancy bodies



Promoting and publishing results of studies and research



Regulating and supporting members



03

What we
achieved in 2024

CIPFA Thinks

What we said:

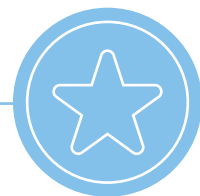
We will be bolder in our thought leadership, focusing on key campaigns with measurable outcomes, about what is important to our members and the wider PFM community.

What we did:

Our new thought leadership plan was implemented, delivering expert commentary and building on reports on key issues including [social care](#) (PDF), [regional inequalities](#) and the [local government finance workforce](#) (PDF) (with the LGA). Work continued on projects addressing sustainability, [preventative investment](#) (PDF) and public sector reform.

We achieved:

- increased media presence: more media mentions than in 2023
- the launch of CIPFA's LinkedIn newsletter reaching almost 7,500 subscribers
- the delivery of standards, technical advisory and network support, events and conferences with high satisfaction rates
- increased social media presence: followers and engagement on LinkedIn improved, although they reduced on X, consistent with our reduced focus on X.



CIPFA Develops

What we said:

We will implement qualification portability and dual membership with our partner institute, ICAEW.

What we did:

Portability/dual membership was implemented in early 2024. We achieved 1,819 expressions of interest, with 55% from CIPFA members or students and the rest from ICAEW members or others.

Our partnership with ICAEW continued to deepen and in September we marked the one-year anniversary of our joint declaration.

Since February 2024, ICAEW has also taken on the responsibility for investigating all complaints made against CIPFA members and presenting cases to CIPFA's disciplinary committees.

What we said:

We will review and improve our member offer to best support members in the regions.

What we did:

We reviewed our support offer to members in the regions and put regional leads in place to identify and meet their needs. Work on the wider member offer is continuing with a refresh of our member value proposition.

We achieved:

- a member satisfaction rate of 71%, a 10-point increase on the previous bi-annual member survey
- a consistently high member retention rate – 95% in December 2024.

The number of members has fallen slightly to 13,546 (13,805 in 2023) – in response we are working on dual membership, improving our member offer and diversifying our qualifications.





What we said:

We will implement a new member CPD platform and refresh our CPD offer.

What we did:

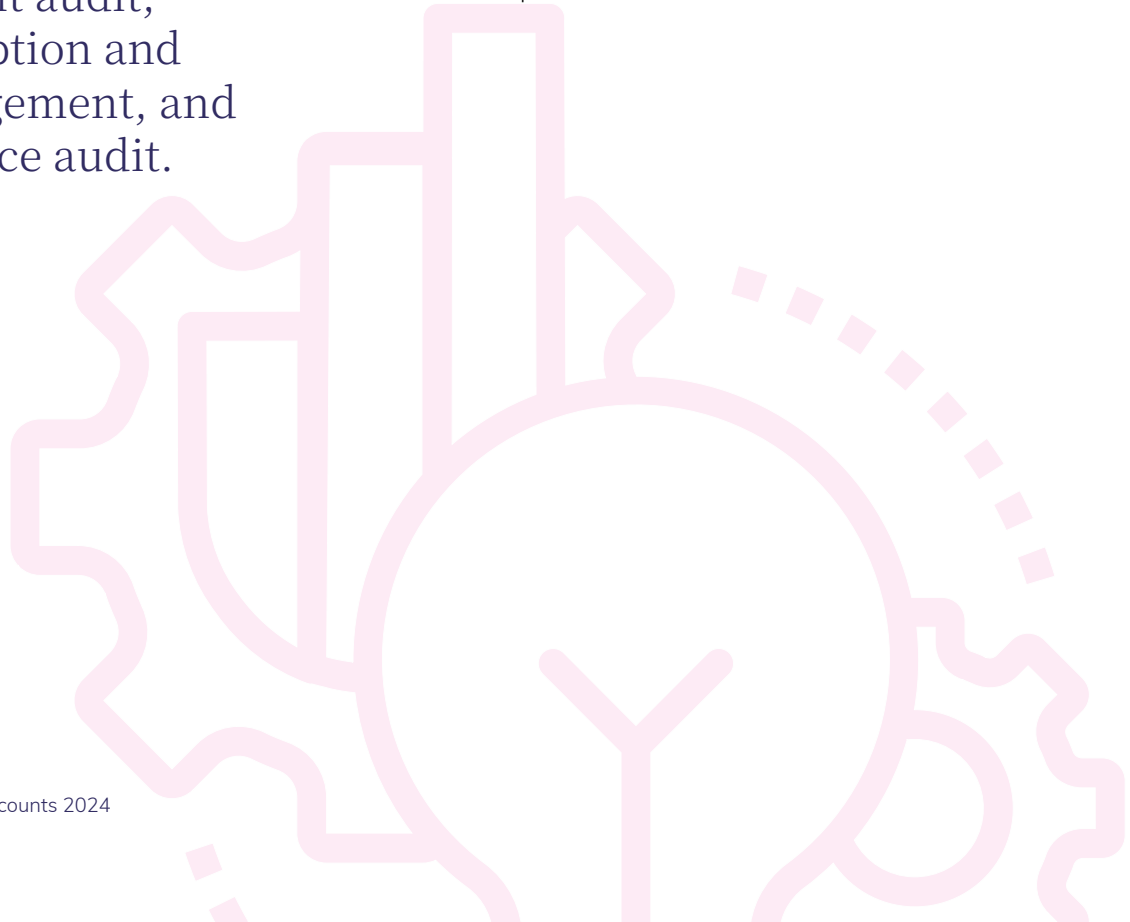
Our new member CPD platform was rolled out to all members in April 2024. A new CPD framework for members, aligned to our competency model, was issued in January 2025.

What we said:

We will launch new qualifications in local government audit, anti-corruption and risk management, and performance audit.

What we did:

Our local government audit CPD course was launched in March 2024. We completed three pilots of our anti-corruption and risk management programme. Work on our new performance audit qualification continues towards a planned launch in 2026.



CIPFA Supports

What we said:

We will focus on growth in health and central government, while continuing to maintain and develop our offer in sectors where our presence is already strong.

What we did:

We continued to grow the advisory business with projects in the UK and overseas. A new digital platform for our Financial Management Model was implemented in early 2024 and we achieved strong growth in advisory clients. CIPFA C.Co was brought into CIPFA in October 2024 to provide a more rounded advisory offer. While we have not reached our target growth in health and central government, we will continue to work towards this in 2025; we are actively engaged with the Government Finance Function (GFF), we are a corporate partner with Healthcare Financial Management Association (HFMA), and our Junior Vice President is the Group Chief Finance Officer for Barts Health NHS Trust in London.

What we said:

We will improve our customer service by implementing a new CRM and ‘one front door’ approach to handling customer enquiries, as well as investing in a new website.

What we did:

We are progressing the implementation of our new CRM, which will go live in summer 2025, and work on our new website continues. In early 2024 we introduced a new email address to deal with most queries and rationalise points of contact for customers.



We achieved:

- an average of 92% of customers saying they were 'satisfied' or 'very satisfied' with the service from CIPFA.

In November we announced the sale of CIPFA AssetManager.net and CIPFAstats+ to Infoshareplus, a new business working in data management and governance and supported by Omni Partners, a mission-driven investment firm. Infoshareplus was positioned to provide further investment in product development and enhancement to meet the clients' evolving needs. CIPFA continues to work in partnership with Infoshareplus on surveys highlighting key trends in the sector to members, stakeholders and the media, including the popular libraries and council tax surveys.

Our future plans

Our strategic framework sets out how we will respond to challenges and opportunities to achieve sustainable growth and achieve our aims. We will do this by focusing on four strategic themes that will drive change across all three of our pillars:



**CIPFA
THINKS**



**CIPFA
DEVELOPS**



**CIPFA
SUPPORTS**

1. Relevance and impact The world around us is rapidly changing. We will evolve our offer so that it keeps up with advances in technology, increasing career fluidity and current debate across a range of socio-political issues.

2. Partnerships We know that productive partnerships can deliver more than the sum of their parts. Our partnership with ICAEW delivers greater career flexibility for our members – we will do more of this to increase reach and impact on public financial management practice around the world.

3. Community Our member community is the beating heart of CIPFA. As a lifelong career companion, our offer supports and empowers members to have impact and be part of a strong, vibrant community that advocates for effective public financial management around the world. We are the voice of our community and we will advocate for the profession on their behalf.

4. Innovation We will modernise and innovate, adopting a digital-first philosophy and leveraging new technologies such as AI. We will work differently, being more agile and working across silos to maximise impact as well as remaining competitive and financially sustainable.



04

2024
in review

CIPFA Thinks



CIPFA Thinks activity broadly aligns to advancing public finance and promoting best practice on the statement of financial activities, and supports the majority of income from other trading activities.

Sustainability

During 2024, CIPFA further integrated sustainability into its activities through increased participation in debates, roundtables and conferences. In November 2024 CIPFA partnered with ICAEW to co-host at Chartered Accountants' Hall in London the launch of IPSASB's new International Public Sector Sustainability reporting standard, which signals a step change in how public sector bodies should report on climate related disclosures.

In 2024, CIPFA conducted an internal audit of its sustainability activities to identify past successes and future opportunities for growth. In December 2024 we committed to a [carbon reduction plan](#) (PDF) that aligns with CIPFA's vision to be a carbon neutral organisation by 2050.

Exploring preventative investment in local government

2024 saw the formal launch of CIPFA's partnership with The Health Foundation to explore how local authorities' [spending on preventative action](#) can be quantified. We have now confirmed four partner councils: Merton, Three Rivers, West Berkshire and Wigan. We have looked at defining the categories of prevention, and work is underway on mapping services against which these criteria will be applied to identify

current levels of spend. The project is on track to report in October 2025.

Governance and internal audit

In 2024 CIPFA addressed the major changes to global internal audit standards. As the standard setter for UK local government, CIPFA worked with the UK public sector standard setters for internal audit to evaluate the global standards and consider their application for the sector. Two consultations were undertaken in 2024 to engage with internal auditors and those responsible for the governance of internal audit in their organisations. At the end of 2024 CIPFA published the [Application Note: Global Internal Audit Standards in the UK public sector](#).

Wider health and wellbeing policy

CIPFA continues to encourage closer collaboration between finance professionals across the NHS and local government. Building on a roundtable hosted by CIPFA, our [Exploring challenges and opportunities for the NHS estate](#) report (PDF) identified potential solutions to support the new government's mission to build an NHS fit for the future. The [Role of the CFO in the NHS](#) covers all four nations of the UK, to foster a shared understanding across finance professionals in the NHS and other areas of the public sector.

Social care

CIPFA continued to build its voice and impact in the areas of adult and children's social care. The year began with [Charging for Adult Social Care in England: Reform and Routes Forward](#). We discussed the findings with parliamentarians at the Learning Disability All-party Parliamentary Group and published a number of articles sharing our recommendations.

[Managing rising demand for adult and children's social care](#) explored good practice in social care demand management across England. CIPFA hosted a workshop at the National Children and Adult Services Conference to share the findings and through the year we presented them to approximately 500 social care and public finance professionals.

CIPFA continued to influence the Scottish Government's approach to building a National Care Service by responding to the [Health, Social Care and Sport Committee's consultation](#). In Wales, CIPFA shared its views on removing provider profit from children's social care in our response to [the Health and Social Care \(Wales\) Bill](#).

Local government

CIPFA continued to champion the need to address public sector reform, in partnership with Demos. The collaboration produced publications including [The reform dividend: a road map to liberate public services](#) and Demos's [Beyond the sticking plaster](#), which has challenged thinking within the sector and chimes with CIPFA's annual themes. The CIPFA, LGA and SOLACE joint publication [Reforming the local government funding system](#) addressed finance reform.

Our partnership working with the LGA included the [Workforce plan](#) (PDF) looking at the capability and capacity of finance teams in English local authorities. Providing skills for future CFOs is an area where CIPFA's policy and consultancy colleagues have worked together to support members. With devolution and reorganisation now on the agenda CIPFA published the [Role of the CFO in combined authorities](#).

Growth across CIPFA Networks

CIPFA's Networks are a vital point of front-line support for subscribers, providing expert answers to queries, training and events, and regular newsletters. The team answered almost 1,800 queries in the year and delivered over 100 events, as well as a range of other engagement on key topics. The implementation of IFRS 16 Leases drove a significant increase in queries to the Finance Advisory Network, which delivered additional events and training to help the sector adjust to the new rules.

A road to reform for local audit

A turbulent year in British politics and a change of government left the much-needed local audit reform agenda in a difficult place, with proposed emergency measures in CIPFA's Code of Practice abandoned when the general election was called. When the new government put in a series of audit backstop dates, we responded with [CIPFA Bulletin 18](#) to help preparers understand the implications. We also reinvigorated the [Better Reporting Group](#) to tackle the longer-term issues in local authority reporting, with a focus on enhancing user experience.

Technology in focus

With strides in artificial intelligence consuming large swathes of news coverage, we took the opportunity to pilot a series of events exploring the use and impact of technology on public sector organisations. The Tech in Focus series covered areas such as data analytics, automation and artificial intelligence and reached about 400 participants from local authorities, the civil service and the NHS.

2024 annual conference

Public Finance Live 2024 took place at Manchester Central on 10–11 July, attracting over 700 attendees. The event featured a variety of panel discussions and workshops covering topics including tackling regional inequalities, sustainability, improving diversity and inclusion, and addressing corruption in public sectors worldwide. Key discussions also focused on building

trust in public institutions and making preventative investment a reality.

Notable speakers included Jon Sopel, former BBC North America Editor, Ben Hunte, VICE News Correspondent, Kelly Beaver, CEO of Ipsos, Paul Kissack, Group Chief Executive of the Joseph Rowntree Foundation, Laurence Ferry, Professor at Durham University, and Dr Stephanie Hare, researcher, broadcaster and author.

International thought leadership

CEF-CIPFA Conference

CIPFA's fourth annual Southeast Europe conference, hosted jointly with the Centre of Excellence in Finance (CEF), 'Charting a greener horizon: navigating towards sustainable public finances', took place in September in Ljubljana, Slovenia. The conference raised awareness about non-financial reporting in the public sector, explored how financial controls can adapt to sustainability needs and promoted policies for sustainable economies. The event featured engagement with high-level public sector officials including the Slovenian Ministry of Environment, Climate and Energy, Audit Wales and European Commission Representation in Croatia, as well as experts from civil society organisations and academia.

IFAC engagement

CIPFA continues to participate in several strategic committees of IFAC. Owen Mapley has engaged in the CEO forums and strategic-level discussions over the future of the profession and ongoing challenges of sustainability and AI, we have supported our Past President Mike Driver as a member of the Professional Accountancy and Business Committee and Khalid Hamid continues to support capacity building through the Professional Accounting Organization Development Advisory Group (PAODAG) committee.

World Bank – PULSAR meeting

In 2024, CIPFA was proud to contribute to the 10th Joint Education and Financial Reporting Communities of Practice Conference (PULSAR), organised by the World Bank's Centre for Financial Reporting Reform (CFRR) in Vienna, Austria. This high-level event

brought together finance ministry representatives from over 15 countries across Eastern Europe, the Balkans, the Caucasus and Central Asia. Key outcomes included valuable dialogue on the future of public financial reporting, the evolving role of state-owned enterprise reporting and the integration of climate action into financial frameworks. CIPFA's engagement underscored our ongoing commitment to shaping international standards and promoting sustainability and transparency in public sector finance.

INTOSAI Working Group on Environmental Auditing (WGEA)

CIPFA participated in the 22nd INTOSAI WGEA Assembly, 'Auditing the Arctic – environmental change and indigenous knowledge', hosted by the National Audit Office of Finland in January in Rovaniemi, Finland, which is located at the Arctic Circle. The meeting addressed Arctic environmental change, indigenous knowledge: audit cases and SAI practices, climate and biodiversity, integrating environmental considerations in national budgets, systems of environmental-economic accounting and sustainability reporting.

At the East African Congress of Accountants (EACOA) in Rwanda, CIPFA participated in a panel on the topic 'What is the future of public finance management following current global trends?' alongside the commissioner of accounts in the Accountant General's Office, Uganda and the accountant general of Rwanda. CIPFA also joined a discussion on the International Non-Profit Accounting Standard (INPAS) project to enhance transparency and accountability among non-profit organisations.

CIPFA was invited to speak at the annual conference of the African Association of Accountants General (AAAG) in Arusha, Tanzania, leading a session titled 'Enhancing public asset management: a pathway to sustainable development' alongside speakers from South Africa, Eswatini and Ghana.

IFR4NPO

The International Financial Reporting for Non-Profit Organisations (IFR4NPO) project is working to provide the first ever global financial reporting standard for non-profit organisations (INPAS). 2024 saw the publication of Exposure Draft 3, which contains key proposals for fund accounting, the presentation of expense information and the provision of supplementary information. The overall response to the Exposure Drafts was strong, including a statement of support for Exposure Draft 3 from international donors. The consultation period for all exposure drafts is now closed, with the final standard on track for publication in 2025.

Press engagement

In 2024, we issued over 40 press releases to accompany CIPFA's thought leadership and provide responses to government statements, budgets, the 2024 general election and emerging public sector challenges. We secured over 50 media mentions across both trade and mainstream outlets, including coverage from *The Times*, *Financial Times* and *The Guardian*.

Social media engagement

In July, we launched our LinkedIn newsletter, *CIPFA Thinks*, which attracted over 7,200 subscribers in six months. The newsletter offers the latest insights on public financial management and policy debates, with a readership that includes local government offices, government officials, international media outlets, journalists, finance business partners and think tanks.

We refreshed the *CIPFA Speaks* podcast with a new format and branding, resulting in a 29% increase in listeners. The podcast explored topics such as social care, UK economic growth, AI in the public sector, anti-corruption and women in public finance. Notable guests included Professor Matthew Agarwala (Bennett

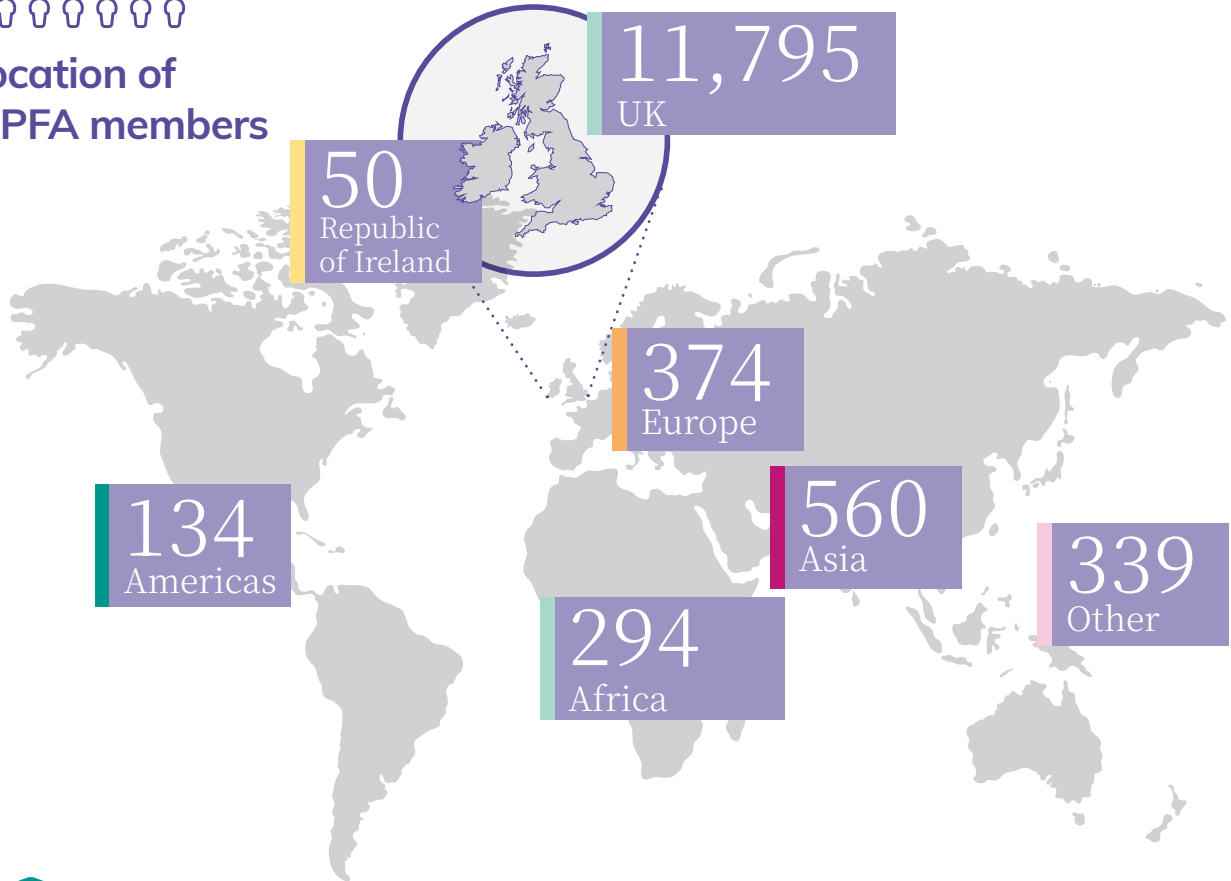
Chair of Sustainable Finance at the University of Sussex), the United Nations Office on Drugs and Crime (UNODC) and the Government Outcomes (GO) Lab at Oxford University.

CIPFA's social media channels continued to perform well, driving consistent growth in engagement and visibility, expanding our reach and engaging a broader audience:

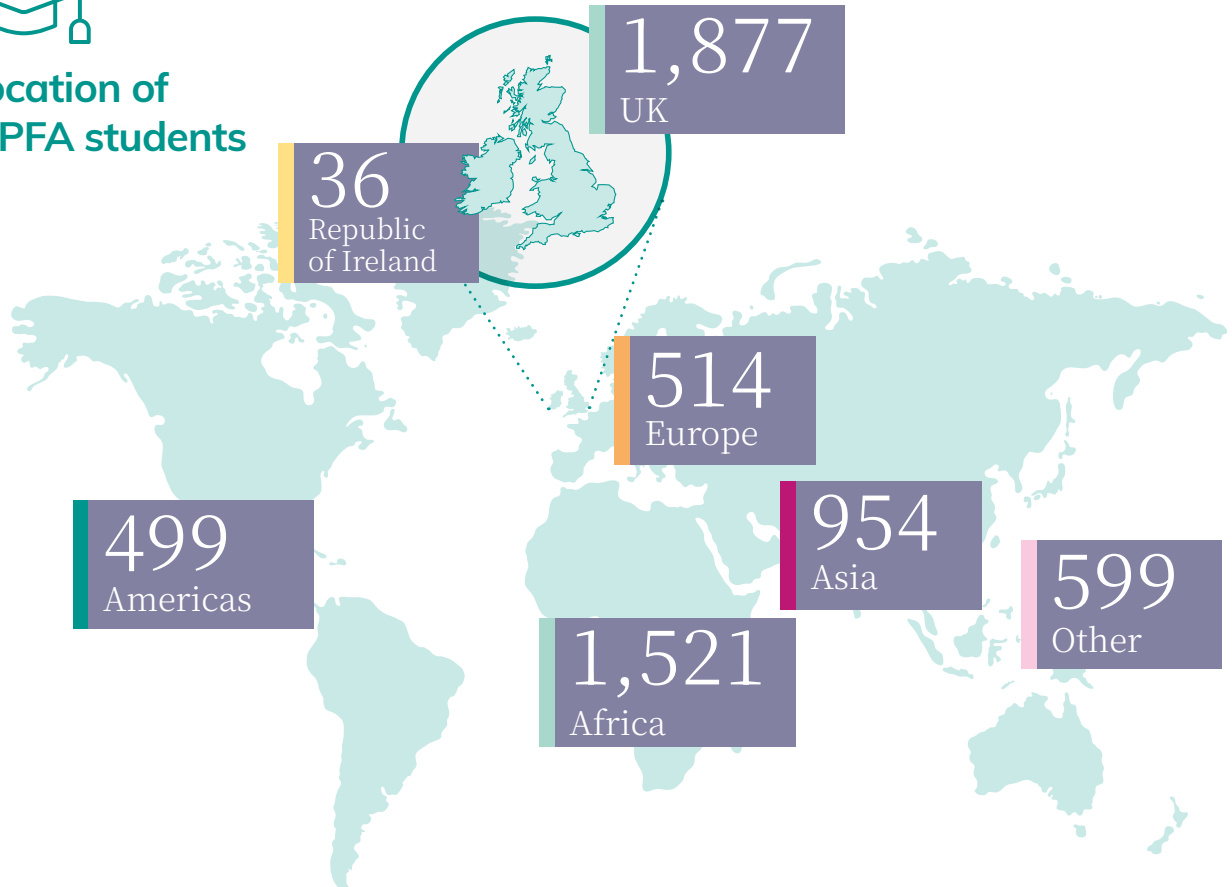
- Instagram followers increased by 36.75%
- YouTube subscribers increased by 9.44%
- LinkedIn followers increased by 12.92%.



Location of CIPFA members

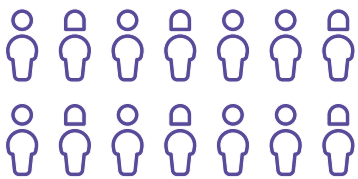


Location of CIPFA students



CIPFA Develops

All activity within educating and training student members on the statement of financial activities falls within CIPFA Develops. CIPFA Develops also supports training activities carried out within advancing public finance and promoting best practice.



Number of members

13,546



Number of students

6,300

Changes to the continuous professional development requirements for CIPFA members

CIPFA has transitioned from an input-based to an output-based approach to CPD, focusing on the achievement of learning outcomes. To maintain professional standards, we are implementing the following minimum requirements:

- an output-based approach demonstrating the achievement of learning outcomes
- a minimum number of 20 hours of learning within a 12-month period
- at least one hour of independently verifiable ethics-related training each CPD year.

Rollout of the new CPD platform to all members was completed in April 2024. Feedback so far has been positive. Phase 2 of development is now getting underway and will consider enhancements to further improve member experience.

Partnerships and supporting PAOs

CIPFA continued to collaborate the organisations across public finance to strengthen global PFM practices. We support other PAOs including the Institute of Chartered Accountants Bangladesh (ICAB) and Institute of Chartered Management



Accountants Bangladesh, Institute of Chartered Accountants Rwanda (ICPAR) and Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO) in South Africa. We have signed MOUs with the Canadian Institute of Audit and Accountability (CAAF), Azerbaijan Ministry of Finance and Academy, Institute of Chartered Accountants Nigeria (ICAN) and Southern African Institute of Government Auditors (SAIGA).

Azerbaijan

In 2024, CIPFA strengthened its international footprint by expanding into Eurasia. CIPFA formed a strategic alliance with the Ministry of Finance and their training centre in Azerbaijan, formally launching a localised IPSAS certification as part of their national Professional Accountancy Certificate (PMS). CIPFA has engaged across the public sector including co-operating with the Association of Risk and Accountants in Azerbaijan, APFM, Supreme Audit Institution, the Chamber of Auditors and the state examination centre. Our activities reflect CIPFA's ongoing commitment to building capacity and advancing international best practices in public sector financial reporting, aligning with the country's ambition to elevate public financial management standards.

Work experience for young people

CIPFA has been working with SpringPod to provide online work experience, giving students from all backgrounds access to opportunities across the country via a virtual learning platform. The programme gives an insight into the public sector and the variety of roles available, allowing the student to experience tasks that give a real-life view of the job and learn about the CIPFA qualification. Those taking part in the programme will be invited to register as prospective CIPFA students and gain access to the wellbeing and career hubs. Since it

Members

34.4% female
(4,439 members)



65.6% male
(8,452 members)



Students

50.1% female
(3,150 students)



49.9% male
(3,146 students)



went live, 2,190 students have enrolled and 690 have completed the entire programme.

CIPFA Regions

Devolved nations conferences

The devolved conferences are an annual highlight for our members within the devolved nations and were attended by 350 members and guests from across the public sectors in Scotland, Wales and Northern Ireland. The events covered topical themes such as the importance of devolved powers, flexibility and the role of the modern finance professional, and gave delegates the opportunity to network and catch up with colleagues. Speakers included Mark Drakeford, Cabinet Secretary for Finance and Welsh Language, Lord Holmes MBE, Paralympian, and Professor Jim Gallagher from Glasgow University. The conferences also allowed newly appointed CIPFA CEO Owen Mapley and CIPFA President Carol Culley to meet members based around the UK. Feedback from all three events has been outstanding and we are working towards continuing the success for 2025.

Autumn Forum

The Regional Forum took place in Nottingham and brought together CIPFA staff and regional volunteers for strategic discussions, professional development and regional collaboration. The forum was structured to maximise engagement with dedicated time for formal presentations, collaborative discussions and networking including an evening awards dinner.

Training and apprenticeships

2024 saw continued high demand for CIPFA's CPD courses. E-learning options expanded with our new Diploma in Local Audit and Certificate in Performance Audit launched as a self-study product. We also launched the Certificate in Sustainability (for Local Government), developed in partnership with ICAEW.

Funding from the Ministry of Housing, Communities and Local Government (MHCLG) enabled us to offer a

range of accredited courses free of charge to finance professionals from eligible organisations, which received positive feedback.

Within CIPFA's Education and Training Centre (CETC), we saw growth in the Level 7 apprenticeship. In late Q3, the government announced a consultation alongside the withdrawal of funding for at least some Level 7 apprenticeships. We joined other key stakeholders in promoting the value of the Accountancy and Taxation apprenticeship to the public sector, including its links to local audit and strengthening financial management.

We were successful in a re-tender for NHS Graduate Management Scheme (finance stream) students to study with CIPFA, and their students continue to achieve good outcomes.

New hybrid options for study were introduced for UK students, allowing participation in face-to-face classes for Day 1 and revision for certain modules. We introduced a 'web-class plus directed self-study' format for international students, giving more options for those in different time-zones.

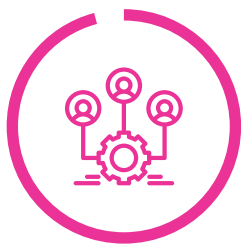
To facilitate recently qualified CIPFA students gaining dual ICAEW-CIPFA membership, we delivered our first 'top-up' tuition for ICAEW's Corporate Reporting module to CIPFA students. In the June exam we achieved a 75% pass rate.

Corruption Prevention Programme

Funded by and in partnership with the United Nations Office on Drugs and Crime (UNODC), CIPFA rolled out a second pilot of the Corruption Prevention Programme in July 2024 in Mauritius. Participants engaged in five days of intensive, expert-led sessions and were then supported by CIPFA tutors to conduct organisation-specific corruption risk assessments (CRAs). To further enhance the program's impact, CIPFA representatives met with senior officials from various government departments including the Mauritius National Audit Office and the Ministry of Finance, Economic Planning, and Development.

AFEP

Key 2024 highlights from the Achieving Finance Excellence in Policing (AFEP) programme included:



43 out of 45
forces signed up
– nearly 100%



AFEP CFO retreat
with around
80 delegates



Publishing the
sustainability
report and toolkit

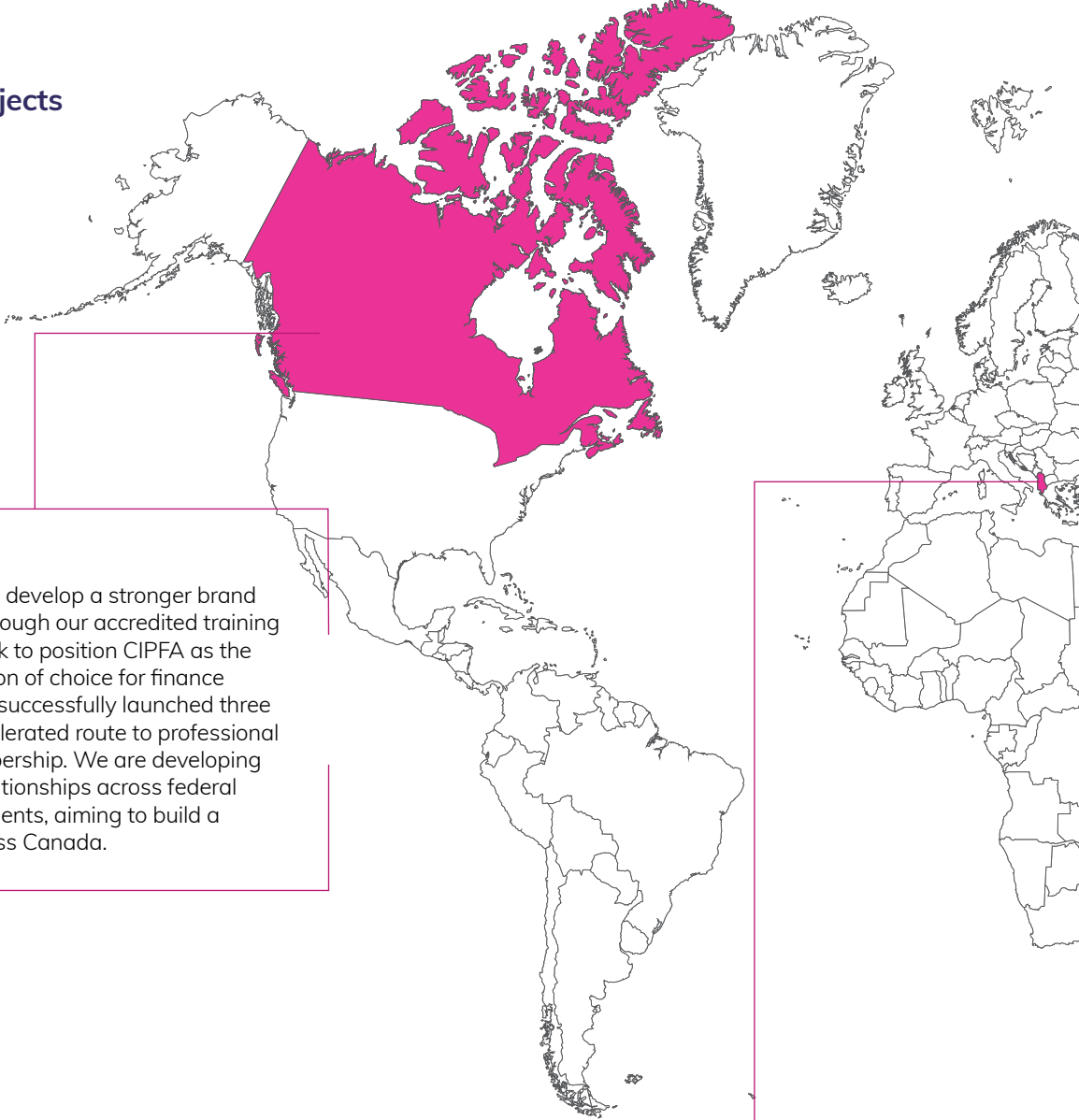


Development of the
Police Back Office
Productivity dashboard



Planning AFEP IV
for launch 2025

International projects



Canada

CIPFA has continued to develop a stronger brand presence in Canada through our accredited training partner model and work to position CIPFA as the professional organisation of choice for finance practitioners. We have successfully launched three cohorts of CIPFA's accelerated route to professional qualification and membership. We are developing deeper stakeholder relationships across federal and provincial governments, aiming to build a membership base across Canada.

Albania

2024 saw the conclusion of the Training of Internal Auditors in the Public Sector (TIAPS) project to strengthen public financial management capacities in Albania. Aimed at enhancing Albania's internal audit systems and supporting reforms critical to the EU accession negotiations, the training programme has introduced an innovative professional qualification tailored to this context. Seventy-three percent of the participants successfully passed, strengthening internal audit and its role in promoting good governance.



Pakistan

CIPFA has made significant progress in strengthening public sector auditing and financial management in Pakistan through its partnership with the Department of the Auditor General of Pakistan (DAGP). A major focus has been on delivering the CIPFA Professional Accountancy Qualification (PAQ) to 150 DAGP officers. CIPFA has also advanced thematic audit training, particularly in IPSAS, procurement, and information systems (IS) auditing. The final phase of the project includes embedding these reforms to modernise Pakistan's public sector auditing and financial governance.

Bangladesh

Building on the relationship between CIPFA and the Office of the Comptroller and Auditor General (OCAG) of Bangladesh, in May 2024 CIPFA awarded 63 officials with professional Certificates in Management and Financial Accounting. This certificate equips the OCAG officials with professional and transferable skills, applicable across diverse finance and accounting contexts. We also began professional accountancy qualification training to a new cohort of OCAG auditors.

Rwanda

We deepened our relationship with the Institute of Certified Public Accountants of Rwanda (ICPAR) through the delivery of two major projects designed to upgrade and modernise ICPAR's professional accountancy qualifications, broadening its reach across Rwanda and enabling wider participation in accountancy education. We supported the development of modern learning materials and provided support in the procurement of a new learning management system (LMS), as well as providing support to the transition from paper-based to computer-based exams. Supported by the Ministry of Economy and Finance of Rwanda, these projects will contribute directly to building the next generation of professional and accountable PFM practitioners in Rwanda.

CIPFA Supports

CIPFA Supports delivers all advisory and partnership work within trading activities on the statement of financial activities, as well as international advisory work within advancing public finance and best practice.

The CIPFA Supports advisory practice continued to grow in 2024, delivering nearly 200 projects and working with around 100 different client organisations on financial, property, governance and commercial arrangements.

We worked with MHCLG on Exceptional Financial Support reviews (EFS) covering a number of different local authorities, advising them on their application for EFS. We also implemented 'Turnaround Teams' within various local authorities throughout 2024 to support them in dealing with their financial and governance issues. By working closely with local authorities, we have helped develop recovery and improvement plans, strengthening their future financial resilience and effective governance.

In October 2024, CIPFA's core advisory function successfully incorporated CIPFA C.Co Ltd, CIPFA's separate consultancy company, enabling a much broader, comprehensive offer to the sector.

Understanding costs and demand

We worked with a large central government organisation on a zero-based budgeting project, which achieved remarkable success. By adopting this focused approach, the organisation gained deep insights into its cost drivers, informing resource allocation and effective decision-making. This initiative not only delivered

immediate improvements but also laid the groundwork for sustainable, long-term financial improvements.

Building financial resilience and improvement in England and Wales

CIPFA worked with both English and Welsh authorities on Financial Resilience Reviews to address financial challenges and improve financial management. The reviews assessed the councils' financial positions, compared spending and fees with other councils and identified cost reduction opportunities in areas like social care and temporary accommodation. We also used our Financial Management Model to evaluate practices and provide a score against best practice standards.

We continue to help the councils improve financial management and governance in a challenging financial environment.

Developing workforce planning and competencies

We worked with multiple English local authorities and the Local Government Association (LGA) to develop a national approach to workforce planning and implement CIPFA's Competency Model. This model helps organisations identify and develop

the key behaviours and skills essential for effective performance. It has been used to identify skills gaps, enhance performance, support development and improve recruitment and effectiveness.

Overall, CIPFA's workforce planning support and competency model supports local authorities in building resilient and skilled teams in the face of challenges in capability and capacity.

Providing commercial and procurement support

CIPFA has worked with a number of English local authorities to provide guidance, expertise and direct input to the development of alternative service delivery models. The team has recently supported a county council to establish a joint venture company for the delivery of catering and facilities management services. Our input has delivered and contributed to a detailed options appraisal, support for the decision-making process, engagement with key stakeholders and the procurement of a preferred bidder.

Governance

CIPFA continues to work with a number of local authorities to provide challenge, assurance and practical insights to support the principles of good governance. In one unitary authority, this includes direct involvement with their internal audit and counter fraud teams, supporting the development of individuals, processes and planning to improve compliance with standards, the mitigation and reduction of risk and the improvement of the overall control environment. The redesign and rebuild of the CIPFA Financial Management Model was successfully used throughout 2024. Eight different clients have commissioned CIPFA to implement the FM Model within their organisations. The updated model enhances financial resilience and offers greater flexibility, enabling deployment across different UK sectors and internationally.

Our team also provides support through various international projects, sharing our expertise around the world.

Anguilla

CIPFA continued its support to the chief minister and governor of Anguilla on PFM and economic development through provision of a financial advisor. Support has focused on monitoring of the medium-term fiscal and economic plan, policy advice on fiscal and economic initiatives, particularly tax and economic competitiveness reform, and capacity building in formulation and conduct of macro-economic and fiscal policies. Since 2016, this project has supported economic and PFM reform in Anguilla to put their economy on a sound and sustainable footing.

Tajikistan

Following a successful World Bank-funded initiative aimed at supporting the organisational development and capacity building of the Chamber of Accounts, Tajikistan's supreme audit institution, CIPFA has been engaged by the INTOSAI Development Initiative to continue providing technical assistance and capacity building in the areas of digitalisation, performance audit and financial audit. This has included drafting manuals and instructions, delivery of training workshops and supporting auditors in the implementation of pilot audits, enabling Tajik auditors to more effectively play their part in improving accountability and transparency in the use of public funds.

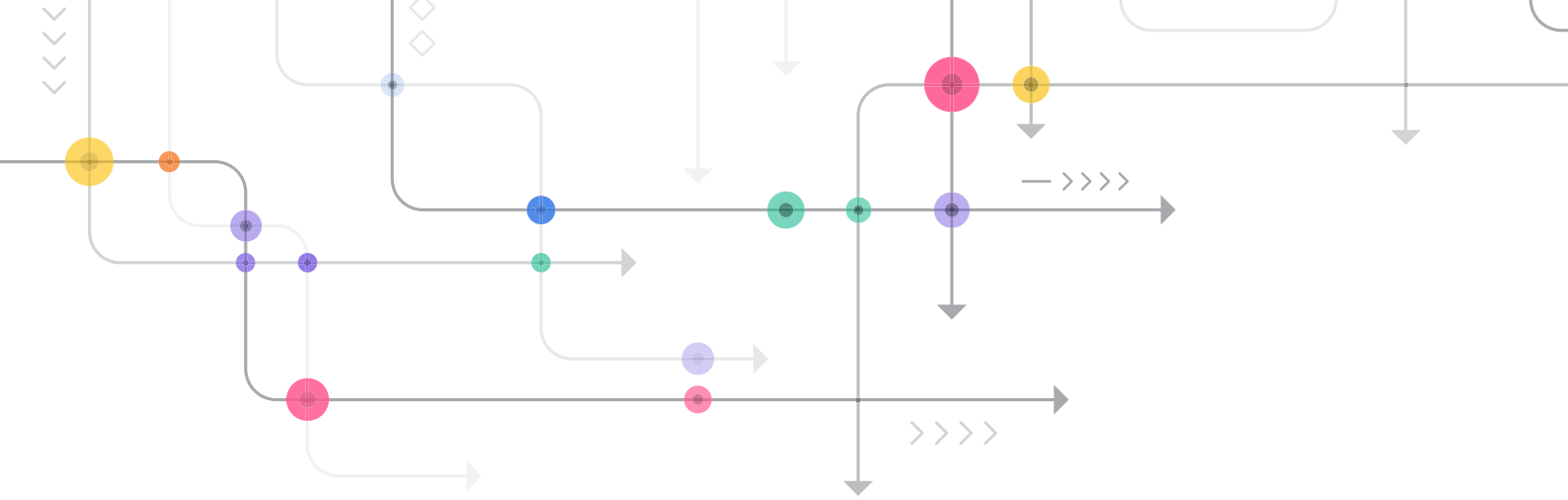
Botswana

CIPFA has been supporting the Botswana Unified Revenue Service in the implementation of IPSAS standards across all government revenues since 2019. In 2024, the project developed new IPSAS-compliant accounting policies, built the capacity of BURS staff and developed new approaches to data analysis to facilitate the production of the opening balance sheet for government administered revenue income on and accrual basis. The project is identifying opportunities for Botswana to maximise revenues, to the benefit of all citizens.



05

How we
work



People and Culture

We launched a new strategy and leadership programme in December 2024. Starting with our vision and strategy, we will be working throughout 2025 on our desired culture and equipping our leadership teams with techniques for building and sustaining high performance and leading change.

During 2024 we implemented new technology for managing aspects of the employee lifecycle. Benefits include increased efficiency in processing payroll, additional automation of people processes, a wider array of information for managers and greater self-service capability. We have also developed plans for reviewing our reward strategy and pay progression model, our approach to managing performance and our overall employment offer.

To help us ensure our working culture is vibrant and team-centric in a hybrid working environment, while people can work from home, we are also encouraging people who can do so to work from our offices on a regular basis.

CIPFA continues to engage with colleagues through our monthly Open Forum, which provides a channel for all colleagues to engage with CIPFA's Leadership Team and other subject matter experts on key business messages. In addition, our employee-led groups such as our Employee Forum and Social Committee are driven by engaged and enthusiastic individuals.

A four-day working week (4DW) trial commenced in late 2022 and was extended into 2025. We intend to make a decision on the future of the 4DW during 2025.

Equality, diversity and inclusion

We have taken positive steps in EDI both in the services we offer and with colleagues internally. During 2024 we have benefitted from dedicated resource, and we will continue to develop action plans, raising awareness and encouraging greater inclusion and diversity.

Young Foundation Research

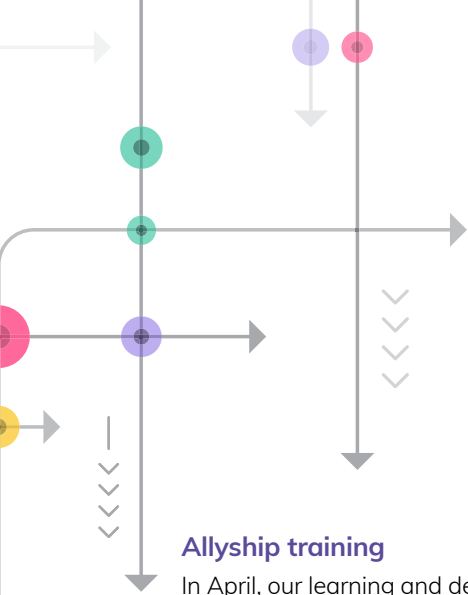
In 2024 we co-signed the Young Foundation report [Beyond buzzwords: Embedding a systematic approach to EDI across the UK's professions](#). The research looks at how recent EDI efforts have been experienced across a range of professions and identifies that a new approach is needed. Participating in this affirmed our current strategy to embed EDI principles across the organisation and allowed us to have a clearer understanding of the experiences of our membership. The research opened the possibility for collaborative work with other professional bodies to reduce the barriers experienced by members of our community.

Social mobility

We have chosen to become signatories for Access Accountancy for another year, committing to improving socio-economic inclusion for the accounting profession. We are also now advertising the SpringPod virtual work experience opportunity with Access Accountancy. This allows us to access a broader pool of students from low socio-economic backgrounds and monitor referrals directly from their system.

Women's History Month

In March, we celebrated Women's History Month, an annual celebration focused on recognising the contributions and achievements of women throughout history and society. At CIPFA, we recognise that although we are making strides to effect change, we still have a way to go, which means acknowledging our own gaps in gender and other areas such as race.



Allyship training

In April, our learning and development team hosted a session on ways to be an effective ally in professional and personal spaces, and how we can create an inclusive workplace culture.

Pride month

In June, CIPFA celebrated Pride month with members and staff. It is important for us as a professional community to maintain a space where staff, members and students are able to show up as their full selves, without fear of judgement.

Black History Month

CIPFA celebrated Black History Month in October with our Social Committee organising a Black History Month quiz, allowing colleagues to learn about the many contributions made to British society by inspirational Black Britons.

Cultural competency and awareness training

We commissioned bespoke Cultural Awareness and Competency training focused on cultural identity, unconscious bias and inclusive communication. The session encouraged staff to recognise the impact of culture on perceptions and interactions, improve cross-cultural understanding and foster practical strategies to embed inclusivity in all aspects of work.

Pay gap reporting

We publish a gender pay gap report identifying differences in hourly salary and bonus payments between men and women at CIPFA. The 2024 results show a median pay gap of 24%. We have identified those areas where the gap is most evident, which is largely specific to certain role types, and we will be identifying mitigation strategies.

We also publish an ethnicity pay gap report. The ethnicity pay gap is calculated in the same way as the gender pay gap, showing the difference in average pay between employees from ethnic minority backgrounds compared to white employees. Our ethnicity pay gap stood at 15% for 2024. The gap is largely owing to ethnic diversity representation being lower in upper quartile roles relative to lower quartile roles. We will be exploring ways of addressing this in our approach to talent acquisition.

We are confident that we have a fair and consistent approach to paying individuals, and we continue to focus on both equality of opportunity and encouraging diversity.

Facilities and environment

To further promote the closer links with ICAEW, CIPFA has acquired some office space within their Moorgate building under a special lease. This serves as the main CIPFA London presence with face-to-face teaching still delivered at 77 Mansell Street.

A new tenant has taken the fourth floor of 77 Mansell Street on a five-year lease.

Both the Birmingham and Edinburgh offices were closed, in March and November respectively.

CIPFA aims to minimise its environmental impact by reducing utility consumption wherever possible and only running building services where required. Wherever possible CIPFA continues to recycle materials.

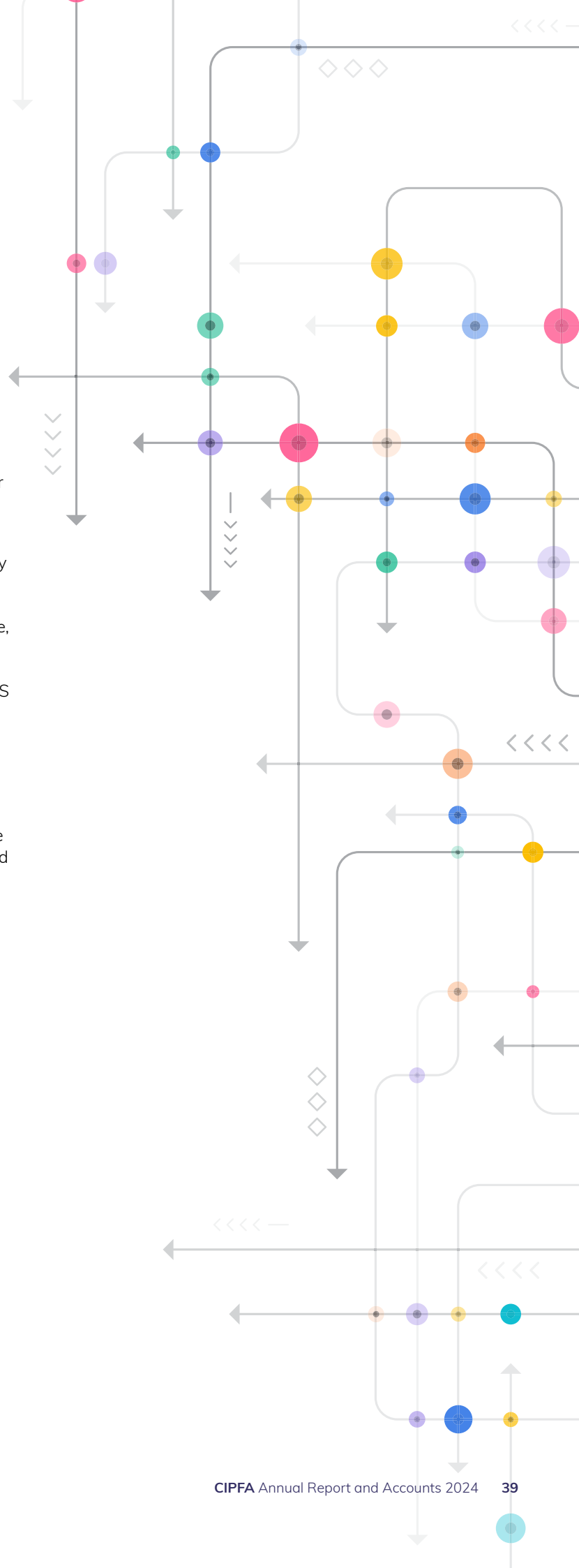
ISO certification

CIPFA has ISO-certified management systems covering Quality, Information Security, Health, Safety and the Environment. These systems are overseen by management review teams with responsibility for their content, process integrity and day-to-day running.

The Health, Safety and Environmental Management System (HS&EMS) outlines our aspiration to continually review our services in line with client needs, relevant environmental legislation and best practice. Our vision is to be widely known and respected for delivering safe, reliable services that cause minimal environmental impact. Our current system is certified under the ISO 45001:2018 and 14001:2015 Standards. The HS&EMS ensures that we operate in a professional manner to meet our clients' requirements while providing a safe, healthy and secure working environment.

The ISO 9001 Quality Management System (QMS) outlines CIPFA's approach to implementing clear, efficient and repeatable processes that ensure that we provide a consistent quality service to both internal and external customers. CIPFA is committed to continuous improvement and the QMS helps us consider how to do things more efficiently and effectively.

Our ISO 27001 Information Security Management System (ISMS) ensures we are in the best possible preventative position to defend our information and organisation from cyber threats.



An abstract geometric pattern on a dark blue background. It features several interconnected lines and circles in shades of blue, purple, and brown. Some circles are solid, while others are hollow. The lines are thin and light-colored, creating a network-like structure. There are also some small, light-colored triangles and a dotted line. At the bottom, there is a teal-colored trapezoidal shape.

06

How we are
governed



Name and nature of the charity

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is governed by Royal Charter granted in 1959, most recently amended in 2018, and is registered with the Charity Commission for England and Wales, number 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

Within the charity is a network of branches and regions. They work alongside CIPFA helping to deliver the charitable objects, principally through the provision of support and information to members and students locally.

Public benefit

CIPFA's work building trust and delivering excellence in public financial management, accountancy and related disciplines aims to ensure public money and services are managed effectively, efficiently and securely for the benefit of all.

We seek to preserve at all times the professional independence of qualified accountant members of the Institute in whatever capacities they may be serving, promoting excellence in governance and ethical standards.

Through our activities as a standard setter and educator, and our advisory and consultancy services, we support our members, students and finance professionals in a wide range of public sector settings.

As such, our work benefits the public through excellence in the management of the public finances. The Council confirms that it has complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

Membership of CIPFA is open to all who can demonstrate the required academic achievement. Fees are kept to a minimum through subsidy supplied by profits generated through the subsidiary company.

Subsidiaries

CIPFA has a wholly owned subsidiary company: CIPFA Business Limited, Companies House registration number 2376684.

CIPFA Business Ltd is the management support services company of CIPFA and has a separately constituted board of directors. It specialises in providing financial advice and governance, property and asset management solutions, and the supply of information and expertise.

The CIPFA Business Ltd Board comprises the president, vice president, four non-executive directors, the chief executive, director of finance and chief operating officer.

The charity (including regional groups) and the subsidiary company are reported on a consolidated basis.

CIPFA held a majority stake in CIPFA C.Co Ltd (registration number 10212053) until 1 October 2024, when it was integrated into CIPFA. This strategic move unified the expertise and resources of both teams under our CIPFA Supports pillar. Clients continue to receive the same high-quality support, now with the added benefit of a broader range of services from CIPFA.

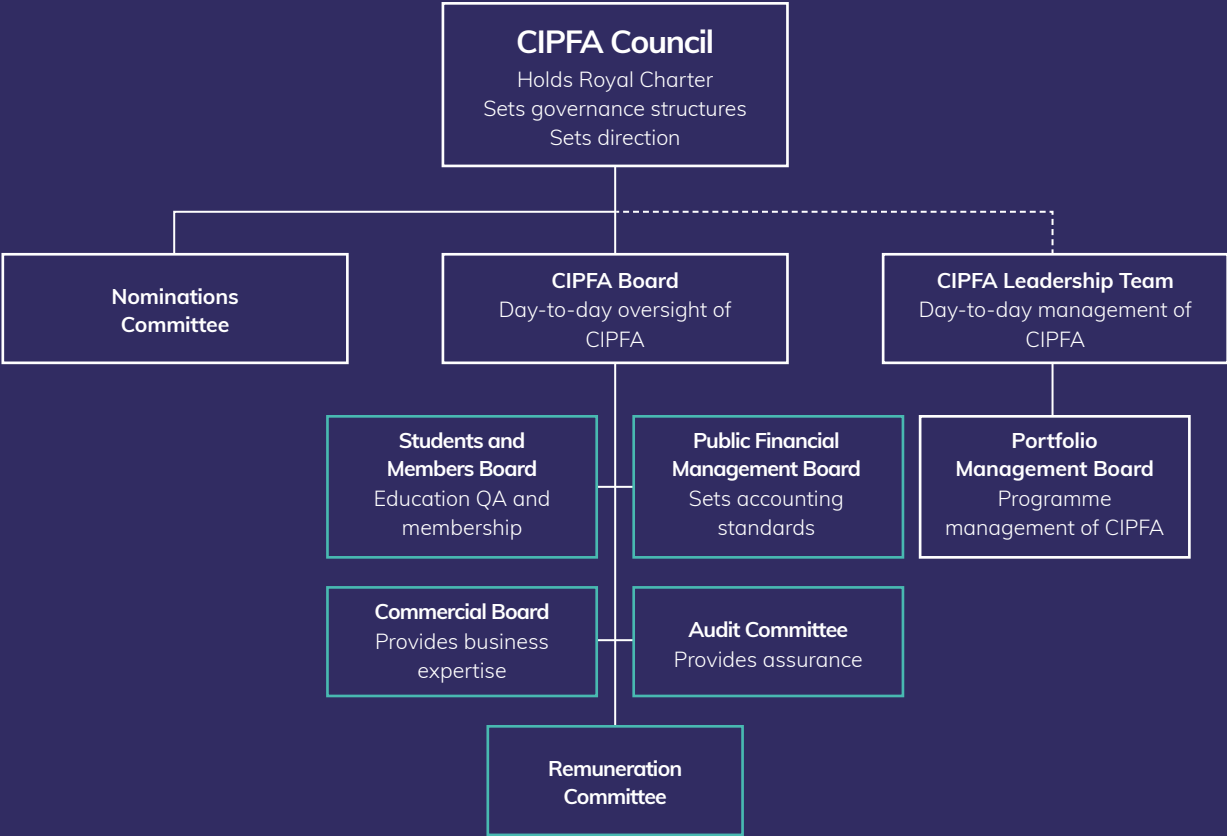
Governance structure

The Institute's overarching governing body is the Council. The membership of Council is specified in the bye-laws and consists of no more than 41 individuals with three groupings:

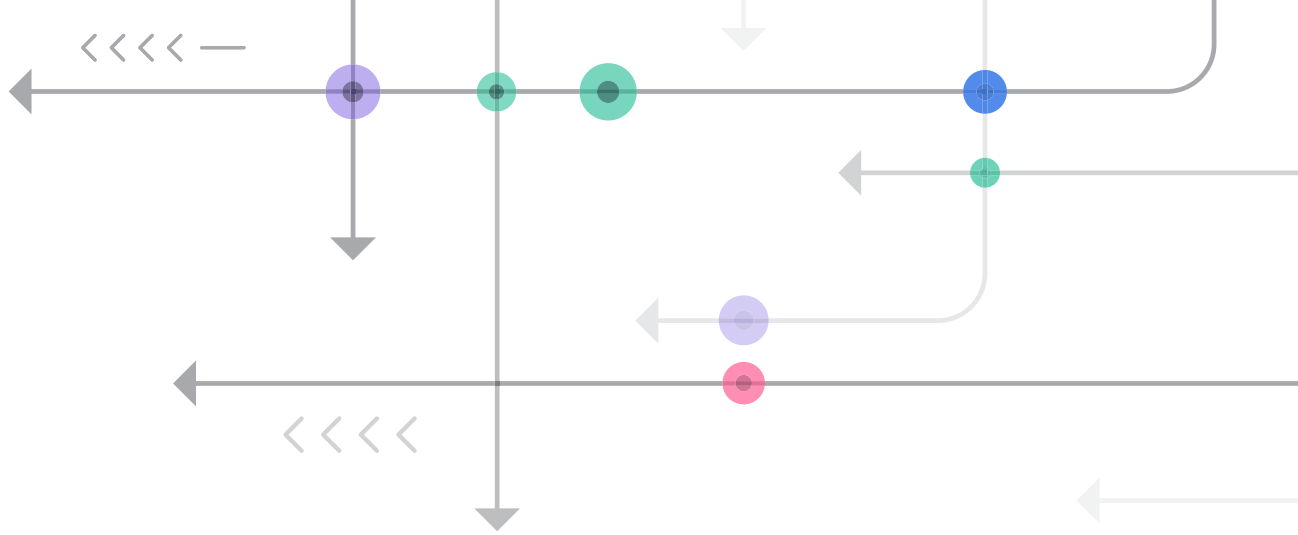
- no less than 21 CIPFA members, elected by region
- the elected honorary officers (president, vice president, junior vice president, past president)
- no more than 16 co-opted individuals appointed by Council on recommendation by the Nominations Committee to enhance the breadth of experience, competence, diversity of background and viewpoints.

Biographies for all current Council members are available on [CIPFA's website](#).

The governance structure



Key: Regional and advisory boards and panels



The membership of Council is refreshed on a two-year cycle, with individuals serving a maximum of six consecutive years before being required to have a two-year break. A maximum total tenure of nine years has been introduced. Honorary officers serve one year in post. The president, an elected member, chairs Council.

A programme of induction is provided for new Council members and mentors are arranged from the cohort of more experienced Council members.

Council is the charity's trustee body, responsible for the strategic direction of CIPFA and approving major developments. It also approves the terms of reference and delegated powers of its committees and boards. The Council normally meets four times a year.

Council members are fully appraised of their trustee duties and have declared themselves fit to act. The induction for new Council members and the Council Handbook emphasises the trustee responsibilities.

Through delegation to the CIPFA Board, Council fulfils its responsibility for the effective oversight of the operations of CIPFA and its subsidiary company. The president chairs Council and, following a process of open recruitment in 2022, Joe Sealy was appointed as independent Chair for CIPFA Board for a term of three years.

Joe Sealy's career has spanned the public and private sector. He is the Co-Founding Partner at Greater Pacific Capital, an investment firm for major pension funds and institutional investors investing in Asia, and specifically India. Joe serves on the Investment Committee and major firm committees and sits on the board of many investee portfolio companies.

He was previously a managing director in the investment banking division at Goldman Sachs with corporate clients covering multiple industry sectors, financial investors and government, and played a leadership role in promoting diversity at Goldman Sachs. Formerly, Joe was a partner at KPMG, in roles covering both private and public sector clients across local authorities and central government. Joe began his public service career within the local authority sector as a finance professional. In addition to his role as Chair of

the CIPFA Board, Joe is also a trustee at Voice 21, the leading UK oracy education charity.

We remain committed to improvement and recognise that good governance is as much about behaviour and culture as it is structure. We annually assess ourselves against the Charity Governance Code; while CIPFA has good compliance across the seven principles of the code, the trustees acknowledge the need for continuous vigilance and to strive for excellence. Therefore, we annually review our application of the code and take actions where necessary.

A governance review will be undertaken in 2025, which will:

- evaluate the current governance structure and scheme of delegations and identify areas for improvement
- propose recommendations to align governance with best practices and CIPFA's strategy
- ensure transparency, accountability and inclusivity in decision-making processes.

Delegations

Having set the strategy for the organisation, Council delegates oversight of CIPFA's business to the CIPFA Board, which implements the approach through other boards and committees.

The CIPFA Board comprises the Chair, six Council members (which include the four honorary officers of the Institute), two non-executive directors, the chief executive and finance director.

All boards and committees are formally constituted with terms of reference. The Council acts on advice and information provided by the executive. Members of Council are able, where appropriate, to take independent professional advice at no personal expense so that they are able to fulfil their role.



Statement of Council responsibilities

The trustees must ensure that the annual report and financial statements are made in accordance with applicable law and regulations. They are also responsible for the integrity of the corporate and financial information included on the charity's website.

Charity law requires the trustees to prepare financial statements for each financial year. Statements must give a true and fair view of the charity and the group and their financial activities in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards). In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- follow applicable UK accounting standards and the Charities SORP, disclosing and explaining any departures in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and group will continue to operate.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the trustees at the date of this report is aware, there is no relevant audit information of which the charity's auditor is unaware. Each trustee has taken all steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The Trustees consider this report and the financial statements to be fair, balanced and understandable.

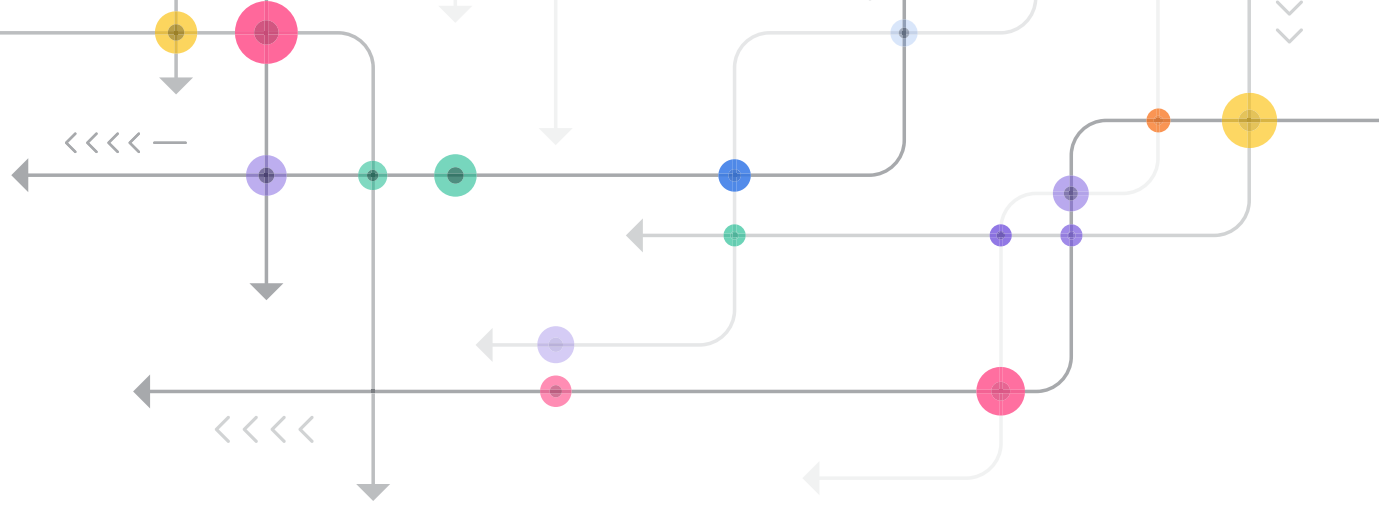
Conflicts of interest are reviewed annually and at the beginning of each meeting.

Trustees

The gender balance of Council members over the period of 1 January 2024 to 31 December 2024 was 16 women and 24 men.

In line with the maximum term of office recommended in the Charity Governance Code, CIPFA has implemented a nine-year upper limit for total time served on Council. Council Members sit for a two-year period, and any individual standing for a ninth year would be considered as a co-option for one year.

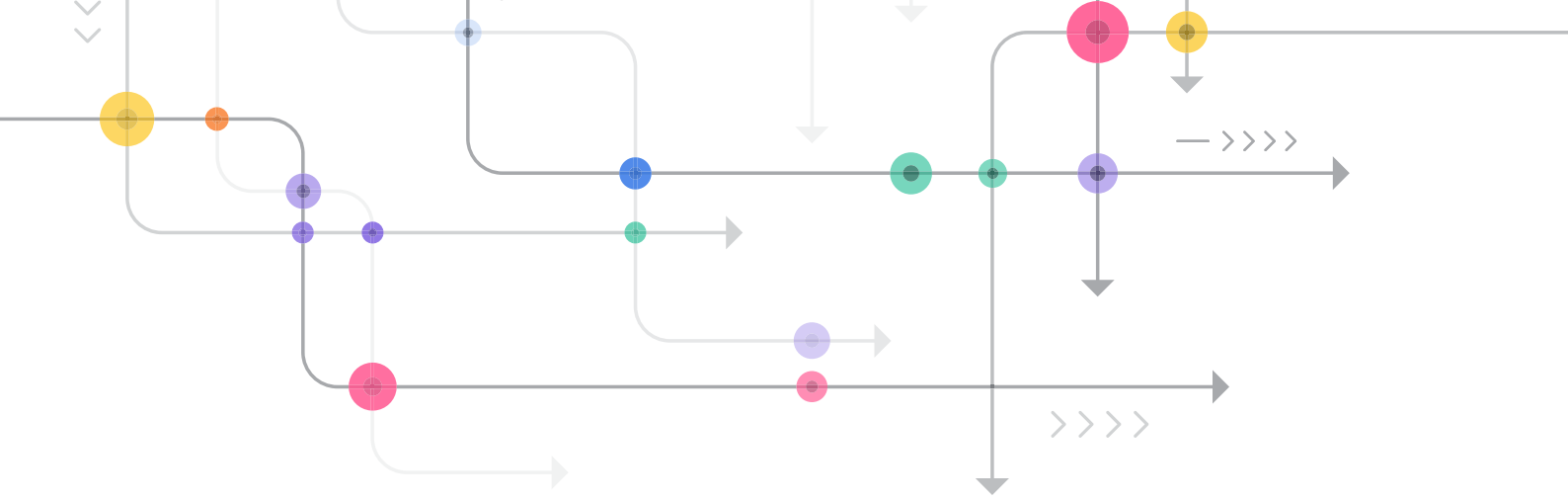
Trustees receive a comprehensive induction upon taking up their post. This is delivered over several sessions to provide thorough background and context on our governance structure and the work of each pillar.



Council members and attendance chart

Attendance for main Council meetings only; does not include subcommittee attendance.

	14 May 2024	9 July 2024	8 October 2024	26 November 2024	Council	Audit Committee	Elected (E) or Co-opted (C) to Council	CIPFA member
Adesola Adepaju	●	●	●	●	4/4		E	●
Naeem Ahmed	●	●	●	●	4/4		E	●
Caroline Al-Beyerty	●	●	●		3/4		E	●
Deirdre Bane	●	●	●	●	4/4		C	●
David Blair		●			1/4		E	●
Theresa Channell	●	●	●	●	4/4		E	●
Amy Crowson	●	●	●	●	4/4		E	●
Carol Culley	●	●	●	●	4/4		President, Vice President until 09/07/24	●
Jim Dafter			●	●	2/4		E	●
Nadeem Dean		●	●	●	3/4		E	●
D Joyce Dharmaraj	●	●	●	●	4/4		E	●
Stephanie Donaldson	●	●		●	3/4	●	E	●
Amanda Dowse	●	●	●	●	4/4		E	●
Pete Gillett		●	●		2/4		E	●
Aneil Jhumat				N/A	0/3		C	●
Lin Liu	●	●	N/A	N/A	2/2		C	●
Sir Mark Lowcock	●	●	●	●	4/4		Vice President, Junior VP until 09/07/24	●
Libby Mason	●	●	●	●	4/4		C	●
Mark McBride	●	●	●		3/4		C	●
Paul Mckevitt	●	●	●	●	4/4		C	●
Leslie Milne	●	●	●	●	4/4		E	●
Rebecca Nelson	●		●	●	3/4		E	●
Mike Newbury			●		1/4	●	C	●
Lee Outhwaite		●	●	●	3/4		C	●
Ian Owen		●	●	●	3/4		E	●
Jayne Owen	●	●	N/A	N/A	2/2		Past President until 09/07/24	●
Nina Philippidis	●	●	●		3/4		E	●
Caroline Russell	●	●	●	●	4/4		Past President, President until 09/07/24	●



	14 May 2024	9 July 2024	8 October 2024	26 November 2024	Council	Audit Committee	Elected (E) or Co-opted (C) to Council	CIPFA member
Mohammed Sajid			●		1/4		E	●
Geoffrey Simpson	●			●	2/4		C	●
Dennis Skinner	●		●	●	3/4		E	●
Luke Smith	●	●		●	3/4	●	E	●
Ileana Steccolini	●		●	●	3/4		C	
Donella Steel	●	●			2/4	●	E	●
Professor Toshihiko	●	●	●	●	4/4		C	●
Jason Vaughan	●	●	●		3/4	●	C	●
Hardev Virdee		●	●	●	3/4		Junior VP since 09/07/24	●
Ian Williams	●	●	●	●	4/4		E	●
Harriot Winfield	N/A	N/A	●		1/2		C	●
Lee Yale-Helms	●	●	●	●	4/4		E	●

Key individuals and sub-committees

	Audit Committee	CIPFA Board	Students and Members Board	Public Financial Management Board	Remuneration Committee	Commercial Board	Nominations Committee
Chair	Frances Done	Joe Sealy	Mark McBride	Carol Culley (until 9 July 2024) Caroline Al-Beyerty (from 9 July 2024)	Harry Gaskell	Harry Gaskell	Jayne Owen (until 9 July 2024) Caroline Russell (from 9 July 2024)
Vice Chair	Jason Vaughan	Caroline Russell (until 9 July 2024) Carol Culley OBE (from 9 July 2024)	Amy Crowson	Caroline Al-Beyerty (until 8 July 2024) Ian Williams (from 9 July 2024)	Caroline Al-Beyerty	Roger Alderson	Naeem Ahmed
Gender balance	Female 3 Male 5	Female 5 Male 6	Female 11 Male 3	Female 4 Male 6	Female 4 Male 4	Female 6 Male 5	Female 5 Male 5

Audit Committee

Maintains oversight of corporate governance throughout the CIPFA Group and management of external and internal audit.

CIPFA Board

Provides oversight of operational matters and delivery of the business plan, including management of impact on the environment and people. Guides, monitors and challenges development and operations in line with the strategy set by Council. Ensures an effective risk management strategy is maintained across the CIPFA Group.

Students and Members Board

Oversight of activities to develop the membership and professional standards including member services, education and training. This includes advising and supporting the CIPFA Regions and supervising the Disciplinary Scheme.

Public Financial Management Board

Oversees the Institute's work on policy and technical issues including the specialist Forums and therefore plays a key role in CIPFA's thought leadership and influence on public finance management. Supports the continuous improvement of standards in public finance, management and governance, particularly in UK local government where the Institute has formal standard setting responsibilities.

The Board holds responsibility for formal approval of all updates to Institute codes of practice, with any new codes approved by Council in the first instance.

Remuneration Committee

Holds full delegated responsibility for decision making in relation to pay and conditions of specified members of staff employed by the CIPFA Group, including the CIPFA Leadership Team (CLT).

Commercial Board

Guides commercial operations in line with the overall strategic direction set by Council. Oversees the wholly owned subsidiary, CIPFA Business Ltd.

Nominations Committee

Supports Council by overseeing the elections and appointment processes and advising on nominations.

Ensures that all appointments and nominations support the Institute's diversity and inclusion objectives.

Key management personnel remuneration

The trustees consider the CIPFA leadership team (CLT), which includes the chief executive, as comprising the key management personnel of the charity.

CLT is made up of the executive directors of CIPFA and CIPFA Business Ltd. It is responsible for directing and controlling, running and operating the charity on a day-to-day basis.

All trustees give of their time freely. In 2024, one trustee was remunerated (£3,000) for provision of services other than trustee services. This comprised work to support client work.

The remuneration committee has full delegated responsibility for decision making in relation to the pay and conditions of CLT in relation to remuneration, including:

- remuneration
- terms and conditions upon appointment
- changes to base salary
- bonus arrangements and payments thereunder
- honoraria and ex-gratia payments
- severance payments
- pensions.

The pay of CLT is reviewed annually and is informed by any general pay award within the Institute. In the case of the chief executive, any changes to current salary, terms and conditions, bonus awards, etc are considered on advice from the honorary officers, and on receipt of recommendations from the chair of the remuneration committee.

The Institute may opt in to single discretionary group bonus scheme, applicable to all eligible employees including CLT. No such scheme was enacted during the year.

The committee obtains independent professional advice as required including to compare and benchmark CIPFA's practices against those of other organisations. Executive remuneration is also benchmarked periodically with organisations of a similar size within the sector and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. Such advisors may attend meetings as necessary.

Equal opportunities, diversity and inclusion

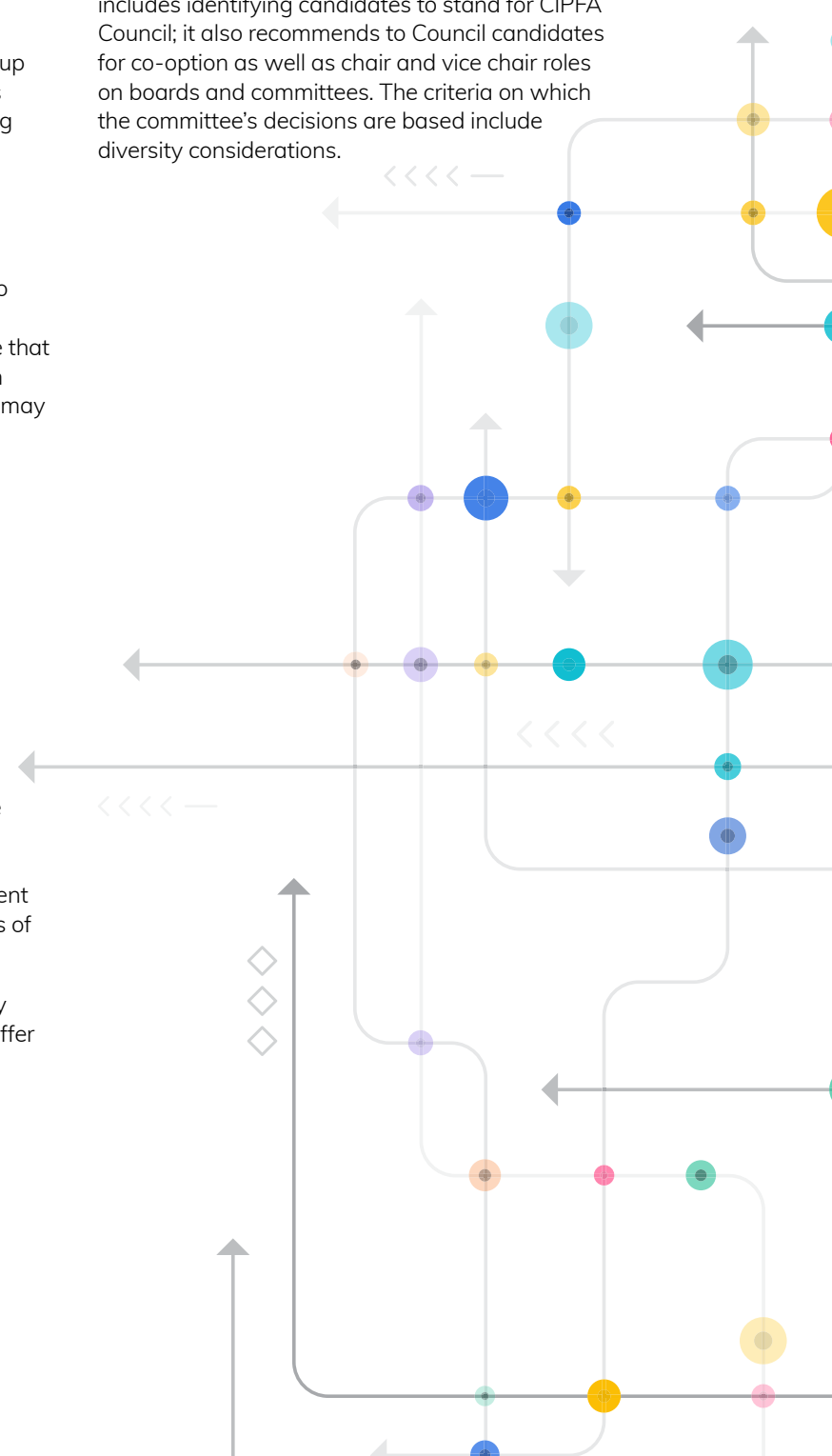
CIPFA is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. We seek to go beyond legislative requirements to improve diversity of representation and inclusivity in our role as an employer and as a membership body.

Our employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, pregnancy and maternity, sexual orientation, race, religion or belief, age, disability, gender reassignment or any other grounds that are unjustifiable in terms of equality of opportunities for all.

We have continued to provide mandatory diversity and inclusion training for all new employees and offer

access to a catalogue of resources geared towards improving mental health and wellbeing.

The Nominations Committee embraces CIPFA's commitment to equal opportunities and to improving diversity of backgrounds and viewpoints. Its role includes identifying candidates to stand for CIPFA Council; it also recommends to Council candidates for co-option as well as chair and vice chair roles on boards and committees. The criteria on which the committee's decisions are based include diversity considerations.





07

Opportunities
and risks



Opportunities

CIPFA operates within a challenging environment. Global conflicts, political change, slow growth and a cost of living crisis have brought new pressures, objectives and priorities, alongside long-term strains on public finances. Amid the difficulties of our current context, there are opportunities for CIPFA to provide leadership and support to the organisations we work with, and furnish them with services to meet their immediate and future needs as they find themselves in equally challenging and changing times.

We are building new partnering arrangements to promote collaboration and closer working across territories, sectors and professional accountancy organisations. Established and new jurisdictions are adopting public financial management standards and actively participating in our forums and events.

We continue to be the first choice for public sector finance professionals looking for advice and help under unrelenting pressure. We are dedicated to public service, we understand how public sector organisations work and we provide bespoke support.

We will continue to use insights from our forums and existing customers to inform our offer to the market over the long term. Our thought leadership plan, together with our economic research agenda, provides a framework for content and activity to support our messaging to policy makers and influencers.

We continue to drive forward standards, equipping finance professionals with the education and training they require. We are completing the phased roll out of our refreshed professional accountancy qualification and expanding our offer with new qualifications in anti-corruption, counter fraud and audit. Following the launch of our first Accredited Training Provider, we will be applying this model to increase our international student cohort.

We see finance professionals having an increasingly important role in sustainability reporting and we are strengthening our voice on sustainability as a pathway to becoming an authoritative voice on reporting in the public sector.

Risk management and internal control

Risks are monitored and reported on a quarterly basis at all levels of the Institute including the CIPFA leadership team, CIPFA Board and the Audit Committee. Risks are addressed as part of the business planning process and placed under the management of a senior member of staff and the appropriate board or committee. The Council and its Audit Committee are satisfied that all reasonable steps are being taken to manage exposure to major risks.

Our risk management strategy was reviewed in 2021 and our processes refreshed. We rolled out training for all staff and undertook a bottom-up refresh of risk identification. This process enabled us to ensure we are aligning risk management to the level of risk mandated by CIPFA Council.

In 2024 we conducted a comprehensive evaluation of the existing strategic risk register. The objective was to ensure the register accurately reflected relevant risks while aligning with CIPFA's strategic goals and operational realities. A key outcome of the review was the redefinition of risk categories, clarifying the distinctions between strategic, corporate and operational risks.

The review led to a more nuanced understanding of risks, categorising them based on their potential impact across different areas of the organisation.

As a result, the strategic risk register has been divided into two distinct entities:

- **Strategic risk register:** focused on risks that might fundamentally alter CIPFA's strategic course.
- **Corporate risk register:** concentrated on risks that could obstruct the delivery of the OneCIPFA Business Plan, under the presumption of a stable strategic direction.

At the operational level, risks have been categorised within CIPFA's three pillars: Thinks, Develops and Supports.

We operate a comprehensive business planning process, with an annual business plan and budget set by the CIPFA Board and approved by the Council. We have redesigned our performance dashboard and KPIs to provide better scrutiny, focus and usability. Each of our committees and boards reviews their relevant measures quarterly. Forecasts are revised on a quarterly basis.

CIPFA maintains a comprehensive set of delegations of authority and financial regulations. The financial controls and procedures are reviewed regularly and compliance with them verified by the work of the internal and external auditors.

We maintain a comprehensive set of policies and procedures, including whistleblowing, data protection, health and safety, complaints handling, code of conduct and register of interests for Council members, non-executive directors and senior staff.

The Audit Committee reviews CIPFA's accounting and financial reporting practices on behalf of the Council. Internal audit reviews are prioritised using a risk-based approach, and recommendations are followed up.

Risks

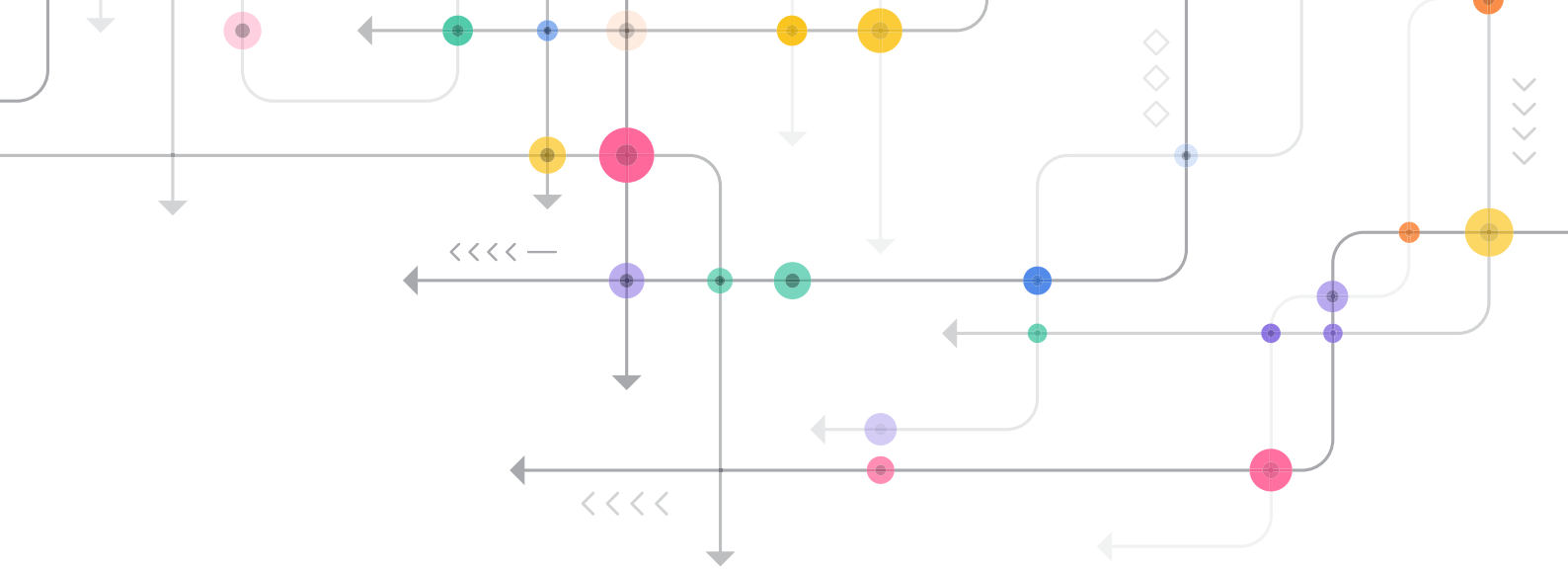
We continue to respond to the changing market for our qualifications and training, taking strategic measures to ensure we meet the needs of a student-led market and respond to changing demographics.

We have taken steps to improve the connection between the development of our products and services and customer feedback to maintain relevance and diversify our offer.

We are increasingly vigilant to the shifting geopolitical context and its potential impact on our international growth and UK public bodies. Securing a strong and sustainable financial position remains our key focus, particularly as we complete repayments on the pension settlement and target investment in our future ambitions.

Managing risks for CIPFA

Principal risks for CIPFA	What the risks mean	How we manage the risks
Failure to deliver a sustainable medium-term financial strategy, plan and cost base, and to generate enough cash to meet short- and long-term liabilities.	Unable to meet obligations as due or to respond to unexpected changes. Inability to deliver planned strategy, growth and investment through poor planning or lack of resource.	Rigorous cash flow management and review. Development of a robust medium-term financial and strategic plan including scenario analysis. Active management of cost base.
Failure to appeal to new students or to grow membership numbers. Impact of trends affecting PAOs globally – declining numbers of people choosing accounting as a career, technology advancements and consolidation in the market.	Decline in income as student and member acquisition rate falls and membership renewals drop. Threat to CIPFA's standing as a membership body, its authority to speak on behalf of PFM practitioners and its longer-term sustainability.	Ongoing refinement and refreshment of our member offer and member acquisition strategy domestically and internationally. Work underway with our member base and regions to increase engagement and involvement.
Failure to attract, recruit and retain workforce with diverse experience and skills to deliver our strategic aims.	Operational challenges and limits on business development. Higher costs of contractors to cover recruitment delays.	New HR system implemented with improved reporting capability to identify trends and risks. Employee value proposition being refreshed and actively managed.
Impact of decisions around L7 apprentice levy funding.	Increased costs to employers limit training and qualification investment provided through CIPFA. Longer-term reduction in membership base and income.	Strategic review of alternative provision underway. Ongoing engagement with key stakeholders on policy propositions.
Impacts of the proposed new Local Audit Office including arrangements around the Code of Practice on Local Authority Accounting.	Impacts on CIPFA's authority, influence and value of its subscription offering.	Ongoing engagement with key stakeholders on policy propositions.
Inadequate systems, processes or controls.	Inability to support strong decision making and efficient delivery of strategy. Risk of compliance failure.	Back office systems being replaced during 2025. ISO 9001 Quality Management System compliance audited regularly. Ongoing review cycle of key policies. Internal audit work programme agreed annually.

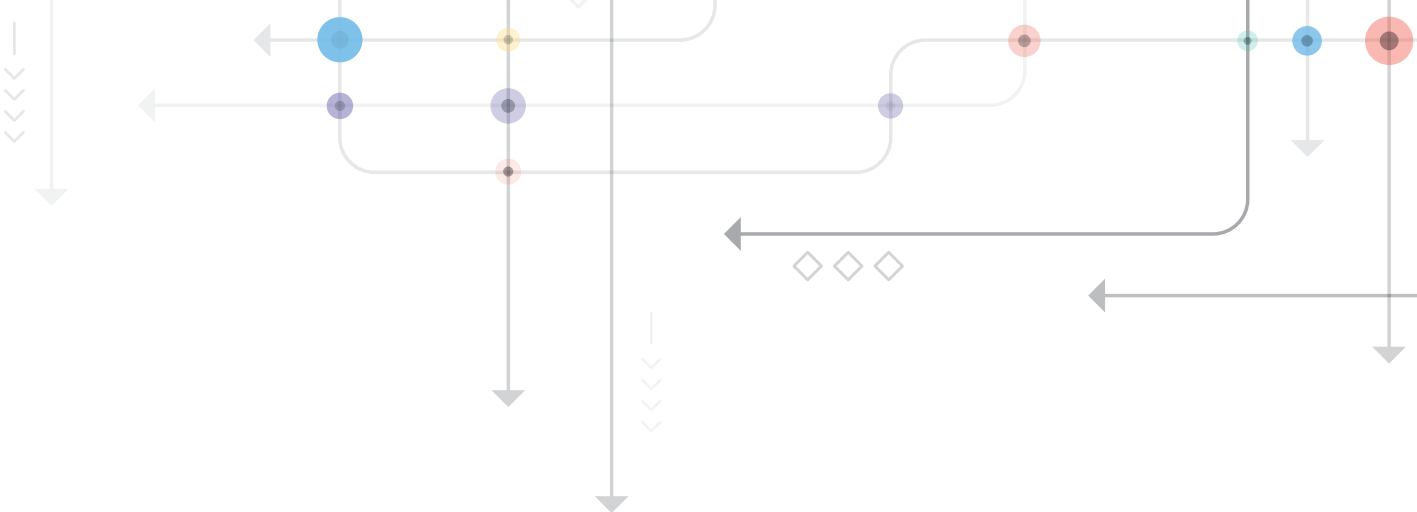


Principal risks for CIPFA	What the risks mean	How we manage the risks
Failures within local government and inadequate enforcement of professional standards undermine the credibility and authority of CIPFA.	Undermining of public and member confidence in CIPFA. Impact on member renewals and perception of value and service. Regulatory intervention.	Active monitoring by the Practice Oversight Panel and improved reporting to our boards and committees.
Rapid advances in technology including artificial intelligence and automation that may fundamentally reshape the accountancy profession.	Uncertain shape of the future of the profession and CIPFA's role in supporting and championing members.	Ongoing engagement with PAOs and industry stakeholders on this subject, and on opportunities to shape the future of the profession.
Exposure of information systems to a data security breach, cyber threat or attack.	Direct financial loss, non-compliance with regulations, potential fines or legal action, loss of sensitive data and damage to reputation.	ISO 27001 compliance audited regularly. Staff training completed and monitored regularly. Staff awareness month successfully delivered.
Failure to exploit opportunities for international growth.	Limits to long-term growth potential and missed opportunities to embed effective public financial management.	International strategy embedded and underway.
Failure to deliver suitable collaboration and strategic partnerships.	Risks to CIPFA's ability to remain competitive and relevant as a small PAO. Failure to capture opportunities of productive partnerships.	Ongoing engagement with our partners and stakeholders to identify opportunities and areas for joint activity.
Impact of the December 2024 Local Government Devolution White Paper on local government bodies.	Impacts to income and level of services delivered.	Strategic and financial analysis undertaken. Ongoing engagement with stakeholders and policymakers.



08

Financial
summary



The delivery of CIPFA's objectives and achievements in year was supported by an improved cash position and a positive net reserves movement of £1.4m.

Total income for the group was £30.9m (2023: £28.2m), of which £3.5m related to the sale of two software assets in the year.

Excluding the asset sales, trading income through CIPFA's subsidiaries CIPFA Business Ltd (CBL) and CIPFA C.Co Ltd reduced from £15.7m to £14.0m. This reflects activities in CIPFA C.Co Ltd being scaled down as a result of challenges in the consulting market, the removal of ongoing income from the sold assets in CBL, and delayed income recognition on ongoing contracted work.

Conversely, income from charitable activities rose by £0.8m, reflecting stronger demand across educational training including apprenticeships, the professional qualification and IPFM certification.

Costs stayed broadly level at £28.0m (2023: £28.1m), including an element of downward revaluation on CIPFA's building at Mansell Street, London.

Excluding exceptional and non-operating items, the operating surplus was £1.0m (2023: £1.3m).

On the balance sheet, the settlement of the closed defined benefit pension scheme arrangement has significantly lowered uncertainty. Regular payments in year were made as scheduled, reducing the liability by £1.6m, with the debt to be fully settled in 2028.

The overall reserves position has increased by £1.4m to £13.9m (2023: £12.5m).

Designated funds, reflecting the market value of property and assets, have fallen to £14.7m (2023: £15.8m), primarily due to a downward valuation of 77 Mansell Street, London in line with rental market changes.

A small increase in restricted funds to £0.2m (2023: £0.1m) reflects SORP FRS102 requirements to recognise income upon entitlement, where associated restricted expenditure on delivery is ongoing.

	2024 £000	2023 £000
Net income per SOFA	2,934	70
Depreciation and amortisation	486	488
Pension scheme settlement: interest and NPV movements	570	542
Mansell Street revaluation (through general fund)	502	0
Impairment of assets	0	159
Sale of assets	-3,466	0
Operating performance	1,026	1,259

The increase in the other charitable fund to £4.2m (2023: £2.6m) is largely driven by the sale of assets in year offset by other changes in operating performance.

The negative pension reserve of –£6.5m (2023: –£8.1m) reflects the reducing liability due to Wiltshire which will be fully repaid in 2028 according to the agreed schedule.

Following the settlement of the pension scheme, CIPFA is continuing its strategy to rebuild reserves to a level that facilitates additional investment in CIPFA's strategic ambitions. Work is underway in 2025 to redefine a sustainable long-term financial model and appropriate cost base, supported by a secure cashflow.

Reserves policy

Group funds at 31 December 2024 stand at £13.9m (2023: £12.5m) comprising unrestricted funds of £13.7m and restricted funds of £0.2m.

Designated funds of £16.0m (2023: £17.0m) represent the current valuation of property and other fixed assets and so no target is set for these funds.

Restricted funds total £0.2m (2023: £0). No target is set for these funds as the balance reflects timing differences between income recognition and expenditure.

The pension reserve stands at –£6.5m (2023: –£8.1m). The liability is being reduced to zero (target date July 2028) according to the planned schedule.

The other charitable fund stands at £4.2m (2023: £2.6m).

CIPFA targets a minimum reserves level, excluding designated and restricted funds, of three months' expenditure, with flexibility to increase this to six months' expenditure. Three months' expenditure, net of pension servicing costs, depreciation, amortisation and asset revaluation, is £6.6m. CIPFA is not currently meeting this target but is actively working towards this, beginning with the successful settlement of the closed pension scheme.

Good progress is underway and the combined pension and other charitable funds reserve position was uplifted by £3.2m in 2024 to –£2.4m (2023: –£5.5m). Given CIPFA's analysis of future cash flow, and the strategic work that is underway to move CIPFA to its target reserves level, the reserves position is not considered to impede going concern.

CIPFA is undertaking further work in 2025 to transform its financial structure, primarily through a focus on income growth opportunities and on ensuring the cost base is appropriately sized in the short and medium term.

This work will facilitate the operating surpluses necessary to deliver the minimum reserves target, facilitate investment in CIPFA's strategic ambitions, and deliver a long-term sustainable operating model.

Going concern

The CIPFA Audit Committee and Board, on behalf of Council, have assessed the ability of CIPFA to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These include the budget for 2025, the medium-term strategy, risks and opportunities and the cashflow forecasts to 31 December 2026. As part of this process, CIPFA has conducted sensitivity analysis surrounding key assumptions, alongside the preparation of a reasonable worst-case scenario.

Following agreement in 2022 to settle the longstanding pension deficit, CIPFA has made additional payments in 2024 totalling £1.8m (2023: £3.9m) towards its outstanding pension commitment, with further payments due until 2028. The sale in October 2024 of intangible fixed assets has substantially increased cash balances. CIPFA is continuing to actively manage its cost base, prioritise strategic investment and diversify its product offer to ensure its financial model remains sustainable in the long term.

Having regard to the above, the trustees believe there are no material uncertainties surrounding the decision

to adopt the going concern basis of accounting in preparing the financial statements.

Investment policy

The objectives of CIPFA's policy are to maximise liquidity, minimise risk, optimise returns and ensure compliance with all relevant regulations and best practice. Byelaw 59 details the extensive investment powers bestowed upon the Council which are broader than those adopted in practice by CIPFA through its current policy.

Given the annual fluctuation in cash balances held, and the strategic review underway in 2025, current investment activity entails depositing surplus funds within a range of approved institutions in tranches with a range of maturity dates.

Fundraising

CIPFA had no fundraising activities requiring disclosure under Section 162A of the Charities Act 2011.

CIPFA is the home of excellence in public finance. We exist to ensure public money is well spent and well managed for the benefit of us all. Our plan is to deliver against that purpose over the coming years as we grow, increase our impact and strengthen the support to our membership. The trustees' annual report was approved on 7 May 2025 and signed on their behalf by Carol Culley, CIPFA President.



Carol Culley
CIPFA President

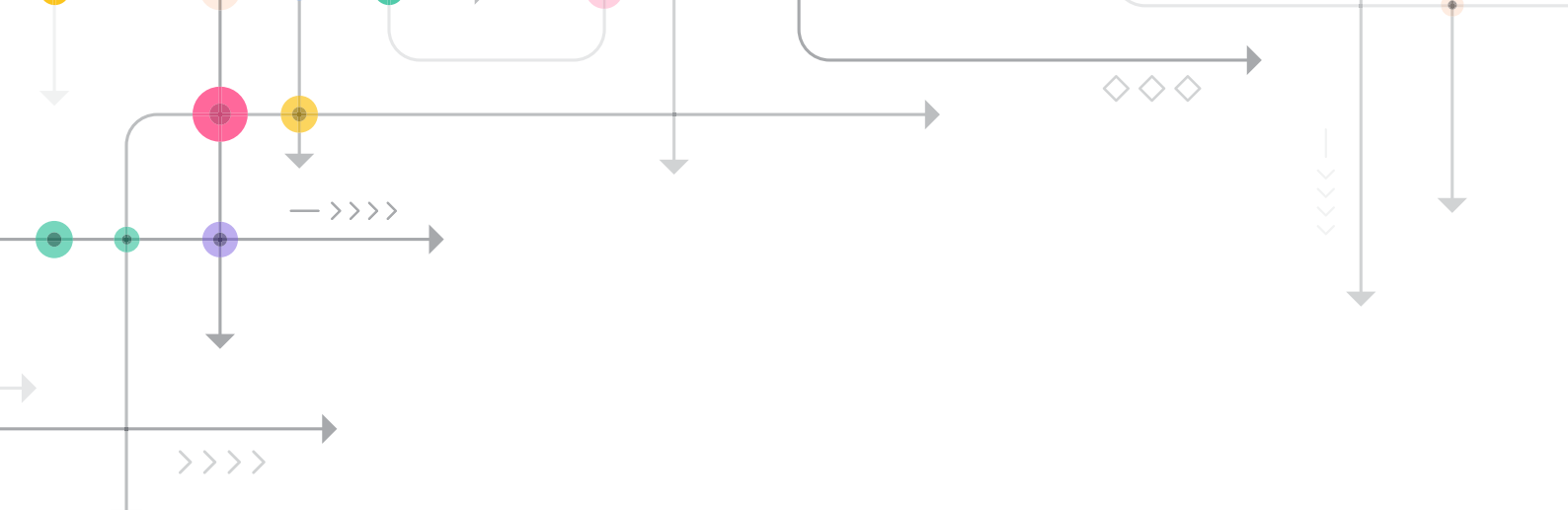


Owen Mapley
CEO, CIPFA



09

Administrative
information



The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a charity by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales, number 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

CIPFA leadership team

Chief Executive: Rob Whiteman CBE (until 30 June 2024)

Chief Executive: Owen Mapley (from 1 July 2024)

Chief Operating Officer: Dan Worsley (until 30 June 2024)

Interim Finance Director: Anna Blackman (from 22 January 2024)

Interim Chief Operating Officer: Anna Blackman (from 1 July 2024)

Director of Education and Membership: Lindie Englebrecht

Director of Public Financial Management: Iain Murray

Director of International: Khalid Hamid

Head of People and Culture: Sarah Carruthers (until 25 October 2024)

Interim Director of People and Culture: Graham Jones (from 2 December 2024)

Interim Company Secretary: Patricia Milopoulos

Principal Office

77 Mansell Street
London E1 8AN

Principal Advisers

Bankers

Lloyds Bank Plc
Villiers House
48-49 Villiers Street
London WC2N 5LL

Insurers

Bartlett and Company Ltd
Broadway Hall
Horsforth
Leeds LS18 4RS

Solicitors (disciplinary)

DAC Beachcroft
100 Fetter Lane
London EC4A 1BN

Solicitors (corporate)

Ashtons Legal
Trafalgar House
Meridian Way
Norwich NR7 0TA

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW



10

Financial
report

Consolidated statement of financial activities for the group

Year ended 31 December 2024

		Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total 2024 £000	Total 2023 £000
	Note				
Income					
<i>Income from charitable activities:</i>					
Membership subscriptions					
Advancing public finance and promoting best practice		3,483	620	4,103	4,272
Educating and training student members		5,768	–	5,768	4,813
Regulation and supporting members		3,045	–	3,045	2,997
		12,296	620	12,916	12,082
<i>Other trading activities:</i>					
Income from information, advisory and property services	12	13,855	130	13,985	15,671
Profit on disposal of intangible fixed assets	12	3,466	–	3,466	–
<i>Investments:</i>					
Interest receivable		169	–	169	196
Rental income	4	345	–	345	232
Total income		30,131	750	30,881	28,181
Expenditure					
<i>Expenditure on charitable activities:</i>					
Advancing public finance and promoting best practice		7,171	478	7,649	7,348
Educating and training student members		7,006	–	7,006	6,771
Regulation and supporting members		2,073	–	2,073	2,134
		16,250	478	16,728	16,253
<i>Other expenditure:</i>					
Expenditure from information, advisory and property services	12	10,855	70	10,925	11,251
Interest payable	5	294	–	294	439
CIPFA C Co Ltd dividend		–	–	–	9
Impairment of assets	5	–	–	–	159
Total expenditure	5	27,399	548	27,947	28,111
Net income		2,732	202	2,934	70
<i>Other recognised (losses)/gains:</i>					
Loss on revaluation of fixed assets	18	(1,548)	–	(1,548)	(3,074)
Net movement in funds		1,184	202	1,386	(3,004)
Reconciliation of funds					
Fund balances brought forward at 1 January		12,509	–	12,509	15,513
Fund balances carried forward at 31 December		13,693	202	13,895	12,509

The results set out in the above statement of financial activities all relate to continuing operations from unrestricted and restricted funds.

Restricted income and expenditure in 2023 was not material and CIPFA has elected not to present a full comparative statement of financial activities. For 2023 restricted income was £nil and expenditure attributable to the non-controlling interest in CIPFA C.Co Ltd was £23,000. At the end of 2024 CIPFA C.Co Ltd was fully owned by CIPFA so there is no remaining non-controlling interest in CIPFA C.Co Ltd.

There are no other gains or losses, other than those recognised above, and therefore no separate statement of total recognised gains and losses has been presented. Further analysis can be found in note 19.

The notes on pages 64 to 82 form part of these financial statements.

Consolidated and charity balance sheets

as at 31 December 2024

	Note	Group 2024 £000	2023 £000	CIPFA 2024 £000	2023 £000
Fixed assets					
Intangible assets	9	1,209	1,027	771	632
Tangible assets	10	4,782	9,507	4,781	9,498
Investment property	11	10,050	7,450	10,050	7,450
Investments	12,13	9	9	409	409
		16,050	17,993	16,011	17,989
Current assets					
Debtors	15	4,026	5,371	2,969	4,077
Cash at bank and in hand		6,027	3,862	4,191	1,235
		10,053	9,233	7,160	5,312
Creditors: amounts falling due					
within one year	16	(7,375)	(8,329)	(4,674)	(4,949)
Net current assets		2,678	904	2,486	363
Total assets less current liabilities		18,728	18,897	18,497	18,352
Long-term liabilities					
Creditors: amounts falling due after more than one year					
Pension liability	17	(4,833)	(6,388)	(4,833)	(6,388)
Net assets		13,895	12,509	13,664	11,964
Funds					
Restricted funds	18	236	34	236	34
Minority interest		–	23	–	–
Unrestricted funds					
Designated funds		16,041	17,027	15,601	16,623
Revaluation reserve		–	957	–	957
Pension reserve	18	(6,564)	(8,135)	(6,564)	(8,135)
Other charitable funds		4,182	2,603	4,391	2,485
Total funds including pension liability		13,895	12,509	13,664	11,964

The financial statements of CIPFA's branches, regions, and students' societies are incorporated within the charity's financial statements. Before consolidation into the group financial statements, the charity made a surplus of £3,248,000 in 2024 (2023: a surplus of £66,000). The surplus for this year is before other recognised losses of £1,548,000 (2023: losses of £3,074,000).

Approved and authorised for issue by the Council on 7 May 2025 and signed on its behalf by:



President



Chief Executive

The notes on pages 64 to 82 form part of these financial statements.

Consolidated statement of cash flows for the year ended 31 December 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
Net cash provided by (used in) operating activities			995		1,885
Cash flows from investing activities					
Interest received		169		196	
Rent received on investment property		184		155	
Purchase of intangible fixed assets	9	(477)		(500)	
Purchase of tangible fixed assets	10	(50)		(143)	
Proceeds from sale of intangible fixed assets	12	3,521			
Net cash provided by (used in) investing activities			3,347		(292)
Cash flows from financing activities					
Pension liability and lease payments	17	(1,883)		(3,915)	
Interest paid		(294)		(172)	
Net cash provided by (used in) financing activities			(2,177)		(4,087)
Net decrease in cash and cash equivalents			2,165		(2,494)
b/fwd Cash at bank			3,862		6,356
c/fwd Cash at bank			6,027		3,862

Notes to the cash flow statement

A. Reconciliation of net income/(expenditure) to net cash flow from operating activities	Note	2024 £000	2023 £000
Net income		2,934	70
Adjustments for:			
Interest receivable		(169)	(196)
Interest payable	5	294	439
Rent receivable on investment property	4	(345)	(232)
Pension liability and lease payments	17	1,883	3,915
Depreciation and amortisation charges	9,10	486	488
Impairment of intangible asset	9	–	159
Revaluation of fixed assets recognised in operating activities		378	–
Loss on disposal of fixed assets		3	–
Gain on the sale of intangible fixed assets	12	(3,466)	–
(Increase)/decrease in debtors		1,506	25
Increase/(decrease) in creditors		(2,509)	(2,783)
Net cash provided by (used in) operating activities		995	1,885

B. Analysis of changes in net debt	At 1 Jan 2024 £000	Cash- flows £000	At 31 Dec 2024 £000
Cash in hand	3,862	2,165	6,027
Finance leases	(99)	36	(63)
Total	3,763	2,201	5,964

Notes to the financial statements

1 Accounting policies

Company information

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a public benefit entity set up by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales. The charity registration number is 231060. CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963. CIPFA is a Public Benefit Entity and its registered office is 77 Mansell Street, London, E1 8AN.

Accounting conventions

The consolidated financial statements comprise the financial statements of CIPFA, and its subsidiary undertakings, CIPFA Business Ltd, registration number 2376684 and CIPFA C.Co Ltd, registration number 10212053 on a line by line basis and adjusted for the elimination of inter-group transactions and balances. The minority interest in CIPFA C.Co Ltd was purchased during the year.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and investment property and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – effective 1 January 2019.

The functional currency of CIPFA and its subsidiary entities is considered to be GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

Further details of CIPFA's active subsidiary undertakings are provided in note 12.

The financial statements of CIPFA's branches, regions and students' societies are incorporated within the charity's financial statements.

Going concern

The CIPFA Audit Committee and Board, on behalf of Council, have assessed the ability of CIPFA to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. These include the budget for 2025, the medium-term strategy, risks and opportunities and the cashflow forecasts to 31 December 2026. As part of this process, CIPFA has conducted sensitivity analysis surrounding key assumptions, alongside the preparation of a reasonable worst case scenario. Following agreement in 2022 to settle the longstanding pension deficit, CIPFA has made additional payments in 2024 totalling £1,847,000 (2023: £3,915,000) towards its outstanding pension commitment, with further payments due until 2028. The sale in October 2024 of intangible fixed assets has boosted cash balances. CIPFA is continuing to actively manage its cost base, prioritise strategic investment and diversify its product offer to ensure its financial model remains sustainable in the long term.

Having regard to the above, the Trustees believe there are no material uncertainties surrounding the decision to adopt the going concern basis of accounting in preparing the financial statements.

Income recognition

Income is credited to the statement of financial activities in the year to which it relates. Income is deferred only when conditions have to be fulfilled before CIPFA becomes entitled to it or where the donor has specified that the income is to be expended in the future period. In the case of membership subscriptions and subscriptions for

journals and electronic services any receipt in respect of future years is shown as deferred income. Government grants are recognised when CIPFA meets entitlement conditions within the grants.

- Advancing public finance and promoting best practice comprises income from publications, courses and conferences and advisory services.
- Educating and training student members comprises income from training and examining for CIPFA's professional qualifications.
- Regulation and supporting members comprises membership fees from CIPFA professional qualifications and the income from practice assurance and disciplinary fines.

Accrued income

Income is accrued in the statement of financial activities based upon judgements assessing the level of completion for revenue that cannot be invoiced as the requested service has not been fully delivered.

Investments

Investment properties are measured at fair value annually with any change recognised in the statement of financial activities. The trustees deem market value to be a fair approximation of fair value for the purpose of obtaining annual valuations. A full valuation is undertaken every three years and interim valuations are performed in intermediate years.

Expenditure recognition

Expenditure, including irrecoverable value added tax, is debited to the statement of financial activities on an accruals basis:

- Expenditure from information, advisory and property services comprises the costs of the trading subsidiaries.
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.
- Governance costs comprise those incurred as a result of constitutional and statutory requirements.
- Support costs, which include central office functions such as finance, information technology and human resources, are allocated across the categories of charitable expenditure. The basis of the cost allocation has been explained in the notes to the accounts.

Pensions

CIPFA operates a defined contribution Group Personal Pension Plan via Aegon, introduced from 1 January 2007. The Wiltshire defined benefit scheme was closed on 30 September 2022 and all members moved across to the defined contribution scheme under Aegon.

Defined contributions are paid to the Group Personal Pension Plan via Aegon in accordance with the group policy. The policy allows for minimum employee contributions of 3%, with the employer contributing double the employee contribution up to a maximum employer contribution of 10%.

Pension liability

CIPFA reached agreement with the pension provider to settle its remaining pension deficit for a sum of £12,765,000. The liability is being paid off over five years at an interest rate of 3.8%. Annually the remaining balance is shown in creditors at a net present value discounted at 3.8%. The cash value of the liability reduces in accordance with repayments, and interest is recognised in the statement of financial activities as it arises across the period.

Leased assets – lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Leased assets – lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Finance leases

Finance leases are capitalised on the balance sheet and depreciated over the life of the lease.

Intangible fixed assets – development expenditure

Intangible fixed assets represent research and development costs capitalised in accordance with FRS102. These are stated at historical cost and amortised on a straight-line basis over the period in which revenue is expected to be generated (three to five years).

Amortisation is recognised in the statement of financial activities under expenditure on charitable activities.

Tangible fixed assets and depreciation

Freehold property is held at valuation and depreciated over 50 years. Revaluations are undertaken by an independent valuation expert annually. A full valuation is undertaken of freehold property every three years and interim valuations completed in intermediate years. Included in the fixed asset note is the carrying amount that would have been recognised had the assets been carried under the historical cost model.

Other fixed assets are capitalised and depreciated if the value is greater than £1,000 for an individual asset or greater than £5,000 for a capital project.

Tangible fixed assets are depreciated from the month the assets are first used on a straight-line basis over their estimated economic lives as follows:

	Years
Computer equipment	3
Furniture, fittings and other equipment	5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Deferred taxation

Deferred tax is provided in full in respect of material timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is only recognised where the conditions for recognition in FRS102 are satisfied and such balances may fall due after more than one year.

Fund accounting

Unrestricted funds held by the charity are:

Designated funds – these are unrestricted funds set aside by the trustees for specific future purposes or projects.

Other charitable funds – these are unrestricted general funds that can be used in accordance with the charitable objects at the discretion of trustees.

Restricted funds – those funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

2 Critical accounting judgements and key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to Wiltshire Council having crystallised its defined benefit pension scheme at 30 September 2022. The key area of judgement is around the selection of an appropriate discount rate to recognise the liability at present value. To discount the liability to present value at year-end, CIPFA has used a discount rate of 3.8% which represents the interest charge on the value of the outstanding liability.

Valuation of land and buildings and investment property – The charity’s land, buildings and investment property are stated at their estimated fair value based on professional valuations as disclosed in note 10 and 11.

Accrued income – The charity estimates accrued income based upon judgements assessing the level of completion for revenue that cannot be invoiced as the requested service has not been fully delivered. Accrued income is disclosed in note 15.

Debtor provisions – The charity maintains a provision for all debts over six months, and all debts relating to Professional Regulation matters with members. The provisions are disclosed in note 15.

Financial instruments

Financial assets and financial liabilities are recognised when CIPFA becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate.

3 Grant income

Grants have been awarded to CIPFA and its trading subsidiary, CIPFA Business Ltd, by the Improvement and Development Agency for Local Government. These grants have been funded by the Ministry for Housing, Communities, and Local Government. The grants have been given to provide training and support for local authority finance managers in developing business cases, contract management, corporate governance and workforce planning. Additionally, part of the funding was conditional on the provision of bursaries to applicants.

A grant has been awarded by the Health Foundation to investigate preventative investment in local councils.

Income has been recognised when CIPFA meets the entitlement criteria for the grants. Where conditions for fulfilling the grants have not been met the expenditure has not been recognised.

	CIPFA
	£000
<hr/>	
IDeA grants funded by MHCLG and DLUHC	
Revenue	750
Expenditure	478
Health Foundation	
Revenue	98
Expenditure	98
<hr/>	

4 Property income

	2024 £000	2023 £000
Rent and dilapidations from tenants	345	232
	345	232

Property income is the income from tenants occupying parts of the Mansell Street property during the year.

5 Total expenditure

Group	Support costs						2024 Total £000
	Activities direct costs £000	Human resources £000	ICT £000	Finance and admin support £000	Marketing and public relations £000	Governance £000	
Charitable expenditure:							
Advancing public finance and promoting best practice	5,352	160	526	355	937	319	7,649
Educating and training students	4,844	311	621	555	383	292	7,006
Regulation and supporting members	1,435	40	175	155	182	86	2,073
Total charitable costs	11,631	511	1,322	1,065	1,502	697	16,728
Other expenditure:							
Expenditure from information, advisory and property services	8,370	243	1,065	920	205	122	10,925
Interest payable	294						294
	20,295	754	2,387	1,985	1,707	819	27,947
Total 2023	19,109	591	2,789	2,682	2,062	878	28,111

Basis of allocation:

– Charitable costs	Headcount	Work	Income	Estimated	Income
– Information, advisory and property services	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost

	2024 £000	2023 £000
Net income for the year is stated after charging		
Depreciation and amortisation	486	488
Impairment	–	159
Operating lease rentals	224	110
Interest payable on the pension liability	294	439
Net present value movement in pension liability	276	103
One-off costs of restructuring	210	508

6 Governance costs

	2024	2023
	£000	£000
Auditor fees – group		
Statutory audit – Crowe	69	66
Statutory audit relating to prior year – Crowe	15	–
Statutory audit – other	8	8
Tax advisory services	16	9
	108	83
Group	2024	2023
	£000	£000
Audit fees	92	74
Internal audit fees	48	51
Council, committees and boards	114	142
Management and governance support	492	524
Apportionment of costs supporting governance activities	73	87
	819	878

Governance costs are shown exclusive of VAT.

7 Employees

7.1 Group costs

	2024	2023
	£000	£000
Group		
Salaries and wages (including temporary staff)	11,554	11,829
National insurance	1,257	1,299
Pension costs	876	931
Other staff costs	391	546
Redundancy and termination costs	210	508
	14,288	15,113

Redundancy and termination payments of £210,000 (2023: £508,000) were paid during the period and are recognised in the statement of financial activities. These costs include no one off pension costs (2023: £45,000).

Ex-gratia payments of £36,000 (2023: £98,000) were paid during the period and are recognised in the statement of financial activities. There were no bonus payments (2023: £107,000).

7.2 Group employee numbers

The average number of employees in the Group in 2024 was 235 (2022: 259).

	2024	2023
Group	No	No
Advancing public finance and promoting best practice	28	30
Educating and training student members	51	53
Regulation and supporting members	6	8
Governance	3	5
Support services	87	95
CIPFA Business Ltd	53	54
CIPFA C.Co Ltd	7	14
	235	259

7.3 Remuneration bands for employees earning more than £60k

	CIPFA	CIPFA	CIPFA	CIPFA	CIPFA	CIPFA
	CIPFA	Business	C Co	CIPFA	Business	C Co
	2024	2024	2024	2023	2023	2023
£220,000 – £229,999	–	–	–	1	–	–
£190,000 – £199,999	–	–	–	1	–	–
£180,000 – £189,999	1	–	–	–	–	–
£160,000 – £169,999	–	–	–	–	1	–
£150,000 – £159,999	1	1	1	–	–	–
£140,000 – £149,999	1	–	–	1	–	–
£120,000 – £129,999	1	–	–	1	–	–
£110,000 – £119,999	6	–	–	1	1	–
£100,000 – £109,999	–	–	–	2	1	2
£90,000 – £99,999	2	1	–	4	–	–
£80,000 – £89,999	8	4	–	6	3	–
£70,000 – £79,999	6	1	–	10	1	3
£60,000 – £69,999	13	10	2	9	8	–

Remuneration for the above table excludes employer pension contributions and national insurance. The bands for CIPFA C.Co Ltd have been corrected for 2023.

Of the senior employees 39 CIPFA (2023: 36), 17 CIPFA Business Ltd (2023: 15) and 3 CIPFA C.Co Ltd (2023: 6) employees are members of the pension schemes. Employer pension contributions made on behalf of senior employees in 2024 were £356,000 (2023: £397,000). The 2023 comparatives have been corrected for the banding in CIPFA C.Co Ltd.

Remuneration of key management personnel

Key management is made up of the chief executive and the executive directors. CIPFA's total cost, including pension and national insurance, for key management personnel for 2024 was £1,252,000 (2023: £1,203,000). The total cost for the chief executive, including pension and national insurance, was £320,000 (2023: £258,000). There were two months of overlap for our retiring and new chief executives.

Volunteers

CIPFA is supported by a strong network of volunteers who play a vital role advancing our objectives of advancing public finance, promoting best practice, educating and training student members and regulating and supporting members.

Volunteers sit on our Council, boards, committees and policy panels; they also undertake regional engagement and are involved in organising regional events.

8 Pensions

CIPFA operates a defined contribution pension scheme for its staff:

The CIPFA Personal Pension Plan –this is a defined contribution, money purchase scheme, operated on behalf of CIPFA by Aegon. Pension benefits payable under the scheme are dependent upon contributions made and fund growth over the life of the scheme.

This scheme replaced the Local Government Pension Scheme as the default scheme for CIPFA employees joining on or after 1 January 2007.

The scheme allows for minimum employee contributions of 3%, with the employer contributing double the employee contribution up to a maximum employer contribution of 10%.

The total pension cost to the group for 2024 was £876,000 (2023: £931,000).

The Local Government Pension Scheme – This scheme was closed on 30 September 2022, when all members transitioned across to the defined contribution scheme.

CIPFA reached agreement with the pension provider to settle its remaining pension deficit for a sum of £12,765,000. The final liability increased by £65,000 on what was reported in 2022 with adjustments identified as the Deferred Settlement Agreement was finalised. During 2024 £2,140,000 (2023: £3,896,000) was paid with the remaining liability of £6,564,000 (2023: £8,135,000) being paid off over the next four years to June 2028. The full cost has previously been recognised in the statement of financial activities and the remaining liability (note 16 and note 17) has been discounted at a rate of 3.8% to its present value of £6,564,000 (2023: £8,135,000) as required by FRS102. The liability has been secured on CIPFA's property in Mansell Street, London.

9 Intangible assets

Intangible assets relate to product software, delivery and support software, the costs of learning material to support students training for the professional qualification and migration of our servers to Amazon Web Service. The assets under construction relate to the periodic refresh of the learning materials, development of a new CRM and a new finance system.

A Group	Assets under		Total
	Other	construction	
	£000	£000	£000
Development at cost			
At 1 January 2024	1,383	340	1,723
Additions	146	331	477
Transfers	165	(165)	–
Disposals	(528)	–	(528)
At 31 December 2024	1,166	506	1,672
Amortisation			
At 1 January 2024	696	–	696
Charge for year	240	–	240
Disposals	(473)	–	(473)
At 31 December 2024	463	–	463
Net book value 31 December 2024	703	506	1,209
Net book value 31 December 2023	687	340	1,027
B CIPFA			
		Assets under	
	Other	construction	Total
	£000	£000	£000
Development at cost			
At 1 January 2024	929	196	1,125
Additions	146	152	298
Transfers	165	(165)	–
Disposals	(224)	–	(224)
At 31 December 2024	1,016	183	1,199
Amortisation			
At 1 January 2024	493	–	493
Charge for year	159	–	159
Disposals	(224)	–	(224)
At 31 December 2024	428	–	428
Net book value 31 December 2024	588	183	771
Net book value 31 December 2023	436	196	632

10 Tangible fixed assets

A Group	Freehold land and building £000	Furniture and Fittings £000	Computers £000	Total £000
Cost or valuation				
At 1 January 2024	9,300	871	1,308	11,479
Revaluations	(1,459)	–	–	(1,459)
Additions	–	–	50	50
Transfer/reclassifications	(3,191)	–	–	(3,191)
Disposals	–	–	(61)	(61)
At 31 December 2024	4,650	871	1,297	6,818
Depreciation				
At 1 January 2024	–	871	1,101	1,972
Charge for year	124	–	122	246
Revaluations	(124)	–	–	(124)
Eliminated on disposal	–	–	(58)	(58)
At 31 December 2024	–	871	1,165	2,036
Net book value 31 December 2024	4,650	–	132	4,782
Net book value 31 December 2023	9,300	–	207	9,507
B CIPFA	Freehold land and buildings £000	Furniture and Fittings £000	Computers £000	Total £000
Cost or valuation				
At 1 January 2024	9,300	652	1,181	11,133
Revaluations	(1,459)	–	–	(1,459)
Additions	–	–	50	50
Transfer/reclassifications	(3,191)	–	–	(3,191)
At 31 December 2024	4,650	652	1,231	6,533
Depreciation				
At 1 January 2024	–	652	983	1,635
Charge for year	124	–	117	241
Revaluations	(124)	–	–	(124)
At 31 December 2024	–	652	1,100	1,752
Net book value 31 December 2024	4,650	–	131	4,781
Net book value 31 December 2023	9,300	–	198	9,498

The tangible fixed assets are held for charitable use.

Cushman & Wakefield, Property Consultants, completed a desktop valuation of the Mansell Street property as at 31 December 2024. The basis used for the valuation was open market value. The historical cost of the freehold land and buildings is £5,383,000 (2023: £8,247,000) as a result of transferring the second floor to investment property.

11 Investment property

	2024	2023
Group and CIPFA	£000	£000
Cost		
At 1 January	7,450	6,850
Transfer	3,191	–
Revaluation	(591)	600
At 31 December	10,050	7,450

The investment property relates to the second, third, fourth and fifth floors of the Mansell Street property. The valuation of investment property was determined by Cushman Wakefield, an independent property expert, as at 31 December 2024 and 2023. The valuer adopted a 'red book' valuation methodology which reflects market conditions at the year end date, considering similar properties in the local area.

12 Investments in subsidiary company

	2024	2023
	£000	£000
400,100 £1 ordinary shares in CIPFA Business Ltd	400	400
75 £1 ordinary shares in CIPFA C.Co Ltd	–	–
	400	400

CIPFA has two active wholly owned trading subsidiaries: CIPFA Business Ltd, registration number 2376684 and CIPFA C.Co Ltd, registration number 10212053. The minority interest in CIPFA C.Co Ltd was purchased during the year.

The principal activities of CIPFA Business Ltd are networks, advisory and research. CIPFA Business Ltd remits a proportion of its profits to CIPFA by means of gift aid. Audited accounts are filed with the Registrar of Companies.

Profit for the financial year for CIPFA Business Ltd includes recognition for the sale of intangible fixed assets to Infoshare+ for £3,521,000 with a net gain of £3,466,000.

	2024	2023
Profit and loss account – CIPFA Business Ltd	£000	£000
Turnover	13,391	14,275
Interest receivable	162	191
Expenditure	(9,997)	(10,063)
Exceptional gain on sale of intangible fixed assets	3,466	–
Profit after tax	7,022	4,403
Net assets	572	572

The principal activities of CIPFA C.Co Ltd are strategy, transformation and improvement advisory services. During 2024 the remaining shares were purchased. The business is being wound down and the staff have transferred across to CIPFA Business Ltd.

	2024	2023
Profit and loss account – CIPFA C.Co Ltd	£000	£000
Turnover	990	1,442
Expenditure	(1,358)	(1,181)
Profit before tax	(314)	208
Tax on profit on ordinary activities	53	(53)
Net assets	59	374

13 Other investments

	2024	2023
Group and CIPFA	£000	£000
At 1 January	9	9
Movement in year	–	–
At 31 December	9	9

As one of five major accountancy bodies CIPFA holds 70 £1 shares in CCAB Ltd at a cost of £70 (7% of the issued equity capital). Other investments comprise a number of funds that have been established either by way of donations in memory of eminent accountants within public finance or from various organisations.

14 Deferred tax

A deferred asset of £33,000 (2023: £33,000) exists at 31 December 2024 in respect of timing differences. However, the asset has not been recognised in the balance sheet as it is not deemed likely to crystallise given CIPFA Business Ltd's policy and practice of remitting all taxable profits to CIPFA under gift aid.

15 Debtors

	Group		CIPFA	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade debtors	1,799	2,550	673	1,416
Provision for doubtful debts	(207)	(206)	(167)	(188)
Accrued income	1,798	2,396	726	1,031
Amounts due from subsidiary undertakings	–	–	1,158	1,259
Other tax and social security	26	42	26	42
Other debtors	236	157	187	105
Prepayments	374	432	366	412
	4,026	5,371	2,969	4,077

16 Creditors: amounts falling due within one year

Receipts in advance of £2,848,000 (2023: £3,420,000) relate to professional membership and commercial services that will be delivered in the next financial year.

	Group		CIPFA	
	2024	2023	2024	2023
	£000	£000	£000	£000
Trade creditors	105	156	97	107
Accruals	1,687	1,850	850	1,180
Amounts due to subsidiary undertakings	–	–	2	2
Other tax and social security	611	857	301	347
Other creditors	146	200	140	84
Receipts in advance	2,848	3,420	1,306	1,383
Finance leases	36	36	36	36
Property lease	65	–	65	–
Pension liability	1,877	1,810	1,877	1,810
	7,375	8,329	4,674	4,949

17 Long-term liabilities

	Pension	Leases	Property	2024	2023
	£000	£000	£000	£000	£000
Balance at 1 January	8,135	99	–	8,234	11,664
Additions	276	–	184	460	485
Repayments	(1,847)	(36)	–	(1,883)	(3,915)
Balance at 31 December	6,564	63	184	6,811	8,234

	Pension	Leases	Property	2024	2023
	£000	£000	£000	£000	£000
Analysis of liabilities					
Within one year	1,877	36	65	1,978	1,846
Within two to five years	4,687	27	119	4,833	6,388
	6,564	63	184	6,811	8,234

18 Group funds

	Balance at 1 Jan 2024 £000	Transfers £000	Income £000	Expenditure £000	Other recognised gains/ losses £000	Balance at 31 Dec 2024 £000
Unrestricted funds						
Designated (property)	15,793	–	–	(502)	(591)	14,700
Designated (other fixed assets)	1,234	527	–	(420)	–	1,341
Revaluation reserve	957	–	–	–	(957)	–
Other charitable	2,603	(2,351)	30,131	(26,201)	–	4,182
Pension reserve	(8,135)	1,847	–	(276)	–	(6,564)
	12,452	23	30,131	(27,399)	(1,548)	13,659
Restricted funds						
Trust funds	9	–	–	–	–	9
Regional funds	25	–	–	–	–	25
Grant funds	–	–	750	(548)	–	202
Minority interest	23	(23)	–	–	–	–
	57	(23)	750	(548)	–	236
Total funds	12,509	–	30,881	(27,947)	(1,548)	13,895

	Balance at 1 Jan 2023 £000	Transfers £000	Income £000	Expenditure £000	Other recognised gains/ losses £000	Balance at 31 Dec 2023 £000
Unrestricted funds						
Designated (property)	15,793	–	–	–	–	15,793
Designated (other fixed assets)	1,062	900	–	(728)	–	1,234
Revaluation reserve	4,207	–	–	(176)	(3,074)	957
Other charitable	6,031	(4,398)	28,091	(27,121)	–	2,603
Pension reserve	(11,664)	3,529	–	–	–	(8,135)
	15,429	31	28,091	(28,025)	(3,074)	12,452
Restricted funds						
Trust funds	9	–	–	–	–	9
Regional funds	31	–	–	(6)	–	25
Minority interest	44	(31)	90	(80)	–	23
	84	(31)	90	(86)	–	57
Total funds	15,513	–	28,181	(28,111)	(3,074)	12,509

Designated fund (property) – The Council has classified as designated funds the element of its reserves which represents the lower of the historic cost and the current valuation of the freehold buildings and investment properties.

Designated fund (other fixed assets) – The Council has classified as designated funds the intangible assets and other non-property fixed assets.

Revaluation reserves (property) – This relates to the revaluation of the freehold and investment properties

Trust funds – A number of funds have been established either by way of donations in memory of eminent accountants within public finance or from various organisations. The income from the investments is used for prizes in each year's examinations, either for the best subject or the best student in a particular field. A proportion of the funds (£9,000) are administered through a separate charity, Charity Commission Registration 313981.

Regional funds – A number of funds have been established by way of donations in memory of eminent accountants within public finance. The funds are used to support students or further the work of the region.

Minority interest – This represents CIPFA's non-controlling interest in CIPFA C.Co Ltd, of which it owned 93.5% at December 2023. At December 2024, the company was wholly owned by CIPFA, with the minority interest purchased during the year.

Pension reserve – This represents the remaining pension liability owed to Wiltshire following closure of the defined benefit scheme in 2022. Transfers during the year represent the payments that have been made in paying down the liability and movements in net present value.

Grant funds – This represents the funding received from the Improvement and Development Agency for Local Government to be used on finance capacity and leadership development.

Transfers represent movements in the settlement of the pension scheme, purchase of the non-controlling interest in CIPFA C.Co Ltd and the value of fixed assets.

19 Analysis of group net assets between funds

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Fund balances at 31 December 2024 are represented:						
Intangible assets	1,209	–	–	–	–	1,209
Tangible fixed assets	4,782	–	–	–	–	4,782
Investment property	10,050	–	–	–	–	10,050
Investments	–	–	–	–	9	9
Current assets	–	9,826	–	–	227	10,053
Current liabilities	–	(5,498)	(1,877)	–	–	(7,375)
Long-term liabilities	–	(146)	(4,687)	–	–	(4,833)
Group net assets/(liabilities)	16,041	4,182	(6,564)	–	236	13,895

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Fund balances at 31 December 2023 are represented:						
Intangible assets	1,027	–	–	–	–	1,027
Tangible fixed assets	8,550	–	–	957	–	9,507
Investment property	7,450	–	–	–	–	7,450
Investments	–	–	–	–	9	9
Current assets	–	9,208	–	–	25	9,233
Current liabilities	–	(6,542)	(1,810)	–	23	(8,329)
Long term liabilities	–	(63)	(6,325)	–	–	(6,388)
Group net assets/(liabilities)	17,027	2,603	(8,135)	957	57	12,509

20 Leasing commitments

As at 31 December 2024 the future minimum lease payments under non-cancellable operating leases were as follows:

	Land and buildings 2024 £000	Other 2024 £000	Land and buildings 2023 £000	Other 2023 £000
A Group				
Future lease payments:				
within one year	114	1	132	7
within 2 to 5 years	748	–	84	1
	862	1	216	8

	Land and buildings 2024 £000	Other 2024 £000	Land and buildings 2023 £000	Other 2023 £000
B CIPFA				
Future lease payments:				
within one year	65	1	83	7
within 2 to 5 years	712	–	–	1
	777	1	83	8

21 Leased assets

As at 31 December 2024 the future minimum lease receipts due to CIPFA under non-cancellable operating leases were as follows:

Group and CIPFA	Land and buildings 2024 £000	Land and buildings 2023 £000
Future lease receipts:		
within one year	361	169
within 2 to 5 years	664	140
	1,025	309

22 Contingent liabilities

The Financial Reporting Council is undertaking an investigation related to Woking Borough Council, the costs of which are likely to be partially covered by CIPFA. No reliable estimate of such costs can be made at this early stage of the investigation.

23 Transactions with trustees

The trustees received no remuneration in relation to fulfilling their role as trustees (2023: nil).

33 trustees were reimbursed £28,000 for actual travel and subsistence costs necessarily incurred on CIPFA business (2023: 37 trustees were reimbursed £54,000). One trustee was paid £3,000 for their role as an examiner of the SPF module (2023: two trustees were paid £6,000 for services).

24 Transactions with related parties

In 2024, the following transactions were incurred between CIPFA and its subsidiaries, CIPFA Business Ltd and CIPFA C.Co Ltd.

	2024 £000	2023 £000
Management fees/recharges charged by CIPFA to CIPFA Business Ltd	2,496	2,590
Sales to CIPFA from CIPFA Business Ltd	20	5
Sales to CIPFA Business Ltd from CIPFA	–	37
Sales to CIPFA C.Co Ltd from CIPFA Business Ltd	376	–
Amounts due to CIPFA from CIPFA Business Ltd	1,014	1,122
Amounts due to CIPFA from CIPFA C.Co Ltd	157	–
Amounts due to CIPFA Business Ltd from CIPFA C.Co Ltd	257	–
Loan interest charged by CIPFA to CIPFA C.Co Ltd	1	–
Gift aid paid to CIPFA by CIPFA Business Ltd	7,203	3,323

CIPFA through its trustees and senior management team have a number of related party organisations. In summary for 2024 there were sales of £587,650 (2023: £1,870,015) and costs of £523 (2023: £7,200). The table below shows the revenue transactions with these organisations split between consultancy revenue and other charitable revenue covering Education, Memberships, Training, Events, Publications and Standards.

	2024		2023	
	2024	2024	2023	2023
	Revenue	Year-end debt	Revenue	Year-end debt
Advisory				
City of London Corporation	16,728	1,200	500	–
Gloucestershire County Council	36,825	5,280	–	–
Liverpool City Council	–	–	33,067	–
National Library of Wales	–	–	19,988	–
Newton Europe	189,943	–	1,402,682	60,750
Woking Borough Council	26,775	450	322,938	71,690
Charitable Activities				
AAT Retirement Benefits scheme	3,225	240	–	–
Barts NHS Trust	1,760	–	1,260	–
Blackool Teaching	–	–	–	–
Chesterfield Borough Council	11,146	–	–	–
City of London Corporation	45,982	310	34,785	664
Gloucestershire County Council	45,600	3,238	–	–
Government Internal Audit Agency	865	–	2,324	1,144
Healthcare Financial Management Association	2,147	1,073	2,271	1,704
Historic Environment Scotland	–	–	249	–
HM Treasury	8,695	–	2,844	380
Liverpool City Council	65,266	3,292	33,753	4,485
Local Government Association	–	–	395	–
Merseyside Pension Fund	4,851	–	3,701	–
National Galleries of Scotland	249	–	–	–
National Museums Liverpool	1,002	–	–	–
NHS Business Services Authority	–	–	1,371	184
NHS Dorset Integrated Care Board	–	–	200	–
Northern Regional College	249	–	–	–
Parkinsons UK	–	–	182	–
Penna	88,269	–	–	–
South Yorkshire Integrated Care Board	–	–	–	–
Staffordshire Police	–	–	1,954	380
Surrey Police	6,169	–	–	–
TechnologyOne	21,170	–	–	–
Torus Foundation	300	–	1,200	–
UNICEF UK	2,469	260	1,110	–
University Hospitals Dorset	–	–	200	–
Woking Borough Council	7,965	196	3,041	–
Grand total	587,650	15,539	1,870,015	141,381

The table below shows the cost transactions with these organisations that are related to conference expenditure.

	2024	2023
Historic Environment Scotland Enterprise	–	1,200
Local Government Association	523	6,000
	523	7,200

The table below shows the related party connection:

Related organisation	Related party for 2024	Related party for 2023
CIPFA C.Co SMT		
Newton Europe	Rob Whiteman, Senior Advisor	Rob Whiteman, Senior Advisor
Penna	Rob Whiteman, Associate providing services to	Rob Whiteman, Associate providing services to
University Hospitals Dorset	Rob Whiteman, Chair	Rob Whiteman, Chair
Trustee		
AAT Retirement Benefits scheme	Mark McBride, Trustee and Chair	
Barts NHS Trust	Hardev Virdee, CFO	Hardev Virdee, CFO
Blackpool Teaching	Ian Owen, Public Governor	Ian Owen, Public Governor
Chesterfield Borough Council	Theresa Channell, S151 Officer	Theresa Channell, S151 Officer
City of London Corporation	Caroline Al-Beyerty, CFO	Caroline Al-Beyerty, CFO
Gloucestershire County Council	Nina Philippidis, Executive Director of Corporate Resources	Nina Philippidis, Executive Director of Corporate Resources
Government Internal Audit Agency	Aneil Jhumat, Operations Director	Aneil Jhumat, Operations Director
Healthcare Financial Management Association	Lee Outhwaite, President and Trustee	Lee Outhwaite, Vice-President and Trustee
Historic Environment Scotland	Donella Steel, Director of Finance	Donella Steel, Director of Finance
HM Treasury	Catherine Little, Business Connection	Catherine Little, Business Connection
Liverpool City Council	Ian Williams, Director	Ian Williams, Director
Local Government Association	Dennis Skinner, Director	Dennis Skinner, Director
Merseyside Pension Fund	Ian Williams, Board member	Ian Williams, Board member
National Galleries of Scotland	Donella Steel, Finance Director	
National Library of Wales	Lee Yale-Helms, Trustee	Lee Yale-Helms, Trustee
National Museums Liverpool	Stephanie Donaldson, Director	Stephanie Donaldson, Director
Northern Regional College	David Blair, Head of Finance, Governance & Risk	
Parkinsons UK	Caroline Russell, CEO	Caroline Russell, CEO
South Yorkshire Integrated Care Board	Lee Outhwaite, CFO	Lee Outhwaite, CFO
Surrey Police	Peter Gillett, Director of Commercial and People Services	Peter Gillett, Director of Commercial and People Services
TechnologyOne	Ian Owen, Director	Ian Owen, Director
Torus Foundation	Stephanie Donaldson, Trustee	Stephanie Donaldson, Trustee
UNICEF UK	Aneil Jhumat, Trustee, Chair of the Audit and Risk Committee and member of the Finance Committee	Aneil Jhumat, Trustee, Chair of the Audit and Risk Committee and member of the Finance Committee
Woking Borough Council	Carol Culley, Commissioner	Carol Culley, Commissioner

Independent auditor's report to the trustees of the Chartered Institute of Public Finance and Accountancy

We have audited the financial statements of the Chartered Institute of Public Finance and Accountancy ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2024 which comprise the Consolidated Statements of Financial Activities, the Consolidated and charity balance sheets, the Consolidated cash flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011, and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures

responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were taxation legislation, employment legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing surrounding recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Dated: 2 June 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under Section 1212 of the Companies Act 2006.



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Registered with the Office of the Scottish Charity Regulator No SC037963.

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Accounts

The CIPFA logo is positioned in the top right corner of the page. It consists of the letters 'CIPFA' in a white, sans-serif font, followed by a white diagonal slash mark. The background of the entire page is a scenic photograph of a wind farm on a green, rolling hillside overlooking the ocean under a clear blue sky. A large, dark blue, triangular graphic element is overlaid on the right side of the image, pointing towards the bottom right corner.

CIPFA\

Annual report and accounts 2023

A review of the year

cipfa.org

Contents

01	President's introduction and CEO overview	4
02	Our purpose and strategy	8
03	What we've achieved	12
04	How we work	25
05	How we are governed	29
06	Opportunities and risks	40
07	Financial summary	45
08	Our future plans	51
09	Administrative information	54
10	Financial report	56



01

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President's
introduction and
CEO overview



Looking back on 2023, we see a year earmarked by war, political chaos, inflation and the worst cost-of-living-crisis in a generation. In the UK alone, new names and faces rushed in and out of parliament as cabinet reshuffles straddled both sides of the year, ending with a financial settlement that failed to fill the funding gaps yet again.

The past year has proved vital to build upon my three themes of sustainability, stronger together and social mobility. These areas are essential to the mission of our members and remain pertinent topics to address the challenges faced by the public sector.

The first of these themes is sustainability for all – people, place and planet. I see this approach as meeting today’s needs and demands while safeguarding a promising future that delivers for generations to come.

In 2023, CIPFA published a forward-thinking report on sustainability reporting in the public sector. It provides best practice and top tips for organisations to help them better understand their environmental impact. CIPFA looks forward to rolling out further interventions as we continue to support local authorities with their sustainability reporting to better understand their environmental impact.

My second theme of stronger together celebrates our collective pursuit of the best for our communities.

We are interconnected in our aim of building better services, policing, health care, arts and culture for our populations. Our common goal drives collective efforts and fortifies resilience. Simply put, the sum of our parts is greater than the whole.

For CIPFA, stronger together also means that we are open to challenge and change. We are welcoming to all and reap the benefits of our strong sense of community. This proactive mindset steers us towards the greater good.

This brings us to my final theme of social mobility. Far too frequently, the circumstances of a person’s birth and early years dictate their life prospects. We need to change this. That’s why we have a role as advisors, professionals and leaders to improve inequalities wherever we see them. Our unique position and unwavering determination to use our experience to bring about change is foundational to this success.

The past year has presented a myriad of relentless challenges and while the future remains uncertain, I feel proud that CIPFA persists in providing unparalleled support and guidance to public bodies. I look forward to championing these themes during my last months as President. I am equally excited to help navigate CIPFA through the forthcoming months of transition, with the appointment of a new CEO. I would like to thank Rob Whiteman both on behalf of the organisation, and personally, for his ten years of exceptional leadership, contribution and commitment to CIPFA and wish him the best for the future.

A handwritten signature in black ink that reads "C. J. Russell". The signature is written in a cursive, slightly slanted style.

Caroline Russell
CIPFA President



As I prepare to retire from CIPFA, it is doubly striking for me to reflect on 2023. I'm of course pleased to report a successful year for us, which has been carried into 2024 thus far, and to produce a good set of numbers for my last full year here. This includes paying down our crystallised local government pension scheme that a decade ago felt insurmountable. More importantly, we have helped organisations and members to navigate a challenging landscape for public services.

Whoever wins the forthcoming general election, public services need some heavy lifting from government for funding to sustain not only demand and cost pressures on new work, but backlogs of work that will be more expensive to process than if they had been actioned earlier. While we ask for funding reforms for greater resilience for creaking systems of public finance, we cannot avoid a discussion around declining productivity in the organisations we serve. CIPFA has continued to speak as an independent professional body to inform debate and make the point that lobbying for sustainable resources, effective governance and achieving greater efficiency are complementary and not competing issues.

You have asked us to be bold, and we did this in many ways. One of these was through our flagship Performance Tracker report, produced with the

Institute for Government, which found that the public sector has not been able to recover since the pandemic. In fact, eight out of the nine featured public services performed worse in 2023 than in 2019.

We raised our voice on children's social care reform, adult social care charging reform and social care funding announcements through the press. We published articles and were regularly featured in the media. In 2023, we embarked on a partnership with The Health Foundation to explore how local authorities' spending on preventative action can be quantified. Other new collaborations included two new reports on blockchain technologies and carbon pricing with the University of Oxford's Blavatnik School of Government.

On a positive and practical note, CIPFA has worked hard to support the public finance profession with a concrete platform to move forward. Last year, we promised to develop students, members and organisations in the UK and around the world with relevant lifelong skills and knowledge. I am delighted, for example, with the fast-track route we have introduced for newly qualified CPFA and ACA accountants to gain dual membership of both CIPFA and ICAEW. At its heart, the accelerated route improves career opportunities for our students, members and the wider accountancy profession. For the global finance community, demand for accredited counter fraud training remains strong. Building on successful programmes in Malta and Egypt, we are expanding our new offer in performance audit.

In 2024, we aspire to get only bigger and better, but this will be for my successor to report. I am delighted to see so strong an appointment in Owen Mapley and the Institute could not be in better hands to grow, increase our impact and strengthen the support to our membership.

“ CIPFA has worked hard to support the public finance profession with a concrete platform to move forward.

Finally, as said this is my last foreword for CIPFA in my position as the CEO. Over the past decade, I have seen the organisation rise to the financial, economic and political challenges faced by the UK public sector. We have shown enthusiasm, optimism, energy and resilience to educate, inspire and champion public finance management. I am proud of every CIPFA colleague and member who has contributed to the organisation's journey.

Again, my best wishes to Owen Mapley and you all. Thank you so much for all your support and encouragement, which I have always greatly appreciated. I look forward to returning to the ranks of the many members who support CIPFA's missions.



Rob Whiteman CBE
CEO, CIPFA

A photograph of a forest with tall, thin trees and sunlight filtering through the canopy, creating a bright sunburst effect on the right side. The image is partially obscured by a blue geometric shape on the left.

02

Our purpose
and strategy

CIPFA is the home of excellence in public finance. We exist to ensure public money is well spent and well managed for the benefit of us all.

Our members work across all public services. They manage the largest budgets under the greatest scrutiny – that’s why the CPFA designation is widely recognised as the benchmark qualification for public service finance.

Founded in Manchester in 1885 as the Corporate Treasurers and Accountants Institute, CIPFA has helped shape public financial management in the UK, and increasingly globally.



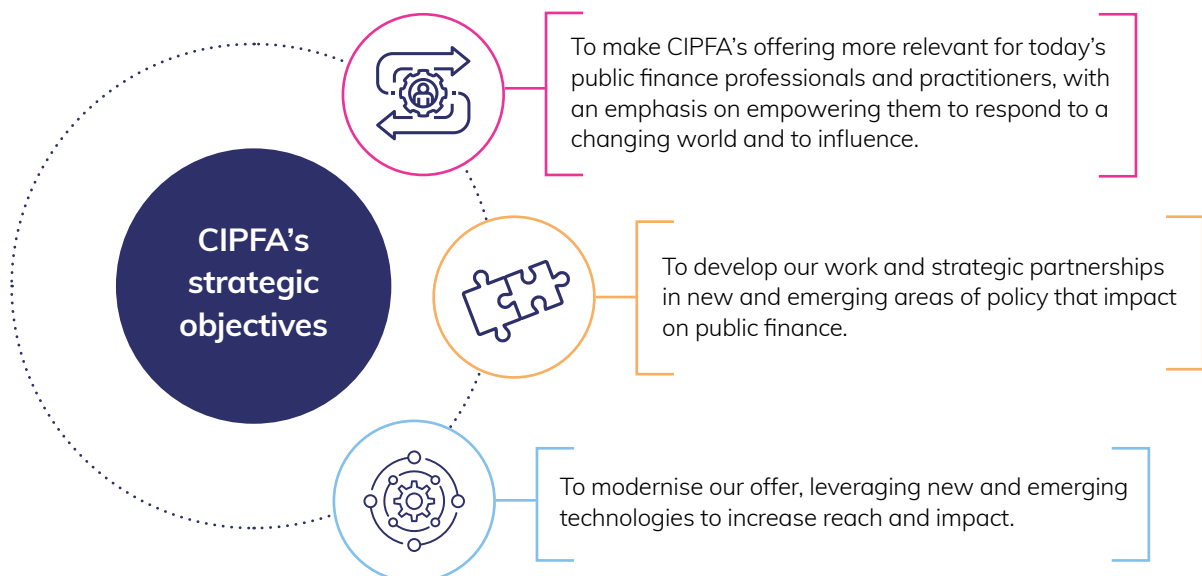
CIPFA is the world’s only professional accountancy body to specialise in public services. Our suite of training and qualifications is sought after and highly respected around the world.

We champion high performance with information and guidance, courses and conferences, property and asset management solutions, advisory and recruitment services for a range of public sector clients.

We want to achieve sustainable, confident and resilient public services around the world.

We're an ambitious organisation, with the bit between our teeth to deliver on our purpose for our members, our students, our customers, our stakeholders and our staff. We want to be visionary and make a real difference to the world we live in.

To do that, we are clear about what we will do and we have the collective determination to do it. Our activity is shaped around three core pillars, which represent the breadth of our Institute. This will drive us to achieve our vision for public money and public services.



CIPFA's values





03

What we've
achieved



Sustainability reporting

CIPFA uses the UN Sustainable Development Goals (SDGs) as the framework for our annual report. There are 17 SDGs to guide countries towards best practice and provide a globally accepted mechanism for assessing value across social, economic and environmental dimensions.

Two of the 17 SDGs are particularly relevant to CIPFA's purpose.



SDG 4: Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

We will generate affordable and quality technical, vocational and tertiary education, increasing the number of youth and adults with skills, supporting our members, eliminating gender disparities and promoting sustainable development.



SDG 16: Peace, Justice and Strong Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

We will continue working in the UK and around the world to support public sector organisations in their financial management and governance, and issue codes of practice and guidance alongside advisory services to promote best practice.

These internationally recognised goals provide a framework for our strategy and align to CIPFA's charitable objectives. They provide a prompt for us to think about what we do through a sustainable development lens, and to build in systems for evaluation as we look towards the future. We believe that this approach also demonstrates our commitment to discharging our charitable objectives to support public benefit.

CIPFA's charitable objectives

CIPFA is a charity constituted by Royal Charter. Our core purpose is set out in our charitable objects. This new business plan signals a refreshed focus on these charitable objects, which have directly informed our purpose and strategic objectives.

These are summarised as follows:



Advancing the science of public finance, accountancy, and related subjects: promoting best practice



Promoting public education: educating and training student members



Advancing and promoting co-operation between accountancy bodies



Promoting and publishing results of studies and research



Regulating and supporting members



SDG 4: Quality education

CIPFA provides world-class education and training for our student members, and supports lifelong learning for all CIPFA members as they progress in their careers.

CIPFA Professional Accountancy Qualification

The rollout of our Professional Accountancy Qualification (PAQ) continued throughout 2023. In June, the Business Reporting and Business Planning and Financial Management modules were introduced for the first time and the results for both were encouraging. Business Planning and Financial Management completed the delivery of the first level Diploma in

Financial Management and Audit, while Business Reporting is one of three modules of the Diploma in Governance, Risk and Taxation.

The remaining two modules, Tax and Law and Governance and Risk Management, were examined for the first time in December 2023. As of the end of 2023, the Certificate and first two Diploma Levels have been delivered.

Total members



Total students

PAQ Benchmarking

The PAQ has recently undergone benchmarking by Ecctis to ensure the modules within it meet the comparable standards set out in the Regulated Qualifications Framework (RQF), which accredits qualifications in England, Wales and Northern Ireland.

This benchmarking gives students vital assurance about the level they will be studying at and the quality of the course. Ecctis provides recognition and evaluation of qualifications and skills, and carried out an independent analysis of the PAQ, confirming that the modules contained in it are comparable to the following RQF standards:

- CIPFA Certificate in Management and Financial Accounting is comparable to RQF Level 4.
- Diploma in Financial Management and Audit is comparable to RQF Level 5 and demonstrates a progression from the Certificate.
- Diploma in Governance, Risk and Taxation is comparable to RQF Level 6, covering knowledge and skills equivalent to a bachelor's degree in accounting.
- Diploma in Public Financial Management, Reporting and Advanced Audit and the Diploma in Public Financial Management, Reporting and Business Change are comparable with RQF Level 7, equating to a postgraduate or master's degree.

One further paper of the PAQ, Implementing Business Change, was introduced in December 2023. The remaining modules that comprise the final Diploma in Public Financial Management, Reporting and Business Change will be introduced throughout 2024.

New e-assessment platform

CIPFA launched its new e-assessment platform, Rogo, in December 2022. All live high-stakes exams and practice question banks for all modules took place on the platform in 2023.

CIPFA Regions

In autumn 2023 annual conferences were held in Scotland, Northern Ireland and Wales. These one-day events brought together leading public figures, public sector innovators, finance professionals, commentators, and other experts, as well as CIPFA's public sector-focused commercial partners. Through a combination of keynote speakers, plenaries, panel debates and

workshops, delegates were able to gain insights into current and future challenges. They included everything from climate change to governance and good financial management to neurodiversity.

Regional events have begun to move to a hybrid capacity, allowing engagement with a wider audience and supporting cross-regional collaborations. Within the regions, graduation ceremonies, conferences and annual dinners were held alongside a range of CPD events for students and members on various topics. Student events included sessions on where the CIPFA qualification can take you as well as a packed programme of skills events.

Sixth form management games

In summer 2023, CIPFA Midlands hosted the sixth form management games. These involve a public finance-focused simulation activity and allow 16 and 17-year-olds to sample a taste of what a career in the public

sector could entail, encouraging the next generation of public finance professionals.

Ten teams took part in the 2023 games, held at De Montfort University and the University of Birmingham. They grappled with challenges including a large funding gap, service modernisation and efficiency, a workforce struggling with cost of living increases, negative social media rumours and distrust between neighbouring communities.

2023 annual conference

Public Finance Live 2023 was held at the QEII Centre in central London on 27–28 June and was attended by over 700 finance professionals. The event included panel discussions and workshops on everything from addressing regional inequalities and sustainability, to how to improve diversity and inclusion and tackle corruption.

Speakers included Sonita Alleyne OBE, Master of Jesus College, Cambridge, Dharshini David, Economist and Broadcaster, Rachel Davies Tekka, Advocacy Director at Transparency International UK and Matthew Upton, Executive Director of Policy and Advocacy at Citizens Advice.

Training and apprenticeships

2023 saw continued high demand for CIPFA's accredited continuing professional development (CPD) programmes. Demand for in-house training was also high. We were commissioned by HM Treasury to develop a diploma in public spending and also completed the development of a diploma in local audit as part of a contract with the Department of Levelling Up, Housing and Communities (DLUHC), designed to assist auditors new to the sector.

E-learning launched in 2023 included a new Better Business Cases™ Foundation course, a Certificate in Financial Reporting for Academies, and Managing Small Projects. We have also been working with ICAEW to develop a joint-branded local government focused version of their Certificate in Sustainability.

Within CIPFA's Education and Training Centre (CETC), we saw growth in take up of both the Level 7 apprenticeship and the Counter Fraud Investigator apprenticeship. There is a growing demand for face-to-face learning and we aim to supply this where possible.

We continued to invest in improvements in the digital learning experience, particularly via development

Changes to the annual member statement for local authority CFOs

CIPFA introduced some important changes for CIPFA members who are CFOs in UK local authorities.

In the 2023 annual member statement (AMS), there is a new section requiring all local authority CFOs to confirm on a 'comply or explain' basis that their local authority meets the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom, the Prudential Code for Capital Finance in Local Authorities and the Treasury Management Code of Practice.

These changes were designed to enhance support for CFOs by signposting them to relevant material and providing a route to professional support through their AMS. This will improve the Institute's sector oversight.

The declaration of code compliance was introduced to give local authority CFOs the opportunity to raise concerns regarding organisational compliance and receive support from CIPFA where required.

of 'added value' e-learning and videos to support students in their learning. Surveys have shown very high levels of student satisfaction with their learning experience.

To facilitate recently qualified CIPFA students gaining dual ICAEW-CIPFA membership, we have developed a relationship with an experienced ICAEW 'Partner in Learning' who will deliver the top-up Corporate Reporting module to CIPFA students.

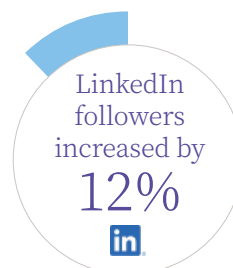
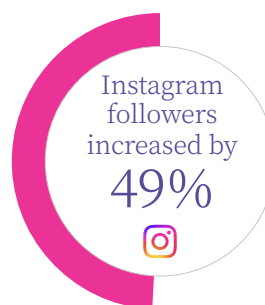
Demand for accredited counter fraud training remains strong, with good numbers achieving the Accredited Counter Fraud Technician (ACFTech), Accredited Counter Fraud Specialist (ACFS) and CIPFA's Certificate in Fraud Risk Management qualifications. Programmes were delivered in Malta and Egypt.

International delivery continues to lag behind pre-pandemic levels. Notable international training projects include the continuation of Risk Management and Governance programmes, and we continue to see demand for hybrid-delivered (part e-learning, part tutor-led) International Public Sector Accounting Standards (IPSAS) training leading to CIPFA's Diploma in IPSAS, with programmes in Brazil, Pakistan and Indonesia.

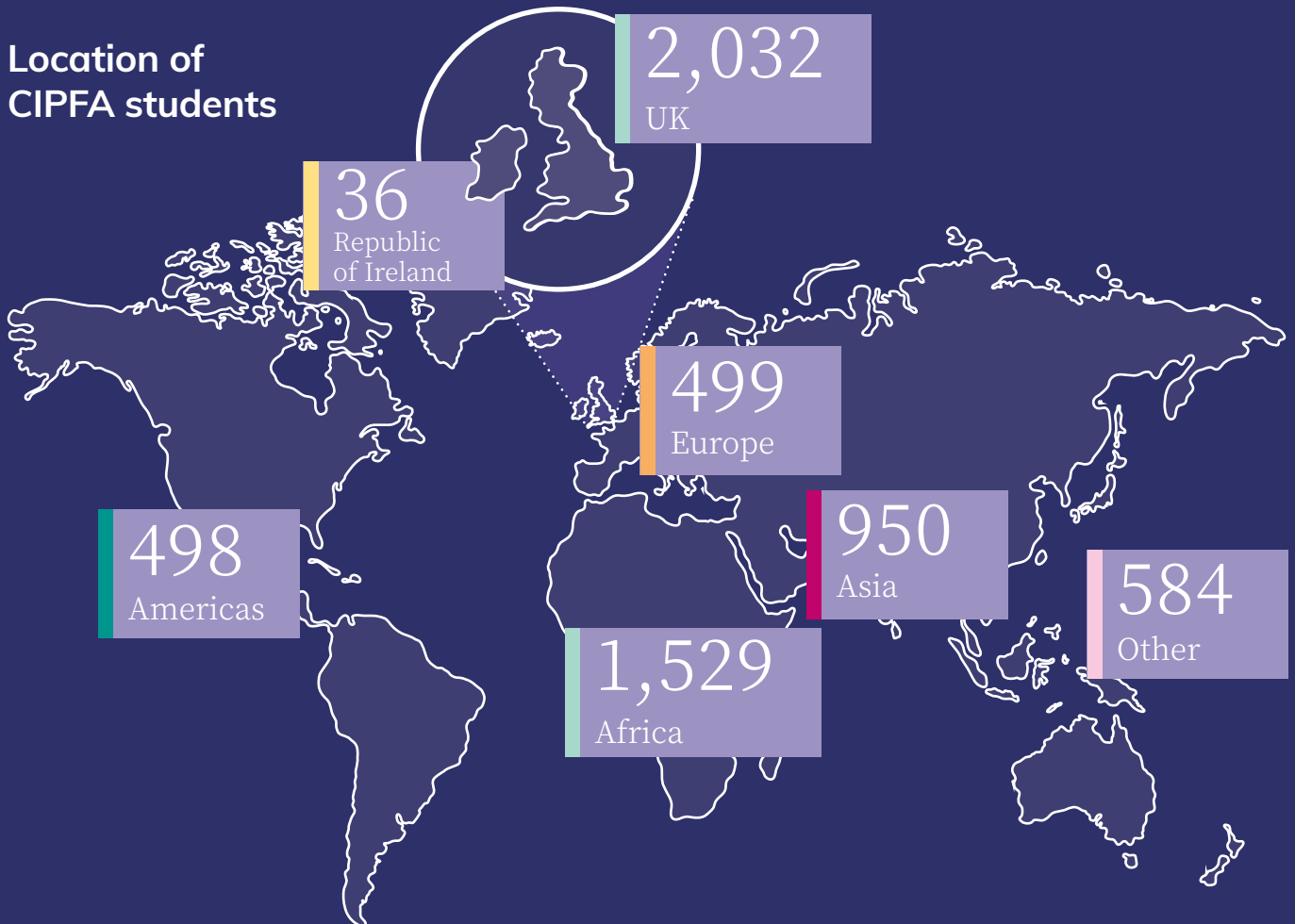
Social media engagement

CIPFA Speaks! podcast had an average of 232 listeners per episode across 2023. It covered topics such as sustainability, blockchain and AI and interviewers with speakers from CIPFA's international conference and Public Finance Live.

CIPFA's social media channels continued to perform well:

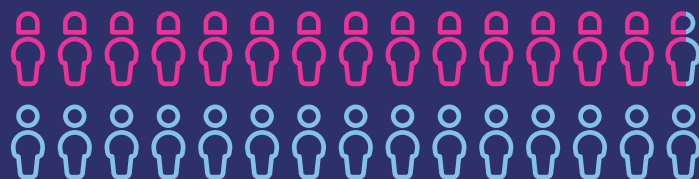


CIPFA's student numbers



Student demographic

48.3%
female
(2,872 students)



51.7%
male
(3,073 students)



SDG 16: Peace, justice and strong institutions

CIPFA works to strengthen institutions in the UK and around the world via our role as a standard-setter. Through a wide range of consultancy, research and training projects, we are a respected partner and a voice that speaks to and for the public sector.

Supporting recovery for local audit

CIPFA and the CIPFA/LASAAC Local Authority Accounting Code Board continued work to support the local audit framework in 2023. This included considering ways to ease the financial reporting burden, due to a large majority of local authorities being unable to present audited accounts by the expected date.

In past years it was agreed to defer the mandatory implementation of IFRS 16 Leases until 1 April 2024 to reduce the resource burden across the local audit framework. It was resolved that a further delay would not be appropriate and hence mandatory implementation will begin for the 2024/25 year.

Performance Tracker 2023

Our flagship report with the Institute for Government assesses the comparative problems faced by critical public services in nine key areas – hospitals, GPs, adult and children’s social care, schools, neighbourhood services, police, criminal courts and prisons. This report demonstrates that the sector has not been able to recover since the pandemic. In fact, eight out of the nine public services featured performed worse in 2023 than on the eve of the pandemic. The report does not set out to produce an exhaustive list of solutions but

instead sets six key commitments that any government serious about addressing the decline in public services must make to succeed.

Place-based policy making and public service delivery

During 2023, CIPFA was successful in a joint bid to form the Local Policy Innovation Partnership (LPIP) Hub. Working with four local LPIPs (one each in England, Scotland, Wales and Northern Ireland), the Hub aims to understand and solve local challenges around the UK through a service-driven approach to place-based policy making and public service delivery. The LPIP Hub should improve the quality and impact of the evidence collated by universities and their local partners. Moreover, it will develop capacity-building activities looking at thematic challenges and solutions in place partnerships.

The Hub is funded by £3.6m from the Economic and Social Research Council (ESRC), Arts and Humanities Research Council (AHRC) and Innovate UK. It is a national consortium, led by the University of Birmingham, convening stakeholders across the research and policy ecosystem. The project will run until the end of 2026.

Exploring preventative investment

During 2023, CIPFA embarked on a partnership with The Health Foundation to explore how local authorities' spending on preventative action can be quantified. As highlighted in our work with Public Health England on evaluating preventative investments, the key to putting a greater emphasis on prevention is understanding the current position and the future implications of not making such investments. Yet most councils have no clear picture of how much they currently spend on preventative action.

Over the next two years, this project will conduct exploratory work with partner councils and wider stakeholders, seeking to build consensus on a definition and scope for preventative action against which services/programmes could be mapped and then identifying current levels of spending against those criteria. The aim is to increase transparency on levels of investment, add to the evidence base for decision-making and build the case for a greater emphasis on prevention.

Integrating care – financial planning and partnership

Building on our December 2022 report [Integrating care: policy, principles and practice for places](#), CIPFA has continued to track progress in integrated care systems and place-based partnerships.

We have supported NHS and local government finance professionals in a number of integrated care systems around finance and governance arrangements at place level, as well as encouraging potential closer collaboration on particular issues such as infrastructure.

In October 2023, we brought together finance professionals from integrated care systems to explore how they are working during a particularly challenging year for financial planning. Our briefing on financial planning and partnerships in integrated care systems reflected some current challenges and suggested lessons that could be learned.

CIPFA will continue to monitor progress and build on this work to support the finance profession as a critical enabler of the integration journey.

Financial resilience

During 2023 the policy team has worked closely with advisory colleagues to support the sector in developing resilience. This has included updating the [Financial Resilience Index](#), which provides a comprehensive overview to support discussion. A CFO roundtable helped inform a briefing note on Section 25 statements to accompany publication of the Index.

The CFO retreat was attended by over 70 local authority CFOs and was well received. Face to face support was a key element at all major local authority conferences throughout 2023.

The [Role of the CFO](#) publication has been rewritten and reinvigorated for the current audience. This document now proves a framework that will be the basis for a refresh of all of the Role of the CFO series. This work fits within the theme of building workforce capacity and the elements used in the framework reflect the areas identified in the competency framework.

Policy voice

During 2023, work has been delivered across a wide range of topics influencing the public sector. New collaborations resulted in two reports on blockchain technologies for collaboration and partnerships and carbon pricing and the role for PFM, in partnership with the University of Oxford's Blavatnik School of Government. There was also a publication on implementation of the Financial Management Code, sponsored by Civica. We continue to submit responses to Parliament and engage widely in consultations.

Discussions at the Practice Oversight Panel have focused on the challenges being faced by local government and the implications for the profession. This focus led to the subsequent roundtable and release of guidance regarding Section 25 statements.

Social care

A roundtable was held in February 2023 on adult social care charging reform. This led to the production of a briefing on charging reform. Later in the year, we published Charging for adult social care in England: reform and routes forward. The launch event for the publication was attended by over 120 delegates, and the report received press coverage.

Our work on the Scottish National Care Service (NCS) continued. We attended an information session for MSPs where we could share CIPFA's views on the NCS, and we presented at the Holyrood Insight conference on adult social care in Scotland.

Articles on children's social care reform, adult social care charging reform and social care funding announcements were published in the press, and we were interviewed by the BBC about children with special educational needs and disabilities.

Corruption Prevention Programme

2023 saw the rollout of the first pilot of CIPFA's Corruption Prevention Programme (CPP), which was developed in close partnership with the UN Office on Drugs and Crime (UNODC). It aims to conduct, manage and monitor the implementation of corruption risks and integrity plans at a country level across all public sector entities.

This programme offers a specialised anti-corruption certification course to selected institutions and individuals, based on the corruption risk assessment and mitigation methodology defined in UNODC's State of Integrity guide. This will create a common professional standard, language and understanding within a global community of practitioners and ensure

sustainable institutional and professional integrity commitment.

As part of a USAID-funded programme implemented by the International Foundation for Electoral Systems (IFES), the first pilot of the CPP was delivered to participants from the State Audit Office and Anti-Corruption Commission of North Macedonia. The programme used a hybrid delivery approach, with e-learning materials supported by face-to-face workshops in both Macedonian and Albanian. The programme was highly successful, with positive feedback received from participants that will be used to refine and develop the programme before its full launch in 2025.

International conference

CIPFA's international conference took place in Pristina, Kosovo in May 2023. Hosted jointly by CIPFA and our partners the Centre of Excellence in Finance (CEF), this international conference provided an opportunity to explore the roles of PFM professionals in public sector digital transformation in the context of specific issues in southeast Europe.

The conference provided an opportunity to share specialised knowledge and experience and enabled participants to establish professional relationships and valuable connections with peers from different parts of the region, including Deputy Prime Minister of Kosovo Mr. Besnik Bishlimi and H.E. Ms. Minca Benedejčič, Ambassador of Slovenia to Kosovo.

This year's conference also marked 20 years of successful partnership between CEF and CIPFA in delivering internationally recognised professional qualification programmes.

Rwanda

2023 saw the expansion of our relationship with the Institute of Certified Public Accountants of Rwanda (ICPAR) through the signing of a memorandum of understanding between the two institutes that sets out our intention to work together to support finance practitioners in the Rwandan public sector.

As part of our partnership, CIPFA supporting ICAPAR in developing products that meet the needs of the Rwandan public sector. Our project to support the development of a PFM Certificate aimed at qualified accountants with little experience in the public sector as well as practitioners who are not qualified accountants concluded in 2023 and the Certificate will be launched in 2024.

As a result of the success of this project, we were awarded two new contracts by the Ministry of Economy and Finance of Rwanda. These new projects will support the modernisation of ICAPAR's offer, including the revamp and digitalisation of their professional qualification in order to enable broader participation in accountancy education in Rwanda.

Bangladesh

As part of the programme of audit professionalisation in Bangladesh, the Office of the Comptroller and Auditor General (OCAG) of Bangladesh requested CIPFA to conduct a PAQ certificate-level training course for a group of 75 officials. This project built on CIPFA's prior experience of delivering professional training to OCAG, which began in 2012.

The training was delivered face-to-face in Dhaka, Bangladesh by experienced CETC trainers, supported by local experts with a strong knowledge of the PAQ. The breadth of support provided by CIPFA to these candidates led to an exceptionally high pass rate of 84% and has brought 63 new affiliate CIPFA members.

Albania

CIPFA has seen continued growth in Albania resulting from the success of previous projects. In 2023, we were awarded a contract under the World Bank/International Bank for Reconstruction and Development's Strengthening Quality of Auditing and Reporting Project.

The project will assist the Albanian School of Magistrates to increase technical accounting capability and capacity across all tiers of the judiciary. It aims to improve the capacities of judges, prosecutors and court/prosecutor's office staff in understanding the new accounting requirements and interpreting resulting accounting information. This will be conducted through the development of a sustainable training programme, which will be integrated via CPD to increase the school's capacities to guarantee continuous training through an e-learning system. A sustainable CPD mechanism will be developed to keep the judiciary updated with standards and other accounting topics.

IFR4NPO

The International Financial Reporting for Non-Profit Organisations (IFR4NPO) project is working to provide the first ever global financial reporting guidance for non-profit organisations. It is spearheaded by CIPFA and Humentum and funded by philanthropic donations.

CIPFA's main focus in 2023 was the development of the remaining two Exposure Drafts, following the first in November 2022. Exposure Draft 2 contains the main accounting issues for non-profit organisations, particularly the accounting of revenue from grants received and expenses on grants made. CIPFA launched Exposure Draft 2 at the International Forum of Accounting Standard Setters in September.

Alongside virtual outreach sessions to discuss Exposure Draft 1, a highly successful face to face roundtable took place in Colombia in February. The overall response was strong, with institutional responses from across the globe and different sectors of the community.

The governance of the project was strengthened during the year with Kris Peach, the former Chair and CEO of the Australian Accounting Standards Board, appointed as the Chair of a reconstituted Governance Group. Five new members from around the world have also been appointed. The Governance Group is focused on developing the forward strategy for non-profit financial reporting beyond the end of this project.

Supporting the police

The Achieving Finance Excellence in Policing (AFEP) programme goes from strength to strength, with over 90% of police organisations in the UK subscribed. In 2023 we introduced two new programme streams on sustainability and asset management and ran our first AFEP sustainability roundtable.

With people development at the heart of the programme, we rolled out several training and networking opportunities this year, attracting over 300 delegates. This included our annual AFEP CFO retreat where we had the privilege of hearing from guest speakers including Chris Philp MP, Minister of State for Crime, Policing and Fire.

Preparations also got underway alongside the Home Office Police Productivity Review to support police finance professionals to meet productivity targets using data and analytics. This included working with senior consultants on streams such as financial sustainability

and resilience, and developing tools and guidance to support medium-term financial planning.

CIPFA Property

Property Networks and Training delivered 53 events during 2023, attracting 1,461 delegates, and our two main qualification programmes had 88 participants. Our surveys team completed 187 property condition surveys, 42 fire risk assessments, 68 suitability assessments, as well as several building accessibility audits and dilapidations surveys for various local authorities and other organisations.

CIPFA Solutions

CIPFA Solutions advisory practice continued to grow both its client base and revenue during 2023. The team delivered nearly 170 projects and worked with around 100 different client organisations.

In 2023, CIPFA secured additional work on stage 2 of the Department for Education's Better Value programme, supporting 51 local authorities as they respond to the increasing costs and demand for special educational needs and disability (SEND) services. This involves additional consultations with the selected local authorities to identify further opportunities with the objective of reducing forecast net expenditure and achieving an in-year balanced position.

In 2023, CIPFA entered into a two-year contract supporting DLUHC to work with local authorities in need of exceptional financial support. We have also assisted Woking and Thurrock councils through the process of considering a Section 114 notice and helping them develop recovery and improvement plans to provide future financial resilience. We have now supported over 130 councils in the last three years, providing CIPFA's expertise in this area.

The redesign and rebuild of the CIPFA Financial Management Model was completed in 2023. This has brought more resilience as well as added flexibility to allow deployment across different UK sectors and around the world.



04

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How we
work



Employees

Our people continue to be at the heart of how we achieve our goals. We have clear core values that support our purpose as well as a culture that is inclusive, focused and agile.

Employee feedback and communication help us to preserve our working culture in a hybrid working environment. We have consolidated the organisational structure to provide more efficient ways of working and asked our managers to maintain efficient teams while supporting our employees in a virtual workplace.

Our employee-led groups are driven by engaged and enthusiastic individuals who are keen to contribute to our positive culture. Our Employee Forum has engaged with our senior leaders. Our Equality, Diversity and Inclusion (EDI) group has met regularly to drive forward this agenda. Wellbeing Champions provide important support and resources to all employees. Our monthly Open Forum provides a channel between all employees and CIPFA Management Board on key business messages, and our Social Committee planned our annual oneCIPFA day where all employees can connect in person.

We have seen some changes in our ways of working over the year that have supported our people strategy. We launched development programmes with our managers and leaders to build skills and raise awareness of new ways of working.

One of our new innovative ways of working has been our four-day working week (4DW) trial, which commenced in November 2022 and has been extended to January 2025. After a year in practice, we have seen remarkable improvements in our employee turnover, employee views of CIPFA, communication between teams and a workforce that feels more able to balance work with their wellbeing and other interests and commitments, all while maintaining great customer, student and member experiences and achieving business objectives.

We have invited feedback from our members and customers on how the 4DW impacts the way we

work with them and this has been positive. Our Board continues to monitor the progress of the trial to ensure that there are long-term benefits to CIPFA from this way of working.

Equality, diversity and inclusion

We have invested in how we take positive steps in EDI both in the services we represent and in our internal communities. During 2023 we have invested in dedicated resource, reviewed our action plan, raised awareness and provided development opportunities.

Pay gap reporting

In 2023 we published our first ethnicity pay gap report. The ethnicity pay gap is calculated in the same way as the gender pay gap and shows the difference in average pay between employees from ethnic minority backgrounds in a workforce, compared to 'white' employees. The 2023 report accounted for 219 employees. Of those employees, 22% are from ethnic minority backgrounds.

As the 2023 ethnicity pay gap report is a new report for CIPFA, there is no historical data on which to compare. At CIPFA, although our ethnicity pay gap is marginally more positive than the national picture, we recognise that our 54 highest paid employees are not as ethnically diverse as the lower paid quartiles.

Our new ability to report on the ethnicity pay gap moves our EDI ambitions forward by identifying trends and areas for development and improvement, and it is our aim to create this data set on annual basis.

We publish a gender pay gap report on an annual basis, identifying differences in both hourly salary and bonus payments between men and women working for the institute. We are intending to publish our next gender pay gap report in mid-2024.

We are confident that we have a fair and consistent approach to paying individuals, and are committed to being an equal opportunities employer, appointing the best candidate for each role.

Wider EDI activity

The initial focus for our EDI work with members and the wider public finance community is centred on the protected characteristics where we have the most acute challenges (age, gender and ethnicity) and socio-economic background since we know this has a significant impact on access and progression. We have recognised a growing need for mental health and wellbeing support and are additionally responding to that.

The Member Advisory Group (MAG) continues to meet quarterly, updating on regional activity and sharing their perspectives on ways in which we can highlight EDI initiatives to our members. The EDI session at Public Finance Live was led by the MAG chair, Alston Owens. The session was positively received, with discussions around the importance of EDI, barriers to progression in the sector and how we can create a better focus on EDI moving forward. Work has continued on a collaborative report focusing on barriers to progression.

Pride

In June, CIPFA celebrated Pride month. Members of the EDI employee group spoke to the organisation and shared resources, highlighting the history of Pride, the importance of Pride in the workplace and tips on how we can increase acceptance in professional spaces.

Windrush Day

CIPFA also marked Windrush Day in June, which recognises the experiences of citizens who arrived from Caribbean countries between 1948 and 1973. Two CIPFA employees shared a presentation to all employees at Open Forum discussing the Windrush scandal, why it happened, recent developments and the impact on current generations.

Neurodiversity

In July, the EDI group organised a 'lunch and learn' session on neurodiversity. The engaging session encouraged introspection and profound reflection on how societies and workplaces can and must become accessible and meet the needs of individuals. It also emphasised the importance of building accessibility into the core of any service, product or project from the start.

Black History Month

The national theme for Black History Month was 'Saluting our Sisters', highlighting the role that Black women have and continue to play in shaping history and driving change. In October we launched the CIPFA book club with *Girl, Woman, Other* by Bernadine Evaristo, the first Black woman to win the Booker Prize. The group engaged in a thought-provoking discussion about the book, assessing the diversity of Black lives and how they can be depicted.

Transgender Awareness Week

For the first time, CIPFA marked Transgender Awareness Week in November, highlighting the progress that has been made towards equality and the work still to be done. Transgender Awareness Week leads up to Transgender Day of Remembrance (20 November), which honours those whose lives were lost to acts of anti-transgender violence. We hosted a webinar with a guest speaker, discussing the history of the transgender community and her experience as a trans woman in society and the workplace. She also shared tips on effective allyship and resources for attendees to access after the session.

In August we hosted an online workshop on 'Embracing Inclusive Decision Making' delivered by Right Track training. Six Council members engaged in discussion about what inclusivity really means, and participants analysed the different forms of unconscious bias in governance and ways to influence inclusive decision making at different levels of an organisation.

Facilities and environment

The continued hybrid style of working has dramatically reduced CIPFA's office occupancy. CIPFA aims to minimise its environmental impact by reducing utility consumption wherever possible and only running building services where required.

2023 saw all the office facilities in London, Edinburgh, Birmingham and Chester open, but with only minimal attendance. A small core team of Facilities staff oversees CIPFA's current needs, which include a planned preventative maintenance programme to minimise building structure and office space degradation. Wherever possible CIPFA continues to recycle materials.

ISO certification

CIPFA has ISO certified management systems covering Quality, Information Security, Health, Safety and the Environment in place.

The Health, Safety and Environmental Management System (HS&EMS) outlines how we aspire to continually review our services in line with client needs, relevant environmental legislation and best practice, thereby maximising the efficient use of resources. Our vision is to be widely known and respected for delivering safe, reliable services that cause minimal environmental impact. Our current system is certified under the ISO 45001:2018 and 14001:2015 Standards. The HS&EMS assists CIPFA in ensuring we operate in a professional manner to meet our clients' requirements while taking due care to provide a safe, healthy and secure working environment.

The ISO 9001 Quality Management System (QMS) outlines CIPFA's approach to implementing clear, efficient and repeatable processes that ensure that we provide a consistent quality service to both internal and external customers. CIPFA is committed to a continuous improvement culture and the QMS is essential in our considerations on how we can do things more efficiently and effectively.

Our ISO 27001 Information Security Management System (ISMS) was successfully certified in November 2023. Achieving certification and continual improvement of the ISMS will ensure we are in the best possible preventative position to defend our information and organisation from cyber threats.

All the above systems are overseen by separate management review teams that are responsible for their overall content, process integrity and day-to-day running. Regular review team meetings are held twice a year, with policy, procedural guidance and other system information published on the intranet to keep colleagues informed.



05

How we are
governed




Name and nature of the charity


The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is governed by Royal Charter granted in 1959, most recently amended in 2018, and is registered with the Charity Commission for England and Wales, number 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.


CIPFA is managed and regulated in accordance with its Charter and bye-laws.

Charitable objectives







To **advance the science of public finance** and of **accountancy** and cognate subjects as applied to all or any of the duties imposed upon and functions undertaken by public service bodies, and to promote public education therein.



To **promote** and to **publish** the results of **studies and research** work therein and in related subjects.



To **advance** and **promote co-operation** between accountancy bodies in any way.



To **advance** and **promote any scheme or schemes** (howsoever constituted), having as one or more of their objects the review or regulation in the public interest of the **establishment of standards** by, and the training, regulatory and disciplinary activities and procedures of, any one or more accountancy bodies.

Within the charity is a network of branches and regions. They work alongside CIPFA helping to deliver the charitable objects, principally through the provision of support and information to members and students locally.

Public benefit

CIPFA's work building trust and delivering excellence in public financial management, accountancy and related disciplines aims to ensure public money and services are managed effectively, efficiently and securely for the benefit of all.

We seek to preserve at all times the professional independence of qualified accountant members of the Institute in whatever capacities they may be

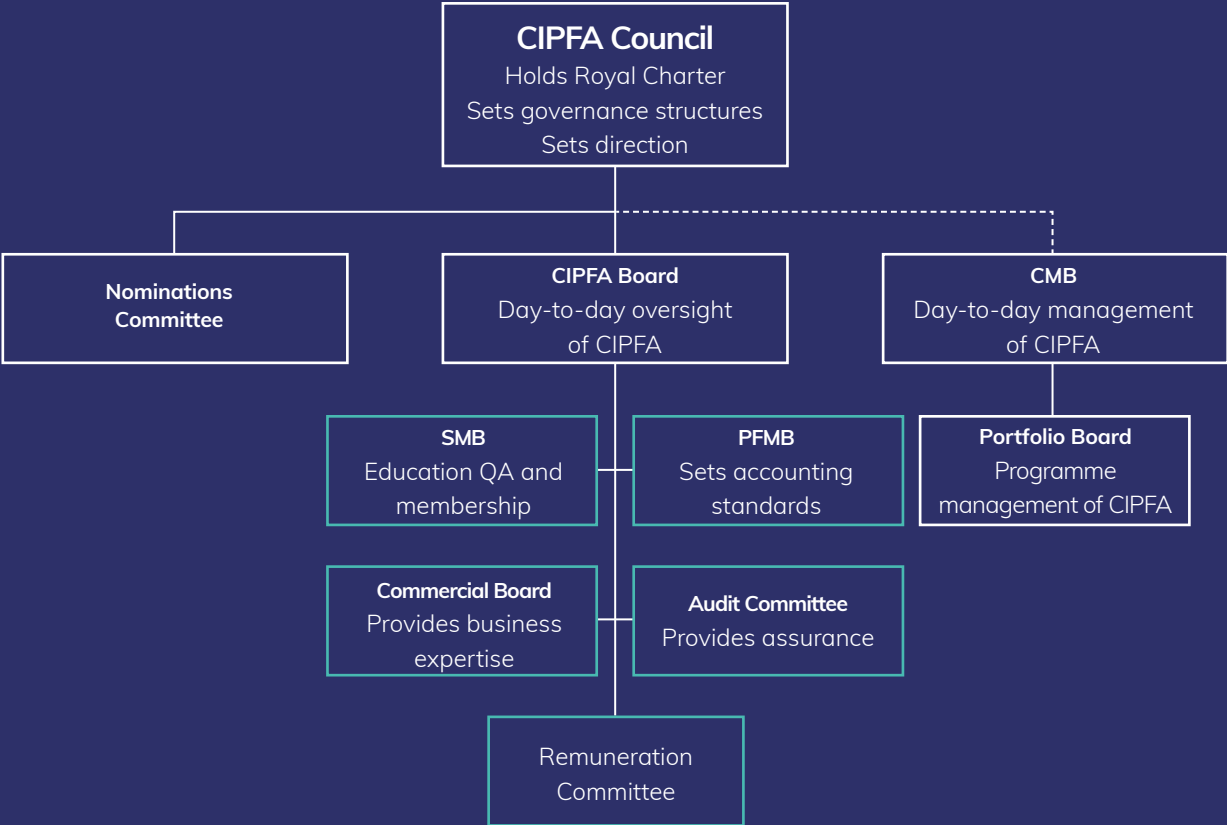
serving, promoting excellence in governance and ethical standards.

Through our activities as a standard setter and educator, and our advisory and consultancy services, we support our members, students and finance professionals in a wide range of public sector settings.

As such, our work benefits the public through excellence in the management of the public finances. The Council confirms that it has complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

Membership of CIPFA is open to all who can demonstrate the required academic achievement. Fees are kept to a minimum through subsidy supplied by profits generated through the subsidiary company.

The governance structure



Key: Regional and advisory boards and panels

Subsidiaries

CIPFA has a wholly owned subsidiary company: CIPFA Business Limited, Companies House registration number 2376684, and a majority holding in CIPFA C.Co Ltd, registration number 10212053.

CIPFA Business Ltd is the management support services company of CIPFA and has a separately constituted board of directors. It specialises in providing financial advice and governance, property and asset management solutions, and the supply of information and expertise.

The CIPFA Business Ltd Board comprises the president, vice president, four non-executive directors, the chief executive and director of finance.

The charity (including regional groups) and the subsidiary company are reported on a consolidated basis.

Governance structure

The Institute's overarching governing body is the Council. The membership of Council is specified in the bye-laws and consists of no more than 41 individuals with three groupings:

- no less than 21 CIPFA members, elected by region
- the elected honorary officers (president, vice president, junior vice president, past president)
- no more than 16 co-opted individuals appointed by Council on recommendation by the Nominations Committee to enhance the breadth of experience, competence, diversity of background and viewpoints.

Biographies for all current Council members are [available on CIPFA's website](#).

The membership of Council is refreshed on a two-year cycle, with individuals serving a maximum of six consecutive years before being required to have a two-year break. A maximum total tenure of nine years has been introduced. Honorary officers serve one year in post. The president, an elected member, chairs Council.

A programme of induction is provided for new Council members and mentors are arranged from the cohort of more experienced Council members.

Council is the charity's trustee body, responsible for the strategic direction of CIPFA and approving major developments. It also approves the terms of reference and delegated powers of its committees and boards. The Council normally meets four times a year.

Council members are fully appraised of their trustee duties and have declared themselves fit to act. The induction for new Council members and the Council Handbook emphasises the trustee responsibilities.

Through delegation to the CIPFA Board, Council fulfils its responsibility for the effective oversight of the operations of CIPFA and its subsidiary company. The president chairs Council and, following a process of open recruitment in 2022, Joe Sealy was appointed as independent Chair for CIPFA Board for a term of three years.

Joe Sealy's career has spanned the public and private sector. He is the Co-Founding Partner and COO at Greater Pacific Capital, an investment firm for major pension funds and institutional investors investing in Asia, and specifically India. Joe serves on the Investment Committee and major firm committees and sits on the board of many investee portfolio companies.

He was previously a managing director in the investment banking division at Goldman Sachs with corporate clients covering multiple industry sectors, financial investors, and government, and played a leadership role in promoting diversity at Goldman Sachs. Formerly, Joe was a partner at KPMG, in roles covering both private and public sector clients, including numerous local authorities and central government departments. Joe began his public service career within the local authority sector at Cheshire County Council and the London Borough of Merton.

In February 2023 CIPFA Board received a closure report summarising all actions taken as part of the Sinclair Review. Martin Sinclair undertook a review of the failure of the London Counter Fraud Hub project and made several recommendations, which have now been implemented encompassing

governance arrangements, training and understanding of roles, cultural change, risk management and financial management improvements. CIPFA is committed to achieving excellence in its governance and is embedding a culture of vigilance and continuous improvement.

We remain committed to improvement and recognise that good governance is as much about behaviour and culture as it is structure. All governance groups participate in an annual self-assessment exercise and we annually assess ourselves against the Charity Governance Code, with good compliance across all principles. During 2023, individual Board member reviews were carried out by the Chair of the CIPFA Board and Senior NED, supported by a 360-degree feedback survey. All Board members found the discussions helpful, informative and constructive and agreed that the effectiveness and development of the board are evolving positively.

Delegations

Having set the strategy for the organisation, Council delegates oversight of CIPFA's business to the CIPFA Board, which implements the approach through other boards and committees.

The CIPFA Board comprises six Council members (which include the four honorary officers of the Institute), two non-executive directors, the chief executive and finance director.

All boards and committees are formally constituted with terms of reference. The Council acts on advice and information provided by the executive. Members of Council are able, where appropriate, to take independent professional advice at no personal expense so that they are able to fulfil their role.

Statement of Council responsibilities

The trustees must ensure that the annual report and financial statements are made in accordance with applicable law and regulations. They are also responsible for the integrity of the corporate and financial information included on the charity's website.

Charity law requires the trustees to prepare financial statements for each financial year. Statements must give a true and fair view of the charity and the group and their financial activities in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards). In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- follow applicable UK accounting standards and the Charities SORP, disclosing and explaining any departures in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and group will continue to operate.

The trustees must disclose with reasonable accuracy at any time the financial position of the charity and the group, and ensure that the financial statements comply with the Charities Act 2011.

Trustees are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application in accordance with charity law. This includes taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees have adopted the Charity Governance Code. While CIPFA has good compliance across the seven principles of the code, the trustees acknowledge the need for continuous vigilance and to strive for excellence. Therefore, we annually review our application of the code and take actions where necessary.

Conflicts of interest are reviewed annually and at the beginning of each meeting.

Trustees

The gender balance of Council members over the period of 1 January 2023 to 26 June 2023 was 16 women and 24 men. The gender balance of Council members over the period of 26 June 2023 to 31 December 2023 was 16 women and 23 men.

In line with the maximum term of office recommended in the Charity Governance Code, CIPFA has implemented a nine-year upper limit for total time

served on Council. Council Members sit for a two-year period, and any individual standing for a ninth year would be considered as a co-option for one year.

Council members and attendance chart

Attendance for main Council meetings only; does not include subcommittee attendance.

	Council 2021-2023	Council 2023-2025	Council	Audit Committee	Elected (E) or Co-opted (C) to Council	CIPFA member
Adesola Adepoju		●	4/4		E	●
Naeem Ahmed	●	●	3/5		E	●
Caroline Al-Beyerty	●	●	4/5		E	●
Deirdre Bane	●	●	5/5		C	●
David Blair		●	4/4		E	●
Michael Brodie	●		1/2		C	●
Theresa Channell		●	3/4		E	●
Amy Crowson	●	●	3/5		E	●
Carol Culley	●	●	4/5		Junior Vice President 2022-23 Vice President 2023-24	●
Jane Cuthbertson	●		0/2		E	●
Jim Dafter		●	3/4		E	●
Sophie Darlington	●		0/2		C	●
Nadeem Dean	●	●	4/5		E	●
D Joyce Dharmaraj		●	4/4		E	●
Stephanie Donaldson	●	●	4/5	●	E	●
Amanda Dowse		●	4/4		E	●
Mike Driver	●		0/2		Past President 2022-23	●
Tony Era	●		1/2		E	●
Pete Gillett	●	●	3/5		E	●
Claire Gravil	●		2/2		E	●
Elizabeth Honer	●		2/2		C	●
Vanessa Howlison	●		2/2		C	●
Toshihiko Ishihara ¹		●	1/2		C	●
Hari Iyer	●		0/2		C	●
Aneil Jhumat ²		●	0/3		C	●
Catherine Little	●	●	0/5		C	●
Lin Liu		●	2/4		C	●

	Council 2021-2023	Council 2023-2025	Council	Audit Committee	Elected (E) or Co-opted (C) to Council	CIPFA member
Mark Lowcock	●	●	4/5		Junior Vice President 2023-24	●
Libby Mason ³		●	0/0		C	●
Mark McBride	●	●	5/5		C	●
Paul Mckevitt ⁴		●	1/1		C	●
Leslie Milne		●	4/4		E	●
Umesh Naicker	●		0/2		E	●
Rebecca Nelson		●	3/4		E	●
Mike Newbury	●	●	3/5	●	C	●
Lee Outhwaite	●	●	3/5		C	●
Jayne Owen	●	●	2/5		President 2022-23 Past President 2023-24	●
Colin Owen	●		0/2		C	●
Ian Owen		●	4/4		E	●
Nina Philippidis		●	4/4		E	●
Caroline Russell	●	●	5/5		Vice-President 2022-23 President 2023-24	●
Marcus Richards	●		0/2		C	●
Angela Ridgwell	●		1/2		C	●
Chris Chaplin-Roberts	●		1/2		E	●
Mohammed Sajid		●	3/4		E	●
Geoffrey Simpson	●	●	2/5		C	●
Dennis Skinner		●	3/4		E	●
Luke Smith	●	●	5/5	●	E	●
Ileana Steccolini		●	3/3		C	
Donella Steel		●	4/4	●	E	●
Jason Vaughan	●	●	4/5	●	C	●
Hardev Virdee	●	●	3/5		C	●
Maria Wanland	●		2/2		E	●
Kelly Watson	●		2/2		E	●
Peter Welch	●		2/2		E	●
Mark White	●		0/2		E	●
Ian Williams	●	●	4/5		E	●
Lee Yale-Helms	●	●	4/5		E	●
Derek Yule	●		2/2		E	●

¹ Co-opted on 26 September 2023

² Co-opted on 2 August 2023

³ Co-opted on 31 October 2023

⁴ Co-opted on 11 December 2023

Key individuals and sub-committees

	Audit Committee	CIPFA Board	Students and Members Board	Public Financial Management Board	Remuneration Committee	Commercial Board	Nominations Committee
Chair	Frances Done	Joe Sealy	Mark McBride	Carol Culley	Harry Gaskell	Harry Gaskell	Jayne Owen
Vice Chair	Jason Vaughan	Jayne Owen (until 26 June 2023) Caroline Russell (from 26 June 2023)	Amy Crowson	Caroline Al-Beyerty	Jane Cuthbertson (until 26 June 2023) Caroline Al-Beyerty (from 26 June 2023)	Roger Alderson	Jane Cuthbertson (until 26 June 2023) Naeem Ahmed (from 26 June 2023)
Gender balance	Female 3 Male 5	Female 5 Male 6	Female 11 Male 3	Female 4 Male 6	Female 4 Male 4	Female 6 Male 5	Female 5 Male 5

Audit Committee

Maintains oversight of corporate governance throughout the CIPFA Group and management of external and internal audit.

CIPFA Board

Provides oversight of operational matters and delivery of the business plan, including management of impact on the environment and people. Guides, monitors and challenges development and operations in line with the strategy set by Council. Ensures an effective risk management strategy is maintained across the CIPFA Group.

Students and Members Board

Oversight of activities to develop the membership and professional standards including member services, education and training. This includes advising and supporting the CIPFA Regions and supervising the Disciplinary Scheme.

Public Financial Management Board

Oversees the Institute's work on policy and technical issues including the specialist Forums and therefore plays a key role in CIPFA's thought leadership and influence on public finance management. Supports the continuous improvement of standards in public finance, management and governance, particularly in UK local government where the Institute has formal standard setting responsibilities.

The Board holds responsibility for formal approval of all updates to Institute codes of practice, with any new codes approved by Council in the first instance.

Remuneration Committee

Holds full delegated responsibility for decision making in relation to pay and conditions of specified members of staff employed by the CIPFA Group, including the CEO and executive directors.

Commercial Board

Guides commercial operations in line with the overall strategic direction set by Council. Oversees the wholly owned subsidiary, CIPFA Business Ltd.

Nominations Committee

Supports Council by overseeing the elections and appointment processes and advising on nominations.

Ensures that all appointments and nominations support the Institute's diversity and inclusion objectives.

Directors of CIPFA Business Limited

The directors of CIPFA Business Ltd are all experienced in business or the markets that it serves. Brief details of their background and experience are included below.

Roger Alderson

Roger has spent a significant portion of his career working internationally, as a consultant (with the McKenna Group), a strategist (with Perot Systems) and a marketing director (with EDS, HP and Logica). Roger has proven experience working with a range of organisations from start-ups to multi-nationals and has operated from both headquarters and the field.

Mary Bishop

Mary is a fellow of the Association of Chartered Certified Accountants (ACCA), currently Director of Education products at the Royal Society of Medicine, a former Director of Learning for ACCA Global and University Dean. Her experience of learner needs spans SMEs, academic institutions and listed companies across around 200 countries. With industry experience as a leader in education, technology, manufacturing and utility businesses, she is an author of over 15 books including the first edition of the Oxford Dictionary of Accounting.

Carol Culley (from 26 June 2023)

Carol is CIPFA-qualified and has a diploma in management. She is a member of the CIPFA Council and recently appointed as chair of the Public Financial

Management Board. Carol has a wealth of experience in financial management, governance and assurance and fulfilling trustee roles. She is currently a trustee for a number of joint ventures such as Northern Gateway and Manchester Central and for the Greater Manchester Learning Trust. Carol was the Deputy Chief Executive and City Treasurer at Manchester City Council. As well as being the S151 officer, she had responsibility for the Corporate Core and for driving a number of priorities such as the leading on the Council's Zero Carbon Action Plan and as SRO for The Factory and Town Hall projects.

Harry Gaskell

Harry is Chair of the Which? Limited Board. He is an investor in tech and sustainability startups and mentor to a number of their CEOs. He is an adjunct lecturer at Hult Business School where he lectures on AI and innovation. From 2005 to 2020 Harry was a Partner and Managing Partner at EY where he ran their consulting business in the UK for ten years. From 2011–20 Harry was Chair and Trustee of the Employers Network for Equality and Inclusion (enei).

Gareth Moss (until 31 December 2023)

A CIPFA-qualified accountant, Gareth is a former Director of Resources of two local authorities. Before becoming Finance Director he worked in CIPFA's consultancy arm, advising public sector bodies on issues as wide as financial management, governance and senior staff recruitment. Gareth's past employment includes roles at Serco, where he was responsible for their local government contracts, PWC and several local authorities. Gareth is a non-executive director at Worcestershire Children First and until recently chaired the John Taylor Multi Academy Trust (based in Staffordshire and Derbyshire).

Jayne Owen (until 26 June 2023)

Jayne is Finance and Resources Director of North Wales Housing Association, a successful social enterprise providing homes and delivering services across North Wales. She is a CIPFA-qualified

accountant with 30 years' public sector experience spanning local government, policing and housing .

Jayne is a proud and dedicated CIPFA member, culminating in the honour of being CIPFA President during 2022/23.

Caroline Russell

Caroline is the CEO for Parkinson's UK, a national charity focused on finding a cure and improving life for everyone affected by Parkinson's. Caroline is a trustee of her local hospice and gained operational experience of the third sector at Versus Arthritis as the Director of Planning and Operations.

Before moving to the third sector, Caroline was the Accountable Officer of NHS Mid Essex CCG and the Joint STP lead for Mid and South Essex. She has been CIPFA-qualified since 1990 and has held board level roles in both local and national organisations for 20 years. These have spanned a variety of roles from Director of Finance, Commissioning and Procurement to Deputy CEO and CEO.

Mark Thomson

Mark Thomson is an experienced business leader, having held high-profile senior positions in both the private and public sector. As Director General for UK Visas and Immigration and Her Majesty's Passport Office, Mark led teams responsible for managing around 10 million visa and passport applications a year and advised the home secretary on immigration strategy and policy.

Rob Whiteman CBE

Rob is CIPFA's Chief Executive. He formerly held a senior civil servant role as the Chief Executive of the UK Border Agency and led the Improvement & Development Agency. Rob has also worked in local government as Chief Executive of the London Borough of Barking and Dagenham and Director of Resources at the London Borough of Lewisham.

Key management personnel remuneration

The trustees consider the CIPFA management board, which includes the chief executive, as comprising the key management personnel of the charity.

The CIPFA management board is made up of the executive directors of CIPFA and CIPFA Business Ltd. It is responsible for directing and controlling, running and operating the charity on a day-to-day basis.

All trustees give of their time freely. In 2023, two trustees were remunerated (£6,000) for provision of services other than trustee services. For one trustee this was for their role as an examiner of the SPF module (£5,000) and for the other for their role as an advisor on an international project (£1,000).

The remuneration committee has full delegated responsibility for decision making in relation to the pay and conditions of senior management including the chief executive in relation to remuneration, including:

- remuneration
- terms and conditions upon appointment
- changes to base salary
- bonus arrangements and payments thereunder
- honoraria and ex-gratia payments
- severance payments
- pensions.

The pay of the CIPFA management board is reviewed annually and is informed by any general pay award within the Institute. In the case of the chief executive, any changes to current salary, terms and conditions, bonus awards, etc are considered on advice from the honorary officers, and on receipt of recommendations from the chair of the remuneration committee.

The Institute provides a single discretionary group bonus scheme, applicable to all eligible employees including the CIPFA management board, which has

clear trigger points and also allows for investment in the organisation's future growth.

The trigger point and target surplus are reviewed and agreed as part of the annual business planning process by the trustees. The trigger and the split between bonus scheme pot and investment may vary.

The bonus scheme is triggered when CIPFA generates a trading surplus above the approved business plan. All bonus awards are subject to the overall value of the bonus pot and based on assessment of individual in-year performance.

In the case of the CIPFA management board, the chief executive recommends any bonus awards to the remuneration committee. In the case of the chief executive, any bonus award is considered on advice from the honorary officers, and on receipt of recommendations from the chair of the remuneration committee.

The committee obtains independent professional advice as required including to compare and benchmark CIPFA's practices against those of other organisations. Executive remuneration is also benchmarked periodically with organisations of a similar size within the sector and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. Such advisors may attend meetings as necessary.

Equal opportunities, diversity and inclusion

CIPFA is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. We seek to go beyond legislative requirements to improve diversity of representation and inclusivity in our role as an employer and as a membership body.

Our employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, pregnancy and maternity, sexual orientation, race, religion or belief, age, disability, gender reassignment or any other grounds that are unjustifiable in terms of equality of opportunities for all.

We have introduced mandatory diversity and inclusion training for all employees and have embarked on a wider programme of activity to improve mental health and wellbeing and EDI.

The Nominations Committee embraces CIPFA's commitment to equal opportunities and to improving diversity of backgrounds and viewpoints. Its role includes identifying candidates to stand for CIPFA Council; it also recommends to Council candidates for co-option as well as chair and vice chair roles on major boards and committees. The criteria on which the committee's decisions are based include diversity considerations.

A blurred photograph of people walking in a modern hallway with a yellow wall and blue geometric shapes. The image is split into a blue triangle on the left and a yellow rectangle on the right. The people are in motion, creating a sense of activity and movement. The floor is light-colored and tiled.

06

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Opportunities
and risks



Opportunities

CIPFA operates within a challenging environment. Global conflicts, slow growth and a cost of living crisis have brought new pressures, alongside long-term strains on public finances. Amid the difficulties of our current context, there are opportunities for CIPFA to provide leadership and support to the organisations we work with, and furnish them with services to meet their immediate and future needs.

We are building new partnering arrangements to promote collaboration and closer working across territories, sectors and professional accountancy organisations. Established and new jurisdictions are adopting public financial management standards and actively participating in our forums and events.

We continue to be the first choice for public sector finance professionals looking for advice and help under unrelenting pressure. We are dedicated to public service, we understand how public sector organisations work and we provide bespoke support.

We will continue to use insights from our forums and existing customers to inform our offer to the market over the long term. As the UK moves ever closer to a general election there is a window of opportunity to reassess the shape of the public sector and shine a light on where intractable problems could be addressed through structural reform. Our thought leadership plan, together with our economic research agenda, provides a framework for content and activity to support our messaging to policy makers and influencers.

We continue to drive forward standards, equipping finance professionals with the education and training they require. We are completing the phased roll out of our refreshed professional accountancy qualification and expanding our offer with new qualifications in

anti-corruption, counter fraud and audit. Following the launch of our first Accredited Training Provider, we will be applying this model to increase our international student cohort.

We see finance professionals having an increasingly important role in sustainability reporting and we are strengthening our voice on sustainability as a pathway to becoming an authoritative voice on reporting in the public sector.

The steps taken in 2023 to close and exit the Wiltshire Local Authority defined benefit pension scheme have brought stability and certainty to our balance sheet. The level and volatility of the fund deficit has impacted the confidence of members, staff, customers, partners and stakeholders. Reaching agreement with the scheme members and the pension trustees gives us a stronger platform for future planning. While we have agreed a repayment plan with Wiltshire, we have built in the ability to pay this early should our cash position enable that.

Risk management and internal control

Risks are monitored and reported on a quarterly basis at all levels of the Institute including the CIPFA management board, CIPFA Board and the Audit Committee. Risks are addressed as part of the business planning process and placed under the management of a senior member of staff and the appropriate board or committee. The Council and its Audit Committee are satisfied that all reasonable steps are being taken to manage exposure to major risks.

Our risk management strategy was reviewed in 2021 and our processes refreshed. We rolled out training for all staff and undertook a bottom-up refresh of risk identification. This process enabled us to ensure we are aligning risk management to the level of risk

mandated by CIPFA Council. A further review of our risk management arrangements is planned in 2024.

We operate a comprehensive business planning process, with an annual business plan and budget set by the CIPFA Board and approved by the Council. We use a performance dashboard that is reviewed by the CIPFA management board monthly, and forecasts are revised on a quarterly basis as a minimum. The performance dashboard is used as a single information source to streamline performance reporting at all levels of governance including every CIPFA Board meeting.

CIPFA maintains a comprehensive set of delegations of authority and financial regulations. The financial controls and procedures are reviewed regularly and compliance with them verified by the work of the internal and external auditors.

We maintain a comprehensive set of policies and procedures, including whistleblowing, data protection, health and safety, complaints handling, code of conduct and register of interests for Council members, non-executive directors and senior staff.

The Audit Committee reviews CIPFA's accounting and financial reporting practices on behalf of the Council. Internal audit reviews are prioritised using a risk-based approach, and recommendations are followed up.

Risks

We continue to respond to the changing market for our qualifications and training, taking strategic measures to ensure we meet the needs of a student-led market and respond to changing demographics.

We have taken steps to improve the connection between the development of our products and services and customer feedback to maintain relevance and diversify our offer.

We are increasingly vigilant to the shifting geopolitical context and its potential impact on our international growth and UK public bodies. While CIPFA's cash position is strong, the repayment of the pension deficit means that we will need to ensure appropriate management and oversight of this area.

CIPFA is investing in significant change with our transformation programme and wider strategic plans; we have rigorous governance in place to oversee this change management.

Managing risks for CIPFA

Principal risks for CIPFA	What the risks mean	How we manage the risks
<p>Political shift in government policy or priorities impacts on CIPFA's core purpose and ability to deliver its charitable objectives. This risk is heightened with the impending election and the increasing level of uncertainty this brings.</p>	<p>Changes in government policy and/or the uncertainty regarding the general election may lead to a reduction in demand for our services, particularly those commissioned from CIPFA Solutions. This would impact on the income CIPFA is able to generate – which in turn impacts delivering of our charitable objectives.</p>	<p>We are actively diversifying our products and services as well as building our presence in new markets in the UK and internationally. We also closely manage the cost base including using temporary staff to flex up/down according to demand.</p>
<p>We need to be more responsive and agile to ensure our products and services keep pace with market and customer challenges, issues and risks.</p>	<p>Our products and solutions portfolio is insufficiently targeted, with inefficiencies in repurposing or repackaging existing projects.</p> <p>This is exacerbated by scarcity in customer funding and resources. There would be an impact on the delivery of our objectives, including our charitable aims.</p>	<p>The key accounts process focuses on listening to market issues and challenges. Products and services are mapped and prioritised with stringent business case assessment.</p>
<p>The market for professional qualifications is increasingly driven by student choice. The perceived lack of portability of our qualification makes us less attractive to trainees in government bodies and firms. There is also a risk our PAQ does not keep pace with developments in automation, AI and broader technology.</p>	<p>Reduced student numbers lead to a reduction in members and a smaller institute, which in turn impacts our ability to support existing members and customers.</p>	<p>The redeveloped PAQ has been launched to address this risk and final modules will be rolled out in 2024. The Joint Declaration with ICAEW in September 2023 on dual qualification is a significant step forward in delivering portability.</p> <p>PAQ is under regular review for advancements in technology – both in terms of subject matter and delivery methods.</p>
<p>Loss of the right to deliver apprenticeship training or endpoint assessments.</p>	<p>Significant financial and reputational impact.</p>	<p>The Ofqual application process has enabled us to mitigate many of the risks identified. We have a programme of continuous monitoring and improvement and are widening our student base.</p>

Principal risks for CIPFA	What the risks mean	How we manage the risks
An ageing member demographic is accelerating attrition rates and a poorly defined membership value proposition means we are not able to attract new students and members from new generations.	Reduces market penetration, impacts on revenue and credibility.	We have developed and continue to expand alternative routes into membership. We are also broadening our equality, diversity and inclusion programme beyond staff to include students and members. In 2024 we will close refresh our regional strategy to work more closely with members around the country.
Lack of structured approach to change management leads to benefits not being realised.	Failure to improve efficiency and evolve in order to achieve growth.	We have incorporated change management into business planning and initiated a culture change programme.
Expansion into new/other public sector markets is not achieved or diversification is achieved at the cost of brand dilution to CIPFA's local government customer base.	Failure to diversify or dilution of the brand could lead to significant financial (ie loss of income) and reputational issues.	Clear resource planning on core business as well as diversification is a key focus for the CIPFA management board – including re-prioritisation where necessary.
Weak employee value proposition (EVP) hinders our ability to attract, recruit and retain a workforce with the right skills and experience and skills.	We don't have the right people at the right time to deliver CIPFA's objectives.	The CIPFA&me programme has been developed in response to this and roll out of the remainder of this programme will continue in 2024.
Debt spreading agreement for defined benefit pension scheme alongside investment for growth places pressure on cash flow.	Repayment agreement reduces margin for error in forecasting and limits capacity for investment.	We are further developing our cash flow forecasting processes to ensure these are rigorous. We are also closely controlling costs in order to facilitate continued investment in the business.



07

Financial
summary

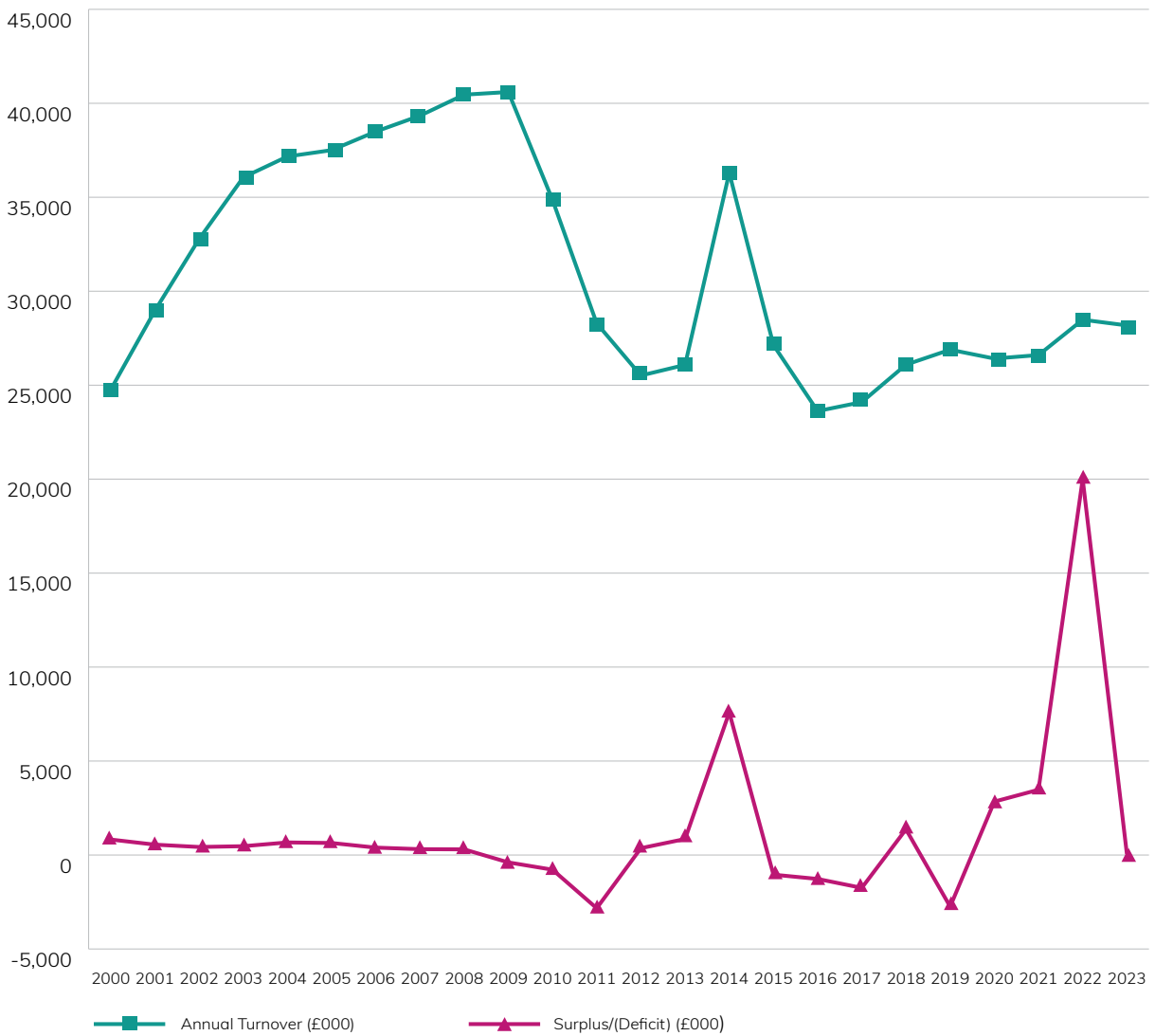
Building on the work to strengthen CIPFA’s financial position in 2022 by closing the Wiltshire Pension Fund, 2023 saw CIPFA further reduce its long-term liabilities and deliver a positive cash flow from operational activities.

In 2022, CIPFA decided to close its defined benefit pension scheme and settle the outstanding liability. This decision reflected the need to have certainty over the charity’s pension liabilities and a clear plan to repay these liabilities to ensure the organisation’s financial security. In 2023, the pension agreements were finalised, and CIPFA made £3.9m of payments against this liability, reducing it from £11.7m to £8.2m (the £0.5m difference relates to an additional charge made in finalising the agreement).

The overall result for 2023 was a positive contribution of £0.070m compared to £1.142m in 2022. The reduction reflects inflationary cost pressures in 2023 and planned business investments. CIPFA’s operational activities generated £2.309m in 2023, which is considered a positive result.

	2023	2022
	£000	£000
2023 Full year results before pension entries		
Income	28,181	28,483
Expenses	28,111	27,341
Contribution	70	1,142
Net cash inflow/(outflow) from operations	2,309	(32)

CIPFA Annual Turnover and Surplus/(deficit) 2002 to 2022



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual Turnover £000	24,763	28,967	32,776	36,058	37,170	37,507	38,498	39,340	40,459	40,601	34,856	28,290	25,514	26,081	36,297	27,139	23,623	24,100	26,092	26,889	26,417	26,603	28,483	28,181
Surplus/(Deficit) £000	824	552	428	470	670	640	394	311	301	-393	-781	-2,831	365	852	7,586	-1,045	-1,273	-1,748	1,367	-2,746	2,842	3,474	20,001	55

Financial review and related policies

In 2023, the total income for the CIPFA Group was £28.2m (£28.5m in 2022), a decrease of £0.3m (1%), which is not impacted by the accounting adjustments relating to the closure of the pension scheme. Detailed analysis of group operating income and expenditure showed increased UK advisory activity, offset by lower demand for bespoke in-house training courses and lower network and subscription income driven by local government reorganisation and cost pressures.

International advisory income was stable, although some delays with the Pakistan project have impacted the overall income forecast.

The business continues to adapt to the market's changing needs, and our advisory practice, in particular, has benefitted from some larger-scale contracts than in previous years. The recruitment market for specialist provision continues to be challenging. Overall, however, CIPFA coped well with the economic uncertainties and inflationary pressures that caused significant pressures on our customer base.

Despite these difficulties, we remain conscious of the need to contain our cost base to protect CIPFA's financial sustainability and diversify our contract and service base to remain competitive both domestically and internationally.

CIPFA Business Limited (CBL) is CIPFA's professional services business. As part of the CIPFA Group, CBL governance arrangements are integrated with CIPFA. The Commercial Board, which meets at least five times a year, also acts as the CIPFA Business Board and is responsible for making decisions and monitoring the business and its performance. The majority of CBL Directors are independent non-executives.

CIPFA C.Co Ltd commenced trading in July 2016 when former directors and senior managers from local government with a successful public sector transformation track record formed a partnership with CIPFA. CIPFA C.Co Ltd supports public sector

organisations to deliver the transformation of public services against a backdrop of ever-challenging circumstances. The company aims to work with organisations that provide public services to help them improve the advancement and wellbeing of society. For the first time since its creation, C.Co Ltd paid a dividend to CIPFA of £0.15m, which marks a significant milestone in performance.

Reserves policy

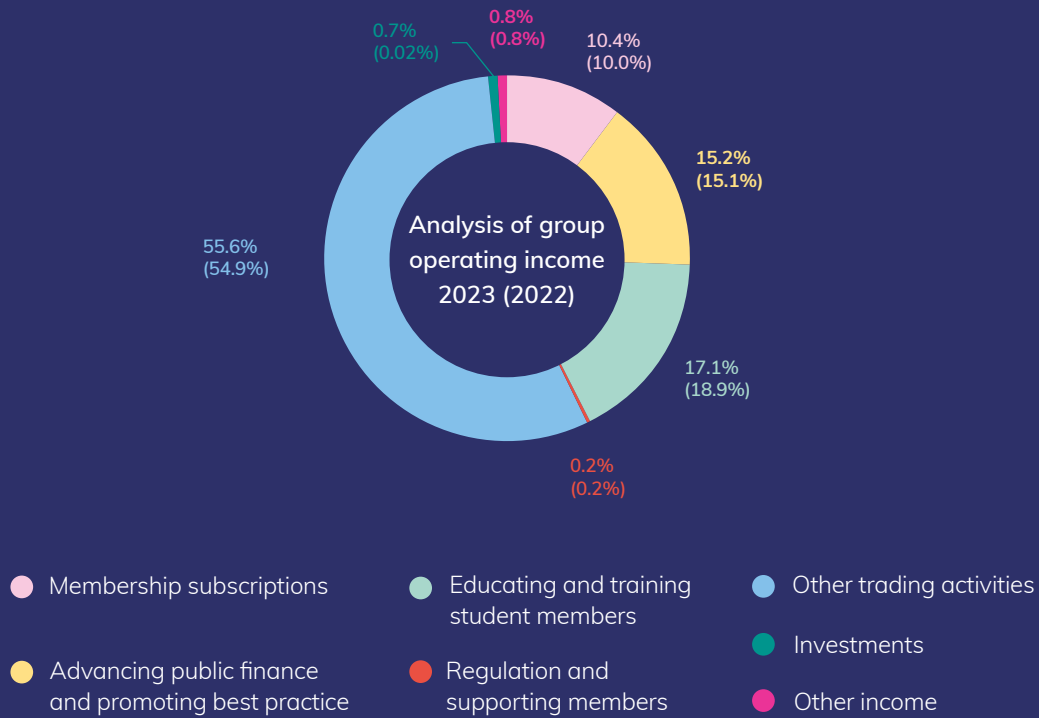
CIPFA's overall reserves at the end of 2023 are a surplus of £12.5m (2022: £15.5m surplus). The reduction compared was driven by the revaluation of Mansell Street, which resulted in an impairment. This revaluation reflects the overall sentiment in the market.

Within total funds are designated funds of £17.0m (2022: 16.9m) and a revaluation reserve of £1.0m (2022: £4.2m), predominantly representing the value of fixed assets and investments. Other charitable funds now stand at £2.6m surplus (2022: surplus £6.1m). In previous years, CIPFA targeted reserves for two months' average expenditure. Two months' expenditure is approximately £4.6m.

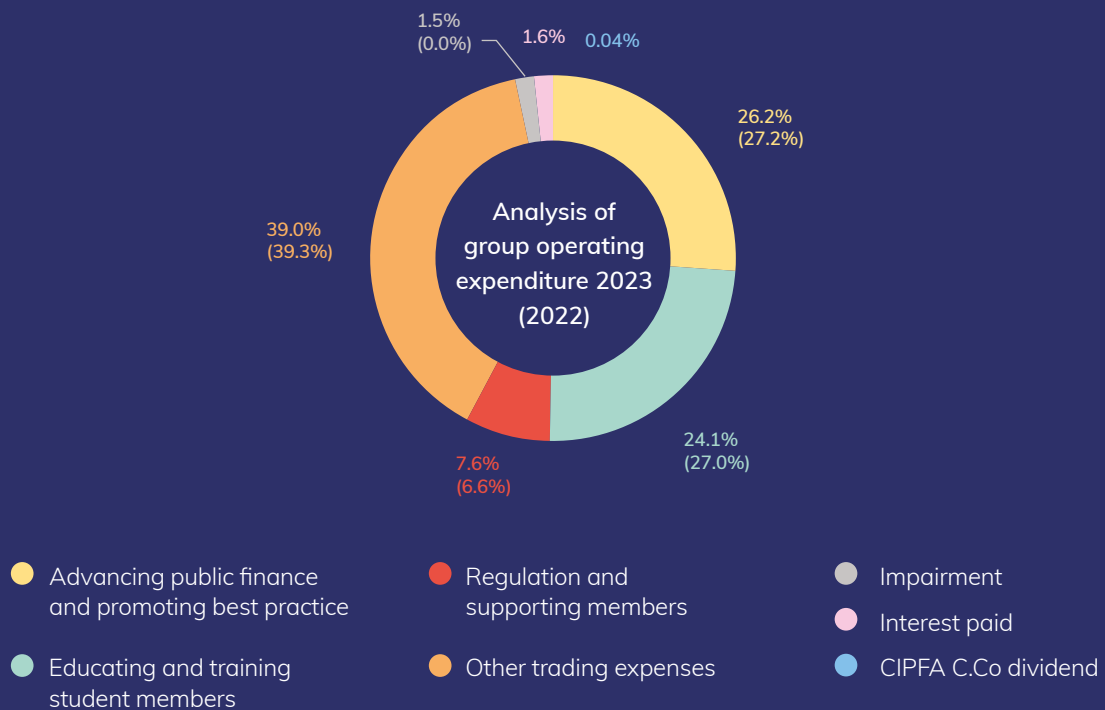
The Board revisited the existing policy in 2022. It concluded that a more flexible policy was relevant and that CIPFA should aspire to a minimum level of reserves of three months but have the flexibility to move that up to six months. Based on the 2023 results, this range is from £6.9m to £13.8m. While not compliant with the revised reserves policy, the current position is not considered to impede the going concern of the group as cash flow forecasting across the review period indicates that sufficient working capital is available for CIPFA to satisfy all commitments as they fall due.

The Board recognises that while we are repaying the Wiltshire Scheme, this revised target will be a challenge. The repayment agreement allows CIPFA to redeem the outstanding amount earlier if trading and cash performance allow it.

Income by source



Expenditure by source before exceptional gain on closure of defined benefit pension scheme



Going concern

The CIPFA Audit Committee and Board, on behalf of Council, have assessed the ability of CIPFA to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing the financial statements. This has included the revised budget for 2024 and forecast for 2024–25 contained in the business plan, cash flow forecasts to 31 December 2025 and a consideration of the key risks on the continued operation of CIPFA's activities and our revised methods of working as well as the impact on our customers. In addition, during the preparation of the 2024 revised budget, we undertook sensitivity analysis, including developing a 'reasonable worst-case scenario' for the Board to consider.

In addition, the Board remains aware of the possibility of further inflationary pressures, particularly given the geopolitical environment. It is unlikely that CBL, as a critical commercial operation, will be able to pass on all of its rising costs to customers, which will increase pressure on margins and necessitate even tighter control of the cost base. The Board believes diversifying products in existing markets and identifying new ones will help manage inflation risks.

We continue to benefit from adapting our services to reflect a greater use of remote activity than before the pandemic, and we have reflected that in our plans. We do not anticipate an adverse impact on our finances; in fact, greater take-up of those services and delivery at a reduced cost have been built into the business plan.

Given this mode of delivery, we anticipate access to broader markets, and our operational resilience and lower risk will continue. We maintain our focus on providing high-quality products and services to our members and customers and seek innovations in the delivery of those services and products.

In addition, we have maintained our tight controls over expenditure and investment, only releasing the investment included in the business plan when we are

comfortable that the underlying business performance warrants it.

2024 anticipates a continuation of investment that was started in 2023, recognising our stronger financial health as well as a need to improve services to remain competitive. Further payments will be made to pay down the pension liability. The investment needs and pension liability repayment require the organisation to continue to deliver positive cash flows from operating activities and strict control of costs.

The Board concluded that it is appropriate that the accounts are prepared on a going concern basis.

Investment policy

Byelaw 59 details the extensive investment powers bestowed upon the Council. Given the annual cycle of fluctuation in cash balances held, the current investment policy is limited to depositing surplus funds within a range of approved institutions in tranches with a range of maturity dates. The policy focuses on low-risk and readily realisable investment forms. Within these confines, we seek to obtain the best interest rates possible.

Fundraising

CIPFA had no fundraising activities requiring disclosure under Section 162A of the Charities Act 2011.



08

Our future
plans

We are proud to be CIPFA.

CIPFA is a chartered, charitable body with immense pride in our history, our ability and our membership. We recognise the reach CIPFA is afforded, and the reputation we have earned.

The beating heart of the Institute is its membership. Being a membership body that supports students through qualifications to designation and membership, and supports those members in their careers, lifelong learning and aspirations is central to our purpose.

CIPFA is proud to be the standard setter for financial management across UK local government and police. We have a global voice that shapes public policy, public finance and public services, and we're proud to advise and support organisations in strengthening their own financial management.

Over the past five years, we have secured the financial resilience of the Institute and started down the long road of digital investment, operating model transformation and bringing our products, processes and systems up to date. While there is more work to do, the progress we have made has been hard won, and gives us a platform to focus, invest and grow what is at the centre of our Institute – our membership.

The strategy we have been pursuing brings together what we're here to achieve, what it will look like when we're done and what we'll do to get it done. The strategy is fully aligned to our charitable objectives and has the full and collective support of CIPFA Council and Board.

Central to this is an investment in our member offer. It is somewhat overdue. We are starting with listening, learning and reflecting to ensure we are meeting needs, adding value and strengthening our community of financial management practitioners around the world.

Alongside the completion of a systems upgrade to improve our student experience (the exam platform, the learning management platform, CPD platform and member platform), we will implement a new CRM, HR system and finance system. We are investing in a refresh of our website, and will roll out a new digital portal for our members that delivers on-the-go access to information and news, and the ability to network and absorb micro-credentials.

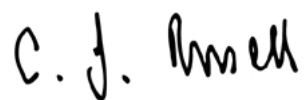
We will strengthen the links between the Institute's staff and our CIPFA regions. The work of our volunteers across the regions is core to our membership and our Institute, and we will continue to provide support, insight and value across our branches and regions.

Our strategic partnership with ICAEW, set out in the Joint Declaration of September 2023, will help to secure CIPFA's future. We will work to capitalise on the opportunity dual membership of CIPFA and ICAEW can give to our members, students and future members. The ability to hold both designations is the number one outcome we wanted from the partnership, to achieve portability, and we will work hard to implement it well and deliver an outstanding student and member experience.

CIPFA's biggest asset is our employees. We will continue to deploy and develop our resources to achieve our purpose and deliver our ambition, while continuing to attract fresh talent to the Institute. Flexible working and our four-day working week trial will continue in 2024 to improve the work/life balance for all CIPFA employees, as well as helping us to attract and retain the talent and experience we want and need. A diverse workforce, which reflects the diversity of our members and partners, will improve outcomes for both our organisation and profession. We want to champion talented people and help them excel, regardless of their background or demographic.

CIPFA is the home of excellence in public finance. We exist to ensure public money is well spent and well managed for the benefit of us all. Our plan is to deliver against that purpose over the coming years as we grow, increase our impact and strengthen the support to our membership.

The trustees' annual report was approved on 14 May 2024 and signed on their behalf by Caroline Russell, CIPFA President.



Caroline Russell
President



Rob Whiteman CBE
CEO



09

Administrative
information



The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a charity by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales, number 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

CIPFA management board

Chief Executive: Rob Whiteman CBE

Director of Finance: Gareth Moss
(until 31 December 2023)

Chief Operating Officer: Dan Worsley

Director of Policy and Membership: Drew Cullen
(resigned June 2023)

Director of Public Financial Management:
Iain Murray

Director of International: Khalid Hamid

Interim Director of Transformation: Ravi Dhindsa
(contract concluded March 2023)

Head of HR: Sarah Carruthers (joined January 2023)

Company Secretary and Chief of Staff: Nicola Hannam
(resigned September 2023)

Principal Office

77 Mansell Street
London E1 8AN

Principal Advisers

Bankers

Lloyds Bank Plc
Villiers House
48-49 Villiers Street
London WC2N 5LL

Insurers

Bartlett and Company Ltd
Broadway Hall
Horsforth
Leeds LS18 4RS

Solicitors (disciplinary)

DAC Beachcroft
100 Fetter Lane
London EC4A 1BN

Solicitors (corporate)

Ashtons Legal
Trafalgar House
Meridian Way
Norwich NR7 0TA

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW



10

Financial
report

Consolidated statement of financial activities for the group

Year ended 31 December 2023

	Note	2023 £000	2022 £000
Income			
<i>Income from charitable activities:</i>			
Membership subscriptions		2,938	2,860
Advancing public finance and promoting best practice		4,272	4,292
Educating and training student members		4,813	5,381
Regulation and supporting members		59	65
		12,082	12,598
<i>Other trading activities:</i>			
Income from information, advisory and property services	11	15,671	15,645
<i>Investments:</i>			
Interest receivable		196	5
<i>Other income:</i>			
Property sales and rentals	3	232	235
Total income		28,181	28,483
Expenditure			
<i>Expenditure on charitable activities:</i>			
Advancing public finance and promoting best practice		7,348	7,434
Educating and training student members		6,771	7,377
Regulation and supporting member		2,134	1,794
Exceptional gain on closure of defined benefit pension scheme	6	–	(18,859)
		16,253	(2,254)
<i>Other expenditure:</i>			
Expenditure from information, advisory and property services	11	11,251	10,736
Interest payable	4	439	–
CIPFA C.Co dividend		9	–
Impairment of intangible asset	8	159	–
Total expenditure	4	28,111	8,482
Net income		70	20,001
<i>Other recognised (losses):</i>			
Losses on revaluation of fixed assets	9, 17	(3,074)	(815)
Net movement in funds		(3,004)	19,186
Reconciliation of funds			
Fund balances brought forward at 1 January		15,513	(3,673)
Fund balances carried forward at 31 December		12,509	15,513

The results set out in the above statement of financial activities all relate to continuing operations and includes the net restricted income attributable to the non-controlling interest in CIPFA C.Co Ltd of £10k net expenditure (2022: £12k net expenditure).

There are no other gains or losses, other than those recognised above and therefore no separate statement of total recognised gains and losses has been presented. Further analysis can be found in note 18.

The notes on pages 60 to 79 form part of these financial statements.

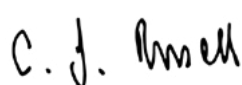
Consolidated balance sheets

as at 31 December 2023

	Note	Group 2023 £000	2022 £000	CIPFA 2023 £000	2022 £000
Fixed assets					
Intangible assets	8	1,027	870	632	508
Tangible assets	9	9,507	13,342	9,498	13,322
Investment property	10	7,450	6,850	7,450	6,850
Investments	11,12	9	9	409	409
		17,993	21,071	17,989	21,089
Current assets					
Debtors	14	5,371	5,396	4,077	3,794
Cash at bank and in hand		3,862	6,356	1,235	4,200
		9,233	11,752	5,312	7,994
Creditors: amounts falling due					
within one year	15	(8,329)	(9,858)	(4,949)	(6,659)
Net current assets		904	1,894	363	1,335
Total assets less current liabilities		18,897	22,965	18,352	22,424
Long-term liabilities					
Creditors: amounts falling due after more than one year:					
Pension Liability	16	(6,388)	(7,452)	(6,388)	(7,452)
Net assets		12,509	15,513	11,964	14,972
Funds					
Restricted funds	17	34	40	34	40
Minority interest		23	44	-	-
Unrestricted funds					
Designated funds		17,027	16,855	16,623	16,473
Revaluation reserve		957	4,207	957	4,207
Pension reserve	17	(8,135)	(11,664)	(8,135)	(11,664)
Other charitable funds		2,603	6,031	2,485	5,916
Total funds including pension liability		12,509	15,513	11,964	14,972

The financial statements of CIPFA's branches, regions, and students' societies are incorporated within the Charity's financial statements. Before consolidation into the group financial statements, the charity made a surplus of £66,000 in 2023 (2022: a surplus of £19,521,000) The surplus for this year is before other recognised losses of £3,074,000 (2022 losses £815,000).

Approved and authorised for issue by the Council on 14 May 2024 and signed on its behalf by:



President



Chief Executive

The notes on pages 60 to 79 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Net cash (used in) provided by operating activities			2,039		(32)
Cash flows from investing activities					
Interest received		196		4	
Purchase of intangible fixed assets	8	(500)		(481)	
Purchase of tangible fixed assets	9	(143)		(166)	
Net cash (used in) investing activities			(446)		(643)
Cash flows from financing activities					
Pension liability and lease payments	16	(3,915)		–	
Interest paid		(172)		–	
Net cash (used in) financing activities			(4,087)		–
Net increase in cash and cash equivalents			(2,494)		(675)
b/fwd Cash at bank			6,356		7,031
c/fwd Cash at bank			3,862		6,356

Notes to the cash flow statement

	Note	2023 £000	2022 £000
A. Net cash (used in) operating activities			
Net income		70	20,001
Interest receivable		(196)	(4)
Interest payable	4	439	–
Pension liability and lease payments	16	3,915	–
Depreciation and amortisation charges	8 & 9	488	437
Impairment of intangible asset	8	159	–
Release of defined benefit liability		–	(30,523)
(Increase)/decrease in debtors		25	(1,551)
Increase/(decrease) in creditors		(2,860)	11,608
		2,039	(32)

	At 1 Jan 2023 £000	Cash- flows £000	At 31 Dec 2023 £000
B. Analysis of changes in net debt			
Cash in hand	6,356	(2,494)	3,862
Finance Leases	–	(99)	(99)
Total	6,356	(2,593)	3,763

Notes to the financial statements

1 Accounting policies

Company information

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a public benefit entity set up by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales. The charity registration number is 231060. CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963. CIPFA is a Public Benefit Entity and its registered office is 77 Mansell Street, London, E1 8AN.

Accounting conventions

The consolidated financial statements comprise the financial statements of CIPFA, and its subsidiary undertakings, CIPFA Business Ltd, registration number 2376684 and CIPFA C.Co Ltd, registration Number 10212053 on a line by line basis and adjusted for the elimination of inter-group transactions and balances.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and investment property and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2019.

The functional currency of CIPFA and its subsidiary entity is considered to be GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

Further details of the CIPFA's active subsidiary undertakings are provided in note 11.

The financial statements of CIPFA's branches, regions and students' societies are incorporated within the charity's financial statements.

Going concern

The CIPFA Audit Committee and Board, on behalf of Council, have assessed the ability of CIPFA to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. Following agreement in 2022 to settle the longstanding pension deficit, CIPFA has made additional payments in 2023 totalling £4m towards its outstanding pension commitment. These payments have reduced surplus cash in the group and CIPFA have therefore prepared a reforecast budget and cash flow to December 2025 to consider key risks surrounding the conclusion that CIPFA remains a going concern. As part of this process, CIPFA conducted sensitivity analysis surrounding key assumptions alongside the preparation of a reasonable worst case scenario for consideration by the Board.

The CIPFA Audit Committee and Board, on behalf of Council, have assessed the ability of CIPFA to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing the financial statements. This has included the revised budget for 2024 and forecast for 2024–25 contained in the business plan, cash flow forecasts to 31 December 2025 and a consideration of the key risks on the continued operation of CIPFA's activities and our revised methods of working as well as the impact on our customers.

In addition, the Board remains aware of the possibility of further inflationary pressures, particularly given the geopolitical environment. It is unlikely that CBL, as a critical commercial operation, will be able to pass on all of its

rising costs to customers, which will increase pressure on margins and necessitate even tighter control of the cost base. The Board believes diversifying products in existing markets and identifying new ones will help manage inflation risks.

Given this mode of delivery, we anticipate access to broader markets, and our operational resilience and lower risk will continue. We maintain our focus on providing high-quality products and services to our members and customers and seek innovations in the delivery of those services and products.

In addition, we have maintained our tight controls over expenditure and investment, only releasing the investment included in the business plan when we are comfortable that the underlying business performance warrants it.

2024 anticipates a continuation of investment that was started in 2023, recognising our stronger financial health as well as a need to improve services to remain competitive. Further payments will be made to pay down the pension liability. The investment needs, and pension liability repayment require the organisation to continue to deliver positive cash flows from operating activities and strict control of costs.

CIPFA has now closed the Wiltshire pension scheme with a final payment due of £12.7m which will be paid off over five years. This was within the affordability confirmed by InterPath who undertook a Covenant Review prior to the financial offer to close the scheme being submitted to Wiltshire Pension Fund. The payment terms have been proposed to include the flexibility to repay greater amounts and consequently an earlier repayment should our cash position enable that.

As per note 18, CIPFA's overall reserves at the end of 2023 are a surplus of £12.5m (2022: £15.5m deficit). The reduction compared was driven by the revaluation of Mansell Street, which resulted in an impairment. This revaluation reflects the overall sentiment in the market.

Within total funds are designated funds of £17.3m (2022: 16.9m) and a revaluation reserve of £1.0m (2022: £4.3m), predominantly representing the value of fixed assets and investments. Other charitable funds now stand at £2.6m surplus (2022: surplus £6.1m). In previous years, CIPFA targeted reserves for two months' average expenditure. Two months' expenditure is approximately £4.6m.

The Board revisited the existing policy in 2022. It concluded that a more flexible policy was relevant and that CIPFA should aspire to a minimum level of reserves of three months but have the flexibility to move that up to six months. Based on the 2023 results, this range is from £6.9m to £13.8m. While not compliant with the revised reserves policy, the current position is not considered to impede the going concern of the group as cash flow forecasting across the review period indicates that sufficient working capital is available for CIPFA to satisfy all commitments as they fall due.

The Board recognise that while we are repaying the Wiltshire scheme, this revised target will be a challenge. The repayment agreement allows CIPFA to redeem the outstanding amount earlier if trading and cash performance allow it.

Having regard to the above, the Trustees believe there are no material uncertainties surrounding the decision to adopt the going concern basis of accounting in preparing the financial statements.

Income recognition

Income is credited to the statement of financial activities in the year to which it relates. Income is deferred only when conditions have to be fulfilled before CIPFA becomes entitled to it or where the donor has specified that the income is to be expended in the future period. In the case of membership subscriptions and subscriptions for journals and electronic services any receipt in respect of future years is shown as deferred income.

- Membership subscriptions comprise membership fees from CIPFA professional qualifications.
- Advancing public finance and promoting best practice comprises income from publications, courses and conferences and advisory services.
- Educating and training student members comprises income from training and examining for CIPFA's professional qualifications.
- Regulation and supporting members comprise the income from practice assurance and disciplinary fines.

Accrued income

Income is accrued in the statement of comprehensive income based upon judgements assessing the level of completion for revenue that cannot be invoiced as the requested service has not been fully delivered.

Investments

Investment properties are measured at fair value annually with any change recognised in the statement of financial activities. The trustees deem market value to be a fair approximation of fair value for the purpose of obtaining annual valuations. A full valuation is undertaken every three years and interim valuations are performed in intermediate years.

Expenditure recognition

Expenditure, including irrecoverable value added tax, is debited to the statement of financial activities on an accruals basis:

- Expenditure from information, advisory and property services comprises the costs of the trading subsidiaries.
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.
- Governance costs comprise those incurred as a result of constitutional and statutory requirements.
- Support costs, which include central office functions such as finance, information technology and human resources, are allocated across the categories of charitable expenditure. The basis of the cost allocation has been explained in the notes to the accounts.

Pensions

CIPFA operates a defined contribution Group Personal Pension Plan via Aegon, introduced from 1 January 2007. The Wiltshire defined benefit scheme was closed on 30 September 2022 and all members moved across to the defined contribution scheme under Aegon.

Defined contributions are paid to the Group Personal Pension Plan via Aegon in accordance with the group policy. The policy allows for minimum employee contributions of 3%, with the employer contributing double the employee contribution up to a maximum of 10%.

CIPFA C.Co Ltd operates a defined contributions Personal Pension Plan via Royal London, with defined contributions paid in accordance with the company policy.

Pension liability

CIPFA reached agreement with the pension provider to settle its remaining pension deficit for a sum of £12,765,000. The liability is being paid off over five years at an interest rate of 3.8%. Annually the remaining balance is shown in creditors at a net present value discounted at 3.8%.

Leased assets – lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Leased assets – lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Finance leases

Finance leases are capitalised on the balance sheet and depreciated over the life of the of the lease.

Intangible fixed assets – development expenditure

Intangible fixed assets represent research and development costs capitalised in accordance with FRS 102. These are stated at historical cost and amortised on a straight-line basis over the period which revenue is expected to be generated (three to five years).

Amortisation is recognised in the statement of financial activities under expenditure on charitable activities.

Tangible fixed assets and depreciation

Freehold property is held at valuation and depreciated over 50 years. Revaluations are undertaken by an independent valuation expert annually. A full valuation is undertaken of freehold property every three years and interim valuations in intermediate years. Included in the fixed asset note is the carrying amount that would have been recognised had the assets been carried under the historical cost model.

Other fixed assets are capitalised and depreciated if the value is greater than £1,000 for an individual asset or greater than £5,000 for a capital project.

Tangible fixed assets are depreciated from the month the assets are first used on a straight-line basis over their estimated economic lives as follows:

	Years
Computer equipment	3
Furniture, fittings and other equipment	5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Deferred taxation

Deferred tax is provided in full in respect of material timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is only recognised where the conditions for recognition in FRS 102 are satisfied and such balances may fall due after more than one year.

Fund accounting

Unrestricted funds held by the charity are:

Designated funds – these are unrestricted funds set aside by the trustees for specific future purposes or projects.

Other charitable funds – these are unrestricted general funds that can be used in accordance with the charitable objects at the discretion of trustees.

Restricted funds are those funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

2 Critical accounting judgements and key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to the Wiltshire Council having crystallised its defined benefit pension scheme at 30 September 2022. The key area of judgement is around the selection of an appropriate discount rate to recognise the liability at present value. To discount the liability to present value at year end, CIPFA has used a discount rate of 3.8%, which represents the interest charge on the value of the outstanding liability.

Valuation of land and buildings and investment property – The charity’s land, buildings and investment property are stated at their estimated fair value based on professional valuations as disclosed in note 9 and 10.

Accrued income – The charity estimates accrued income based upon judgements assessing the level of completion for revenue that cannot be invoiced as the requested service has not been fully delivered. Accrued income is disclosed in note 14.

Debtor provisions – The charity maintains a provision for all debts over six months, and all debts relating to professional regulation matters with members. The provisions are disclosed in note 14.

Financial instruments

Financial assets and financial liabilities are recognised when CIPFA becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate.

3 Property income

	2023	2022
	£000	£000
Rent and dilapidations from tenants	232	235
	232	235

Property income is the income from tenants occupying parts of the Mansell Street property during the year.

5 Governance costs

	2023	2022
	£000	£000
Auditor fees – group		
Statutory audit – Crowe	66	65
Statutory audit – Other	8	7
Tax advisory services	9	12
	83	84
	2023	2022
	£000	£000
Group		
Audit fees	74	72
Internal audit fees	51	36
Council, committees and boards	142	89
Management and governance support	524	477
Apportionment of costs supporting governance activities	87	83
	878	757

Increases in governance costs in 2023 are due to continued support of our activities around forging a closer relationship with the ICAEW. Additionally, there were increased travel and subsistence costs for Council and boards.

6 Employees

6.1 Group costs

	2023	2022
	£000	£000
Group		
Salaries and wages (including temporary staff)	11,829	11,471
National insurance	1,299	1,313
Pension costs	931	1,886
Other staff costs	546	556
Redundancy and termination costs	508	4
	15,113	15,230
Pension credit	–	(18,859)
	15,113	(3,629)

The £18.9m pension credit in 2022 arose on the settlement of the local government pension scheme deficit. See note 7 for full details.

Redundancy and termination payments of £508,000 (2022: £4,000) were paid during the period and are recognised in the statement of financial activities. These costs include £45,000 one off pension costs (2022: £0).

Bonus payments of £107,000 (2022: £256,000) and ex-gratia payments of £98,000 (2022: £58,000) were paid during the period and are recognised in the statement of financial activities.

6.2 Group employee numbers

The average number of employees in the Group in 2023 was 259 (2022: 238).

	2023	2022
Group	No	No
Advancing public finance and promoting best practice	30	29
Educating and training student members	53	49
Regulation and supporting members	8	6
Governance	5	3
Support services	95	95
CIPFA Business Ltd	54	45
CIPFA C.Co Ltd	14	11
	259	238

6.3 Remuneration bands for employees earning more than £60k

	CIPFA 2023	CIPFA Business 2023	CIPFA C.Co Ltd 2023	CIPFA 2022	CIPFA Business 2022	CIPFA C.Co Ltd 2022
£220,000 – £229,999	1	–	–	1	–	–
£190,000 – £199,999	–	–	1	–	–	–
£180,000 – £189,999	1	–	–	–	–	1
£160,000 – £169,999	–	1	–	–	1	–
£140,000 – £149,999	1	–	–	1	–	1
£130,000 – £139,999	–	–	2	1	–	–
£120,000 – £129,999	1	–	–	–	–	–
£110,000 – £119,999	1	1	–	1	–	–
£100,000 – £109,999	2	1	–	1	–	1
£90,000 – £99,999	4	–	2	3	2	2
£80,000 – £89,999	6	3	1	5	3	–
£70,000 – £79,999	10	1	–	12	2	1
£60,000 – £69,999	9	8	1	11	7	1

Remuneration for the above table excludes employer pension contributions and national insurance.

Of the senior employees 36 CIPFA (2022: 36), 15 CIPFA Business Ltd (2022: 15) and 7 CIPFA C.Co Ltd (2022: 7) are members of the pension schemes. Employer pension contributions made on behalf of senior employees in 2023 were £401,000 (2022: £778,000).

Remuneration of key management personnel

Key management is made up of the chief executive and the executive directors. CIPFA's total cost, including pension and national insurance, for key management personnel for 2023 was £1,203,000 (2022: £1,262,000). The total cost for the chief executive, including pension and national insurance, was £258,000 (2022: £260,000).

Volunteers

CIPFA is supported by a strong network of volunteers who play a vital role advancing our objectives of advancing public finance, promoting best practice, educating and training student members and regulating and supporting members.

Volunteers sit on our Council, boards, committees and policy panels; they also undertake regional engagement and are involved in organising regional events.

7 Pensions

CIPFA operates a defined contribution pension scheme for its staff:

The CIPFA Personal Pension Plan – this is a defined contribution, money purchase scheme, operated on behalf of CIPFA by Aegon. Pension benefits payable under the scheme are dependent upon contributions made and fund growth over the life of the scheme.

This scheme replaced the Local Government Pension Scheme as the default scheme for CIPFA employees joining on or after 1 January 2007.

The scheme allows for minimum employee contributions of 3%, with the employer contributing double the employee contribution up to a maximum of 10%.

The total pension cost to the group for the financial year, in respect of the pension schemes, for 2023 was £931,000 (2022: £1,886,000).

The Local Government Pension Scheme – This scheme was closed on 30 September 2022, when all members transitioned across to the defined contribution scheme.

CIPFA reached agreement with the pension provider to settle its remaining pension deficit for a sum of £12,765,000. The final liability increased £65,000 on what was reported in 2022 with adjustments identified as the Deferred Settlement Agreement was finalised. During 2023 £3,896,000 was paid with the remaining liability of £8,135,000 being paid off over the next five years to June 2028. The full cost has been recognised in the SoFA (see note 4) and the remaining liability (note 15 and note 16) has been discounted at a rate of 3.8% to its present value of £8,135,000 (2022: £11,664,000) as required by FRS102. The pension deficit in 2021 (£30,250,000) was released to the SoFA on 30 September 2022 on the exit of the scheme. An overall net credit of £18,859,000 was recognised within staff costs in 2022 (see note 6) to reflect the release of the 2021 deficit and net present value of the agreed pension settlement in 2022.

The scheme was contributory for both employer and employees. Total contributions recognised in the statement of financial activities during 2023 were Nil (2022 £1,009,000).

8 Intangible assets

Intangible assets relate to product software, delivery and supports software, the costs of learning material to support students training for the professional qualification and migration of our servers to Amazon Web Service. The assets under construction relate to the periodic refresh of the learning materials, development of a new CRM, e-learning developments and work for delivery of training in Canada.

In 2023 two intangible assets have been impaired:

- CIPFA Connect: This project, to replace the Networks and Subscriptions platform, was redesigned during 2023 as part of CIPFA's wider transformation programme and the decision was made to transfer these costs to the SOFA. This included the carried forward opening balance of £92,000.
- Learning Management System (LMS): During 2023, a new innovative LMS was developed and rolled out. The old system was taken out of service and the remaining value of £67,000 was written down to the SOFA.

A Group	Assets under		Total
	Other	construction	
	£000	£000	£000
Development at cost			
At 1 January 2023	950	432	1,382
Additions	255	245	500
Transfers	178	(178)	–
Impairment	–	(159)	(159)
At 31 December 2023	1,383	340	1,723
Amortisation			
At 1 January 2023	512	–	512
Charge for year	184	–	184
At 31 December 2023	696	–	696
Net book value 31 December 2023	687	340	1,027
Net book value 31 December 2022	438	432	870

B CIPFA	Assets under		Total
	Other	construction	
	£000	£000	£000
Development at cost			
At 1 January 2023	646	238	884
Aquisition during year	154	154	308
Transfers	129	(129)	–
Impairment	–	(67)	(67)
At 31 December 2023	929	196	1,125
Amortisation			
At 1 January 2023	376	–	376
Charge for year	117	–	117
At 31 December 2023	493	–	493
Net book value 31 December 2023	436	196	632
Net book value 31 December 2022	270	238	508

9 Tangible fixed assets

A Group	Freehold land and building £000	Furniture and Fittings £000	Computers £000	Total £000
Cost or valuation				
At 1 January 2023	13,150	896	1,295	15,341
Revaluations	(3,850)	–	–	(3,850)
Additions	–	–	143	143
Disposals	–	(25)	(130)	(155)
At 31 December 2023	9,300	871	1,308	11,479
Depreciation				
At 1 January 2023	–	887	1,112	1,999
Charge for year	176	9	119	304
Revaluations	(176)	–	–	(176)
Eliminated on disposal	–	(25)	(130)	(155)
At 31 December 2023	–	871	1,101	1,972
Net book value 31 December 2023	9,300	–	207	9,507
Net book value 31 December 2022	13,150	9	183	13,342
B CIPFA	Freehold land and buildings £000	Furniture and Fittings £000	Computers £000	Total £000
Cost or valuation				
At 1 January 2023	13,150	676	1,128	14,954
Revaluations	(3,850)	–	–	(3,850)
Additions	–	–	140	140
Disposals	–	(24)	(87)	(111)
At 31 December 2023	9,300	652	1,181	11,133
Depreciation				
At 1 January 2023	–	674	958	1,632
Charge for year	176	2	112	290
Revaluations	(176)	–	–	(176)
Eliminated on disposal	–	(24)	(87)	(111)
At 31 December 2023	–	652	983	1,635
Net book value 31 December 2023	9,300	–	198	9,498
Net book value 31 December 2022	13,150	2	170	13,322

The tangible fixed assets are held for charitable use.

Cushman & Wakefield, Property Consultants, completed a full valuation of the Mansell Street property as at 31 December 2023. The basis used for the valuation was open market value. The historical cost of the freehold land and buildings is £10,698,000.

10 Investment property

	2023	2022
Group and CIPFA	£000	£000
Cost		
At 1 January	6,850	7,200
Revaluation	600	(350)
At 31 December	7,450	6,850

The investment property relates to the third and fifth floors of the Mansell Street property.

11 Investments in subsidiary company

	2023	2022
	£000	£000
400,100 £1 ordinary shares in CIPFA Business Ltd	400	400
75 £1 ordinary shares in CIPFA C.Co Ltd	–	–
	400	400

CIPFA has one active wholly owned trading subsidiary: CIPFA Business Ltd, registration number 2376684. The principal activities of CIPFA Business Ltd are networks, advisory and research. CIPFA Business Ltd remits a proportion of its profits to CIPFA by means of gift aid. Audited accounts are filed with the Registrar of Companies.

	2023	2022
Profit and loss account – CIPFA Business Ltd	£000	£000
Turnover	14,275	14,130
Interest receivable	191	–
Expenditure	(10,063)	(9,442)
Profit after tax	4,403	4,688
Net assets	572	572

CIPFA additionally owns a 93.75% (2022 93.75%) interest in the trading subsidiary CIPFA C.Co Ltd, registration number 10212053 that commenced trading in July 2016. The principal activities of CIPFA C.Co Ltd are strategy, transformation and improvement advisory services.

	2023	2022
Profit and loss account – CIPFA C.Co Ltd	£000	£000
Turnover	1,442	1,552
Expenditure	(1,181)	(1,284)
Profit before tax	208	229
Tax on profit on ordinary activities	(53)	(39)
Net assets	374	368

12 Other investments

	2023	2022
Group and CIPFA	£000	£000
At 1 January	9	9
Movement in year	–	–
At 31 December	9	9

As one of five major accountancy bodies the Institute holds 70 £1 shares in CCAB Ltd at a cost of £70 (7% of the issued equity capital). Other investments comprise a number of funds that have been established either by way of donations in memory of eminent accountants within public finance or from various organisations.

13 Deferred tax

A deferred asset of £33,000 (2022: £33,000) exists at 31 December 2023 in respect of timing differences. However, the asset has not been recognised in the balance sheet as it is not deemed likely to crystallise given CIPFA Business Ltd's policy and practice of remitting all taxable profits to CIPFA under gift aid.

14 Debtors

Provision for doubtful debts and accrued revenue were previously reported within trade debtors. Accrued revenue also now includes £976,000 (2022 £948,000) for the Group and £727,000 (2022 £712,000) for CIPFA previously disclosed under work in progress. Additionally, work in progress for CIPFA C.Co was incorrectly shown within other debtors in the 2022 accounts. This has been corrected in the 2022 comparatives.

	Group		CIPFA	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	2,550	2,272	1,416	767
Provision for doubtful debts	(206)	(114)	(188)	(107)
Accrued income	2,396	2,654	1,031	1,845
Amounts due from subsidiary undertakings	–	–	1,259	748
Other tax and social security	42	167	42	167
Other debtors	157	59	105	44
Prepayments	432	358	412	330
	5,371	5,396	4,077	3,794

15 Creditors: amounts falling due within one year

Receipts in advance of £3,419,000 (2022: £3,092,000) relate to professional membership and commercial services that will be delivered in the next financial year.

	Group		CIPFA	
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	156	112	107	54
Accruals	1,850	1,354	1,180	888
Amounts due to subsidiary undertakings	–	–	2	2
Other tax and social security	857	979	347	390
Other creditors	200	109	84	107
Receipts in advance	3,420	3,092	1,383	1,006
Finance leases	36	–	36	–
Pension liability	1,810	4,212	1,810	4,212
	8,329	9,858	4,949	6,659

16 Long-term liabilities

	Pension	Leases	2023	2022
	£000	£000	£000	£000
Balance at 1 January	11,664	–	11,664	–
Pension liability	367	118	485	11,664
Repayments	(3,896)	(19)	(3,915)	–
Balance at 31 December	8,135	99	8,234	11,664

	Pension	Leases	2023	2022
	£000	£000	£000	£000
Analysis of liabilities				
Within one year	1,810	36	1,846	4,212
Within two to five years	6,325	63	6,388	6,921
Over five years	–	–	–	531
	8,135	99	8,234	11,664

17 Group funds

	Balance at 1 Jan 2023	Transfers	Income	Expenditure	Other recognised gains/ losses	Balance at 31 Dec 2023
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Designated (property)	15,793	–	–	–	–	15,793
Designated (other fixed assets)	1,062	900	–	(728)	–	1,234
Revaluation reserve	4,207	–	–	(176)	(3,074)	957
Other charitable	6,031	(4,398)	28,091	(27,121)	–	2,603
Pension reserve	(11,664)	3,529	–	–	–	(8,135)
	15,429	31	28,091	(28,025)	(3,074)	12,452
Restricted funds						
Trust funds	9	–	–	–	–	9
Regional funds	31	–	–	(6)	–	25
Minority interest	44	(31)	90	(80)	–	23
Total funds	15,513	–	28,181	(28,111)	(3,074)	12,509

	Balance at 1 Jan 2022	Transfers	Income	Expenditure	Other recognised gains/ losses	Balance at 31 Dec 2022
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Designated (property)	15,794	(1)	–	–	–	15,793
Designated (other fixed assets)	667	647	–	(252)	–	1,062
Revaluation reserve	5,206	–	–	(184)	(815)	4,207
Other charitable	5,121	(19,505)	28,297	(7,882)	–	6,031
Pension reserve	(30,523)	18,859	–	–	–	(11,664)
	(3,735)	–	28,297	(8,318)	(815)	15,429
Restricted funds						
Trust funds	9	–	–	–	–	9
Regional funds	32	–	–	(1)	–	31
Minority interest	21	–	186	(163)	–	44
Total funds	(3,673)	–	28,483	(8,482)	(815)	15,513

Designated fund (property) – The Council has classified as designated funds the element of its reserves which represents the cost of the freehold buildings and investment properties as at 31 December 2015.

Designated fund (other fixed assets) – The Council has classified as designated funds the intangible assets and other non-property fixed assets.

Revaluation reserves (property) – This relates to the revaluation of the freehold and investment properties.

Trust funds – A number of funds have been established either by way of donations in memory of eminent accountants within public finance or from various organisations. The income from the investments is used for prizes in each year's examinations, either for the best subject or the best student in a particular field. A proportion of the funds (£9,000) are administered through a separate charity, Charity Commission Registration 313981.

Regional funds – A number of funds have been established by way of donations in memory of eminent accountants within public finance. The funds are used to support students or further the work of the region.

Minority interest – This represents CIPFA's non-controlling interest in CIPFA C.Co Ltd, of which it owns 93.5% (2022: 93.5%) of issued shares in the company.

Pension reserve – This scheme was closed on 30 September 2022, when all members transitioned across to the defined contribution scheme.

18 Analysis of group net assets between funds

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Fund balances at 31 December 2023 are represented:						
Intangible assets	1,027	–	–	–	–	1,027
Tangible fixed assets	8,550	–	–	957	–	9,507
Investment property	7,450	–	–	–	–	7,450
Investments	–	–	–	–	9	9
Current assets	–	9,208	–	–	25	9,233
Current liabilities	–	(6,542)	(1,810)	–	23	(8,329)
Long term liabilities	–	(63)	(6,325)	–	–	(6,388)
Group net assets/(liabilities)	17,027	2,603	(8,135)	957	57	12,509

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Fund balances at 31 December 2022 are represented:						
Intangible assets	870	–	–	–	–	870
Tangible fixed assets	9,135	–	–	4,207	–	13,342
Investment property	6,850	–	–	–	–	6,850
Investments	–	–	–	–	9	9
Current assets	–	11,721	–	–	31	11,752
Current liabilities	–	(5,690)	(4,212)	–	44	(9,858)
Long term liabilities	–	–	(7,452)	–	–	(7,452)
Group net assets/(liabilities)	16,855	6,031	(11,664)	4,207	84	15,513

19 Leasing commitments

At 31 December 2023 the future minimum lease payments under non-cancellable operating leases were as follows:

	Land and buildings 2023 £000	Other 2023 £000	Land and buildings 2022 £000	Other 2022 £000
A Group				
Future lease payments:				
within one year	132	8	124	8
within 2 to 5 years	84	8	191	8
	216	16	315	16

	Land and buildings 2023 £000	Other 2023 £000	Land and buildings 2022 £000	Other 2022 £000
B CIPFA				
Future lease payments:				
within one year	83	8	75	8
within 2 to 5 years	–	8	58	8
	83	16	133	16

20 Leased assets

At 31 December 2023 the future minimum lease receipts due to CIPFA under non-cancellable operating leases were as follows:

	Land and buildings 2023 £000	Land and buildings 2022 £000
Group and CIPFA		
Future lease receipts:		
within one year	169	136
within 2 to 5 years	140	–
	309	136

21 Transactions with trustees

The trustees received no remuneration in relation to fulfilling their role as trustees (2022: Nil).

Thirty-five trustees were reimbursed £49,000 for actual travel and subsistence costs necessarily incurred on institute business (2022: 24 trustees were reimbursed £23,000). Two trustees were paid £6,000 for services provided to CIPFA to support client work (2022 no additional payments were made to trustees).

22 Transactions with related parties

In 2023, the following transactions were incurred between CIPFA and its subsidiaries, CIPFA Business Ltd and CIPFA C.Co Ltd.

	2023	2022
	£000	£000
Management fees/recharges charged by CIPFA to CIPFA Business Ltd	2,590	2,844
Charges to CIPFA from CIPFA Business Ltd	–	–
Sales to CIPFA from CIPFA Business Ltd	5	11
Sales to CIPFA Business Ltd from CIPFA	37	–
Sales to CIPFA C.Co Ltd from CIPFA Business Ltd	–	6
Amounts due to CIPFA from CIPFA Business Ltd	1,122	1,116
Amounts due to CIPFA Business Ltd from CIPFA	–	3
Amounts due to CIPFA from CIPFA C.Co Ltd	–	–
Amounts due to CIPFA Business Ltd from CIPFA C.Co Ltd	–	11
Loan interest charged by CIPFA to CIPFA C.Co Ltd	–	1
Gift aid paid to CIPFA by CIPFA Business Ltd	3,323	5,096

CIPFA through its trustees and senior management team have a number of related party organisations. In summary for 2023 there were sales of £1,851,557 (2022 £1,043,185) and costs of £7,200 (2022 £1,200). The table below shows the revenue transactions with these organisations split between consultancy revenue and other charitable revenue covering Education, Memberships, Training, Events, Publications and Standards.

	2022 Revenue	2022 Year-end debt	2023 Revenue	2023 Year-end debt
Advisory				
City of London Corporation	375	–	500	–
Liverpool City Council	100,042	9,360	33,067	–
National Library of Wales	12,188	–	19,988	–
Newton Europe	798,100	365,310	1,402,682	60,750
Staffordshire Police	19,900	585	–	–
University Hospitals Dorset	95	–	–	–
Woking Borough Council	8,085	2,640	322,938	71,690
Total advisory	938,785	377,895	1,779,175	132,440
Charitable activities				
Barts NHS Trust	200	–	1,260	–
City of London Corporation	31,899	308	34,785	664
Government Internal Audit Agency	3,651	1,487	2,324	1,144
Healthcare Financial Management Association	2,020	719	2,271	1,704
Historic Environment Scotland	524	–	249	–
HM Treasury	11,960	181	2,844	380
Liverpool City Council	34,855	176	33,753	4,485
Local Government Association	–	–	395	–
Merseyside Pension Fund	3,589	–	3,701	–
NHS Business Services Authority	579	–	1,371	184
NHS Dorset (Dorset Integrated Care Board)	4,929	348	200	–
Parkinsons UK	–	–	182	–
Staffordshire Police	3,810	–	1,954	380
Torus Foundation	–	–	1,200	–
UNICEF UK	–	–	1,110	–
University Hospitals Dorset	–	–	200	–
Woking Borough Council	3,426	–	3,041	–
Total charitable activities	101,442	3,219	90,840	8,941
Total CIPFA Group	1,040,227	381,114	1,870,015	141,381

The table below shows the cost transactions with these organisations that are related to conference expenditure.

	2022	2023
Historic Environment Scotland Enterprise	–	1,200
Local Government Association	1,200	6,000
	1,200	7,200

The table below shows the related party connection:

Related organisation	Related party for 2022	Related party for 2023
CIPFA C.Co SMT		
Staffordshire Police	John Bloomer, Director (Assistant Chief Officer for Resources)	
CIPFA SMT		
Newton Europe	Rob Whiteman, Senior Advisor	Rob Whiteman, Senior Advisor
University Hospitals Dorset	Rob Whiteman, Chair	Rob Whiteman, Chair
NHS Dorset (Dorset Integrated Care Board)	Dan Worsley, NED	
Trustee		
City of London Corporation	Caroline Al-Beyerty, CFO	Caroline Al-Beyerty, CFO
Liverpool City Council		Ian Williams, Director
National Library of Wales	Lee Yale-Helms, Trustee	Lee Yale-Helms, Trustee
Woking Borough Council	Carol Culley, Commissioner	Carol Culley, Commissioner
Barts NHS Trust	Hadev Virdee, CFO	Hadev Virdee, CFO
Government Internal Audit Agency	Elizabeth Honer, CEO	Aneil Jhumat, Operations Director
Healthcare Financial Management Association	Lee Outhwaite, Trustee	
Historic Environment Scotland		Donella Steel, Director of Finance
HM Treasury	Catherine Little, Acting Permanent Secretary	Catherine Little, Second Permanent Secretary
Local Government Association		Dennis Skinner, Director
Merseyside Pension Fund		Ian Williams, Director
NHS Business Services Authority	Michael Brodie, CEO	
Parkinsons UK	Caroline Russell, Business connection	Caroline Russell, Business connection
Torus Foundation	Stephanie Donaldson, Trustee	
UNICEF UK		Aneil Jhumat, Trustee, Chair of the Audit and Risk Committee and member of the Finance Committee

Independent auditor's report to the trustees of the Chartered Institute of Public Finance and Accountancy

We have audited the financial statements of the Chartered Institute of Public Finance and Accountancy ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2023 which comprise the Statements of Financial Activities, the Group and charity balance sheets, the Consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011, and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2018. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were taxation legislation, employment legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing surrounding recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Dated: 12 June 2024

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under Section 1212 of the Companies Act 2006.



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Registered with the Office of the Scottish Charity Regulator No SC037963.

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Accounts



CIPFA

Annual report and accounts 2022

A review of the year

cipfa.org

Contents


01	President's introduction and CEO overview	4
02	About CIPFA	12
03	Our purpose and strategy	14
04	Performance and achievements	18
05	Operations	31
06	How we are governed	35
07	Opportunities and risks	47
08	Financial summary	50
09	Our future plans	58
10	Administrative information	60
11	Financial report	63



01

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President's
introduction and
CEO overview





Jayne Owen
President

2022 will no doubt be remembered as the year that Russian tanks rolled across Ukraine's borders, ushering in a new age of war in Europe. Closer to home in the UK, we saw three prime ministers occupy 10 Downing Street and a mini budget that caused economic shockwaves.

Despite the global uncertainty and political and economic turbulence, CIPFA continued to support the public sector, delivering many important projects, publications and training, while expanding its international reach.

This is the second year that the narrative in our annual report has been aligned to the UN Sustainable Development Goals. This is a major step forwards and shows CIPFA's commitment to education, lifelong learning and peace, justice and strong institutions.

In 2022 our refreshed Professional Accountancy Qualification (PAQ) opened to students, beginning the roll out of an updated syllabus incorporating new topics such as sustainability, cybersecurity and cloud computing. It will help shape the public finance leaders of tomorrow.

In February we released a major report on regional inequalities, timed to coincide with the government's highly anticipated Levelling Up White Paper. This report studied four international cities that have

been successful in addressing inequalities to learn what may work here in the UK. We also published important research on the future of internal audit and a compendium of global case studies focused on what can be done to tackle the vicious cycle of corruption.

Our focus on UK public services continued and in November the annual Performance Tracker report, produced in partnership with the Institute for Government, highlighted a public sector under immense strain and struggling to recover from the effects of the COVID-19 pandemic. Public services are likely to be a key battleground for the next general election.

Our Achieving Financial Excellence in Policing (AFEP) programme goes from strength to strength, with the overwhelming majority of the UK's police forces now signed up to the initiative. In September, CFOs from police forces across the UK gathered in Leicestershire for the AFEP retreat, marking the second annual gathering.

CIPFA continued to promote good public financial management further afield. Our work with Humentum to develop the first ever set of international financial reporting standards for non-profit organisations reached a milestone with the publication at the World Congress of Accountants of the first Exposure Draft. We also agreed a programme of work in Pakistan and will be working with the Department of the Auditor General and the University of Lahore to deliver a major capacity and capability building programme for government audit. This project includes delivering CIPFA's flagship accountancy qualification to 150 key staff in the department.

Discussions about a closer strategic partnership with the ICAEW continued and we are strengthening our commitment to diversity and inclusion. For the first time in 2022, during Pride month and Black History Month CIPFA asked members to tell their stories in their own words. I have personally been collaborating

with the ICAEW president to discuss social mobility and access to our profession to ensure it is truly representative of the people we serve.

Recent times have been among the most challenging I have known, and the outlook remains highly uncertain, but I'm confident that CIPFA will continue to provide unparalleled support and guidance to public bodies and be the voice of the public sector finance professional, no matter what the future may hold.



Jayne Owen
President

“ CIPFA continued to support the public sector, delivering many important projects, publications and training, while expanding its international reach.







Rob Whiteman CBE
CEO

2022 was a year full of uncertainty, political and economic turbulence both in the UK and internationally. Public services faced surging demand as they were still struggling to recover from the pandemic just as the worst cost of living crisis in a generation hit. With inflation touching double digits, wage bills increasing and energy bills doubling, 2022 proved to be extremely challenging for so many public bodies.

Instability in our government also reached new heights with three prime ministers and an ever-changing cabinet. The war in Ukraine got the year off to a deeply troubling start, setting off a global economic and political crisis. The year drew to a close with the sad death of perhaps our greatest public servant, Her Majesty Queen Elizabeth II, marking an end to her 70 year reign. CIPFA is a chartered institute and the loss of the sovereign was felt dearly by all of us.

Despite the challenging climate and sad events of last year, CIPFA made good progress towards meeting our strategic objectives. Our commitment to being a lifelong learning provider for public finance professionals was underscored by our new Professional Accountancy Qualification (PAQ), which began its rollout in 2022. We completely modernised the curriculum with new sections on digital, sustainability and big data to equip tomorrow's public finance leaders with all the skills they need for a rewarding career in a diverse and varied public sector.

Our focus on continuing professional development (CPD) continued at pace throughout 2022. There was strong demand for accredited programmes such as Better Business Cases and our diplomas in contract management. Demand for our accredited counter fraud training remained healthy, with new cohorts starting on our Counter Fraud Investigator Apprenticeship and the first cohort now nearing completion.

Our international training programmes continued to pick up following the pandemic, with the Fraud Investigator Training Programme being delivered in Uganda, while new training projects got underway in Pakistan, Mongolia and Albania. We also implemented a new career hub for all our members and students. This was based on feedback we received from our 2021 Ofsted report that asked us to consider how we can better support our students with career options and employability.

2022 also saw agreement reached with the Wiltshire Pension Fund and affected staff to close the defined benefit scheme administered by Wiltshire to future accrual. The importance of this action for the financial stability of CIPFA cannot be overstated, and for the first time CIPFA is showing net assets on the balance sheet. The variability of that liability was also a difficult one to explain to our stakeholders and regulators, and its removal positions us now to make more robust investment decisions. The repayment of the debt spreading agreement with Wiltshire will require us to pay particular attention to our cash position, but we remain confident in our projections that this will not be a significant risk to CIPFA.

CIPFA continued to influence the policy and financial reporting landscape. Issues in local audit have worsened since 2020, and CIPFA remains committed to helping the sector find the solution. Following a request from the Department for Levelling up, Housing and Communities to ease some of the financial reporting burden, CIPFA/LASAAC agreed to defer the mandatory implementation of IFRS 16 Leases until 1 April 2024. Our work around local authority audits and the challenges they face continues.

“ Despite the challenging climate and sad events of last year, CIPFA made good progress towards meeting our strategic objectives.

Our annual Performance Tracker report, published with the Institute for Government, continues to provide valuable insights into the state of public services. This year's edition painted a sobering picture, concluding that services do not have enough funding to get them back to pre-pandemic performance levels. The NHS in particular is under severe strain, with record waiting lists and pandemic backlogs still not cleared. Towards the end of the year, CIPFA published its Integrating Care publication looking at the challenges around integration at a place level and considers the financial, governance and accountability issues of pooling budgets and combining systems.

Our thought leadership continued to pave the way in public finance, with major research reports on regional inequality, internal audit and fraud and corruption being the highlights of the year. These publications saw CIPFA work with national and international experts, institutions and governments to put together research and case studies that aim to raise our policy voice on the international stage and continue to promote good public financial management.

CIPFA Solutions continued to grow throughout 2022, delivering 163 projects and working with 88 clients. One of these was a new partnership with Newton Europe to deliver the Department of Education Delivering Better Value in SEND programme, which will support 50 local authorities as they respond to the increasing costs and demand for special educational needs and disability (SEND) services. We also started a redesign of our Financial Management Model that will

bring it up to date with added flexibility to allow it to be used anywhere in the world.

Our annual conference, Public Finance Live, was held in Liverpool in July and was our first in-person conference for two years. It was so great to see everyone gather again, to connect with old friends and make new ones. It brought together over 700 public finance professionals and our students from a diverse range of organisations across the UK to hear guest speakers, experts and commentators discuss topical issues facing the profession. The then DLUHC Permanent Secretary Jeremy Pocklington gave a keynote address and former Education Secretary Justine Greening, economist Ann Pettifor and historian and broadcaster David Olusoga were among other speakers to give insightful presentations. The vast majority of delegates – 88% – rated the conference as either 'good' or 'excellent'.

As well as CIPFA's impact on the world as an organisation, most importantly 2022 was a year where our members continued to be our most important and valued asset, and throughout the year we built on processes and structures that enabled them to have a voice, give feedback and take part in inclusion and diversity activities. Our employee forum provides a mechanism for employees to meet with senior management and discuss important business issues while giving essential feedback. Our monthly all-staff 'town hall' meetings continue to be a valued channel to keep colleagues updated with a chance to hear from myself and the senior leadership team and to ask questions.

We introduced a new reward framework to improve transparency in how we determine pay scales and pay progression. The framework was benchmarked against the external market to ensure we compensate colleagues fairly and competitively. Our 2022 pay gap found that the median gap between men and women had improved over the previous year, down to 19% from 21%. We have a higher percentage of men in senior leadership roles which impacts the figures. We recognise we need to improve this and encourage more women to apply for these senior roles. In 2023, we will also be reporting our ethnicity pay gap for the first time.

2022 also marked the first year where we delivered social media and internal campaigns around key EDI-focused events such as Pride and Black History Month. I was proud to see our members and colleagues sharing their stories and experiences of working in the public sector themselves, on their own terms. Our EDI group meets regularly to discuss important issues, both within and outside of CIPFA, and how the organisation can address them.

Finally, discussions on closer working with the ICAEW have continued through 2022. Closer working would deliver significant benefits to CIPFA, particularly in offering portability across qualifications and enhancing the collective voice of the profession. We hope to provide more information on the progress of negotiations later in 2023.

We could not have achieved everything set out in this report without the determination and passion of all CIPFA colleagues. I would like to thank them for all their hard work in what was a very challenging year for everyone.



Rob Whiteman CBE
CEO





02

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About
CIPFA



CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for finance experts in the public sector.

Our members work across all public services. They manage the largest budgets under the greatest scrutiny – that’s why the CPFA designation is widely recognised as the benchmark qualification for public service finance.

Founded in Manchester in 1885 as the Corporate Treasurers and Accountants Institute, CIPFA has helped shape public financial management in the UK, and increasingly globally.



CIPFA is the world’s only professional accountancy body to specialise in public services. Our suite of training and qualifications is sought after and highly respected around the world.

We champion high performance with information and guidance, courses and conferences, property and asset management solutions, advisory and recruitment services for a range of public sector clients.



03

Our purpose
and strategy



Making it count

CIPFA is committed to changing lives for the better.

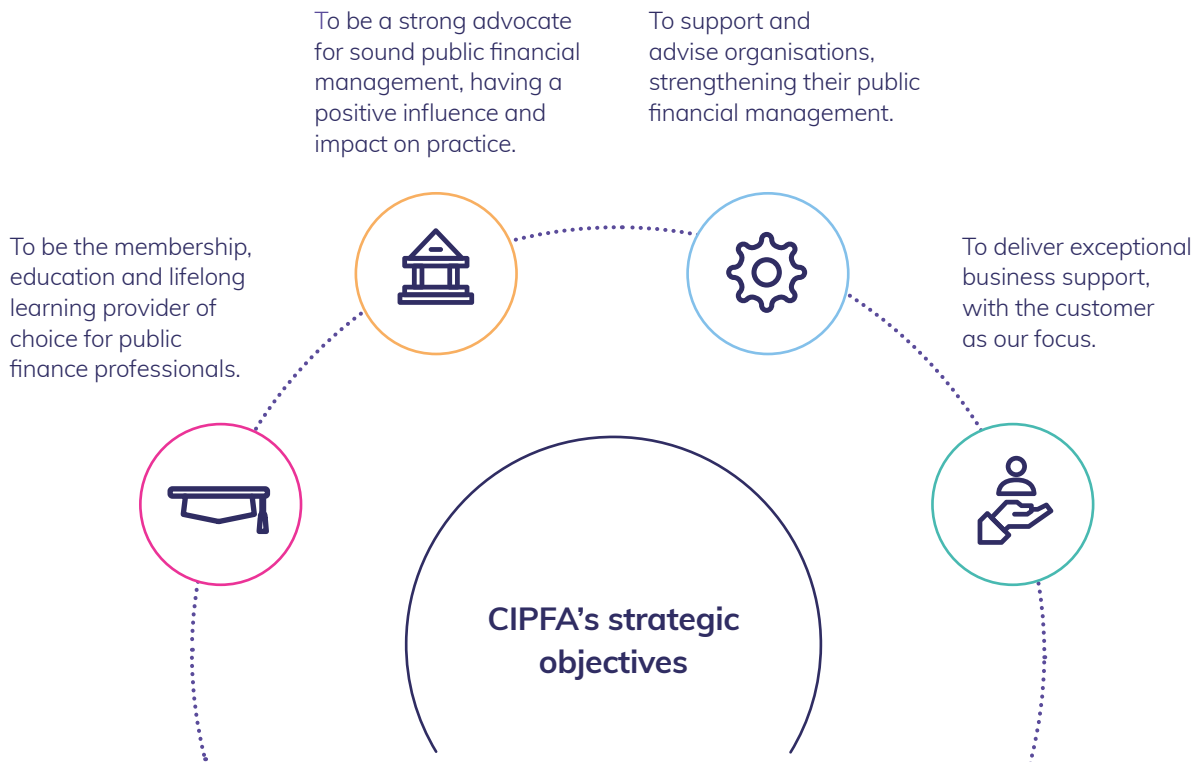
As a global leader in public financial management and governance, our aim is to make a difference to the world we live in. Our work enables people to prosper, protects the vulnerable and helps sustain the environment for future generations.

As a professional institute, we support our members and students to act with integrity and deliver excellence in public financial management throughout their careers.

By setting standards and advising public bodies and governments, we help ensure the money and resources used on behalf of citizens are raised and spent fairly, transparently, efficiently and are free from fraud and corruption.

Our thought leadership puts us at the heart of the policy debate, while our education and training offerings and range of advisory services support our members, students and other public finance professionals, helping them add value to their teams and the organisations for which they work.

CIPFA is a global body, operating at a local, national and international level. Wherever we find ourselves and whoever we are supporting, our goal is always to make it count.



CIPFA's values

CIPFA\

CIPFA provides unique specialist expertise

CIPFA is responsive and customer oriented

CIPFA is people-focused, supportive and collaborative

CIPFA is committed to innovation and digital delivery

CIPFA is trusted as independent and ethically driven



A woman with dark hair, wearing a blue long-sleeved shirt, is seen from the side, looking at a laptop. The laptop screen displays a dashboard with various business analytics charts, including a bar chart with five bars labeled 01 to 05, several circular progress indicators with percentages (25%, 62%, 100%, 18%, 89%), and other bar charts. The background is a blurred office setting with another person's hands visible. The image is partially covered by an orange diagonal overlay on the left side.

04

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Performance and achievements

A dark blue trapezoidal shape is located at the bottom left corner of the page, pointing towards the top right.

Sustainability reporting

CIPFA uses the UN Sustainable Development Goals (SDGs) as the framework for our annual report. There are 17 UN Sustainable Development Goals, to guide countries towards best practice across a range of social, economic and environmental dimensions.



Two of the 17 SDGs are particularly relevant to CIPFA's purpose and ambition:



SDG 4: Quality Education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



SDG 16: Peace, Justice and Strong Institutions: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

These internationally recognised goals provide a framework for our strategy and align to CIPFA's charitable objectives. They provide a prompt for us to think about what we do through a sustainable development lens, and to build in systems for evaluation as we look towards the future. We believe that this approach also demonstrates our commitment to discharging our charitable objectives to support public benefit.

CIPFA's charitable objectives



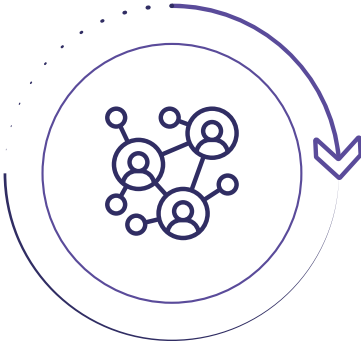
Advancing public finance and promoting best practice



Regulating and supporting members



Advancing and promoting co-operation between accountancy bodies in any way



Educating and training student members.



SDG 4: Quality education

CIPFA provides world-class education and training for our student members, and supports lifelong learning for all CIPFA members as they progress in their careers.

CIPFA's new professional qualification

In 2022 we launched our refreshed Professional Accountancy Qualification (PAQ). It aims to develop public confidence in financial management by offering quality professional training with a focus on technical competency, ethical principles, strategic thinking and sustainable public value. The internationally recognised qualification will help create the public finance leaders of tomorrow.

Our delivery of the PAQ started in March 2022 with the roll-out of the new Management Accounting and Financial Accounting modules. During June 2022, the first two modules were examined and pass rates were extremely positive. September saw teaching start for the next two modules: Audit and Assurance and Developing

Strategy and Data Analysis. The Diploma in Financial Management and Audit was introduced to students in September 2022, followed by the first opportunity to sit assessments in December 2022.

We also launched a new virtual learning environment to all students, replacing the old and outdated platform. With the new platform, CIPFA Learning is significantly more visually appealing and user-friendly and allows for useful integrations, such as Zoom for delivery of online classes and automatic storage of class recordings, facilitating a 'one-stop-shop' for students. The reporting functionality is significantly improved and will enable us to track attendance and progress much more effectively.

Training

2022 was a strong year for take-up of continuing professional development (CPD) training. As with previous years there was particularly strong demand for accredited programmes such as Better Business Cases™ and CIPFA's Diplomas

in Contract Management, Finance Business Partnering and Corporate Governance. Increasing numbers of delegates are achieving the Diploma in School Operational and Financial Leadership, offered in collaboration with the Institute of School Business Leadership.

E-learning launched in 2022 included an Introduction to Sustainability in Procurement, a refreshed Certificate and Diploma in IPSAS, and a course on whistleblowing. We also began offering a new Certificate in Data Science, in partnership with Southampton Data Science Academy.

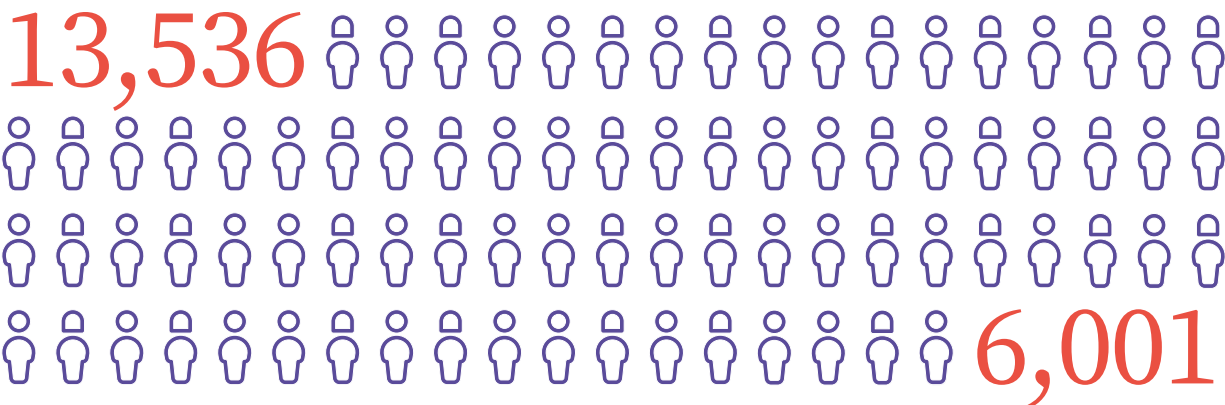
Apprenticeships: Within CIPFA's Education and Training Centre (CETC), take up for the Level 7 apprenticeship remained steady relative to 2021. Face-to-face learning was reintroduced alongside web classes but take up has been inconsistent, and we continue to be demand-led in this regard.

Counter fraud: Demand for accredited counter fraud training remains strong, with good numbers achieving the Accredited Counter Fraud Technician (ACFTech), Accredited Counter Fraud Specialist (ACFS) and CIPFA's Certificate in Fraud Risk Management qualifications. 2022 saw new cohorts starting on the Counter Fraud Investigator Apprenticeship and our first cohort nearing completion.

International: International delivery continued to pick up slowly post-lockdown. Notable international training projects include the continuation of Risk Management and Governance programmes, and we are seeing growing demand for hybrid-delivered (part e-learning, part tutor-led) International Public Sector Accounting Standards (IPSAS) training leading to CIPFA's Diploma in IPSAS.

2022 saw the completion of the Fraud Investigator Training programme in Uganda, funded by the German Agency for International Cooperation (GIZ), with 87 successful candidates achieving CIPFA's International Certificate in Corruption Investigation and gaining CIPFA Affiliate Membership. A Train the Trainer programme delivered in London ensures that the programme can continue to be delivered in Uganda beyond the life of the funded programme. The same programme was also successfully delivered in the Maldives.

Total members



Total students

Supporting students and members: Career Hub

As part of the 2021 Ofsted inspection we were recommended to look at how we can better support students with career options and employability. In response, we have developed a new careers advice platform. The new [Career Hub](#) was formally launched in August following user feedback from the CIPFA Student Network and the CIPFA regional executive.

Every member and student can access the hub, which is packed with interactive tools and

resources, including career assessments and planners, a CV builder tool and over 5,000 short e-learning sessions. This helps our members plan and implement changes to their career trajectory, develop new skills and improve their personal branding. The uptake on this service was 372 registrations with 3,359 activities as of January 2023. Feedback has been very positive and the hub continues to be promoted to students and members.

Micro modules

To support members in their day-to-day work, CIPFA has developed a series of [free micro modules](#), which offer quick introductions to a range of topics. Prepared by CIPFA's subject matter experts, they deliver key information in an easily digestible, online format, with tips on where to access further information and learning. We currently offer over 25 modules split over nine categories, including hot topics, leadership and skills, sustainability, data, audit and fraud.

2022 annual conference

[Public Finance Live 2022](#) was held in Liverpool on 13–14 July and was attended by over 700 delegates. The event included plenaries and workshops on everything from climate change to digital fraud. The conference brought together practitioners, commentators and experts for sector updates, discussions and insights into public finance and public service management.

PF Live featured leading commentators, public sector innovators, commercial partners, and analysts alongside delegates from across the public sector. Then

DLUHC permanent secretary Jeremy Pocklington gave a keynote address and former education secretary Justine Greening, economist Ann Pettifor and historian and broadcaster David Olusoga were among other keynote speakers. Feedback following the event was very positive; 88% of delegates rated the conference as either as 'good' or 'excellent'.

CIPFA Regions

In autumn 2022, annual conferences were held in [Scotland](#), [Northern Ireland](#) and [Wales](#) for the first time since 2019. Each event was themed around the future of public sector finance, with sessions and speakers focused on what this looks like in the local context.

Regional events have begun to move back to face to face and in a hybrid capacity, allowing engagement with a wider audience and supporting cross-regional collaborations, including the mentoring scheme across the North West and the Midlands. Students are matched with a mentor who can support them on their journey and share professional knowledge and experiences.

Within the regions, graduation ceremonies were held in the North East and the South East during 2022, with additional regions hosting these throughout 2023. The regions presented a range of events across the year for students and members on various topics including levelling up, women in finance and financial management. There were also specific events for students on the use of Power BI and Excel and softer skills such as making the most of your presentation.

In summer 2022, CIPFA Midlands hosted the Sixth Form Management Games in person for the first time since 2019. The games involve a public finance-focused simulation activity and allow 16–17-year-olds to sample a taste of what a career in the public sector could offer, encouraging the next generation of public finance professionals.

Regulation

Protecting the public interest and maintaining public confidence in the integrity and reputation of our membership is paramount. We investigate allegations of malpractice and apply disciplinary sanctions where necessary. In 2022, 11 cases were completed with two resulting in no further action, four leading to the imposition of a suspension and five leading to expulsion. There was one appeal case that upheld the appealed expulsion order.



SDG 16: Peace, justice and strong institutions

CIPFA works to strengthen institutions in the UK and around the world through our role as a standard-setter. Through a wide range of consultancy, research and training projects, we are a respected partner and a voice that speaks to and for the public sector.

The Redmond Review and the local audit framework

CIPFA has maintained a small co-ordinating team that leads on our responses to government proposals, following the Redmond Review in 2020.

Issues in local audit have significantly worsened since 2020, and CIPFA remains a key player in the sector's response to the review's recommendations. We are a member of the influential (interim) Liaison Committee, the key forum for ensuring co-ordination across different parties, and play a central role in a number of the groups that have been established by government.

CIPFA and the CIPFA/LASAAC Local Authority Accounting Code Board supported the local audit framework in 2022. Following a request from senior officials at the Department for Levelling Up, Housing and Communities (DLUHC) to consider options for the easing the financial reporting burden, CIPFA/LASAAC issued a [consultation](#) on the 2021/22 and 2022/23 Codes. Due to the delays in publication of audited financial statements, it was agreed to defer the mandatory implementation of IFRS 16 Leases until 1 April 2024 to reduce the resource burden across the local audit framework.

CIPFA has led the work on local audit functions and governance and issued a 2022 update to [Audit Committees: Practical Guidance For Local Authorities And Police](#).

We are also leveraging our expertise as a standard setter and in education and training to lead on developing proposals for a new training diploma in local government audit and financial reporting for auditors. This would be accompanied by a new technical advisory service to provide support to firms.

Addressing regional inequalities

Our major publication [Investing in regional equality: Lessons from four cities](#) was released in February 2022. It looked at how four cities from around the globe had implemented successful policies to level up and address inequality. Those cities were Leipzig in Germany, Cleveland in the United States, Nantes in France and Fukuoka in Japan. We collaborated with local organisations within each city to understand the strategies used and what approaches would be most successful if applied in the UK.

Infrastructure asset reporting

In March 2022 a local auditor identified a problem with the reporting of infrastructure assets. This was found to affect most authorities in England, Scotland and Wales with material infrastructure assets and there is a significant risk of audit qualifications. CIPFA established a Task and Finish Group to develop an accounting solution in the Code and produce guidance to assist local authorities and their auditors.

The issues appeared to be more pervasive and require two stages for full resolution. We issued an [Update to the Code and Specifications for Future Codes for Infrastructure Assets](#) to provide temporary relief from some of the disclosure requirements, and then issued guidance via [CIPFA Bulletin 12 – Accounting for Infrastructure Assets Temporary Solution](#). CIPFA also hosted webinars to support local authorities in finding temporary solutions to the challenges that arise.

Anti-corruption compendium

In November we released [Preventing Corruption: A compendium of global case studies](#), a free anti-corruption guide published to coincide with International Fraud Awareness Week. The guide explores the factors that contribute to corruption and provides research and best practices for tackling and preventing it within public sector organisations. The compendium will be added to over time and grow into a powerful resource for the public finance professional.

Integrating care

Our report [Integrating care: policy, principles and practice for places](#) was released in December. This free publication provides an overview of the changes brought about as a result of the Health and Care Act 2022 and what integration is seeking to achieve. It also considers the wider health and care landscape and addresses the remaining challenges at place level. The report contains recommendations and case studies that aim to influence the development of further policy and guidance by central government and to support practitioners at a local level.

Policy voice

During 2022, work has been delivered across a wide range of topics influencing the public sector. Strengthening our work around audit and governance, the research report [Untapped potential](#) explores how internal audit is currently delivering support and where it might contribute more. Business as usual saw the release of the [Financial Resilience Index](#) and the annual council tax survey. New collaborations included [Innovative financing mechanisms for levelling up social outcomes](#) with the University of Oxford's Government Outcomes Lab and a publication on [Implementation of the Financial Management Code](#) in conjunction with Civica.

We have also submitted responses to Parliament and consultations and continued to raise our presence on speaking platforms across the country, including representation at the Scottish Parliament following our submission on healthcare.

The [Practice Oversight Panel](#) released three advisory notes during 2022 covering governance and oversight, the establishment of council owned companies and the role of the chief finance officer in dealing with severance pay.

Building public sector capacity

CIPFA's team of Network advisors delivered over 180 events during 2022. Through these events, our advisors supported public sector organisations to build capacity, addressing over 4,700 practitioners and customers in finance, governance, procurement, revenues, police and fire, social care, insurance and treasury management.

IFR4NPO

The International Financial Reporting for Non-Profit Organisations (IFR4NPO) project is working to provide the first ever global financial reporting guidance for non-profit organisations. It is spearheaded by CIPFA and Humentum and funded by philanthropic donations.

In January 2022 the project published the [response](#) to its 2021 Consultation Paper; over 80% of global respondents supported the proposals. CIPFA's main focus in 2022 has been the development of International Non-Profit Accounting Guidance (INPAG) through three Exposure Drafts.

Exposure Draft 1 contains the main framing elements for general purpose financial reports, particularly which entities are intended to fall within the scope of the guidance, key concepts and principles and proposals for narrative reporting. CIPFA launched Exposure

Draft 1 at the World Congress of Accountants in Mumbai during a joint session with the International Accounting Standards Board.

CIPFA has continued to engage with national standard setters from around the world. We hosted a face-to-face meeting for the Technical Advisory Group (TAG) in September alongside virtual meetings with the TAG, the Practitioner Advisory Group and the Donor Reference Group as well as virtual outreach events. Awareness of the project continues to grow with a nearly 50% increase in engagement via the website and social media.

CIPFA international conference

CIPFA's international conference in Tirana, Albania in June 2022 was a hybrid event that marked the second year partnering with Slovenian colleagues at the Center of Excellence in Finance. The focus was on asset management and corruption prevention, featuring insight from expert speakers from the Albanian Ministry of Finance and Economy, Ugandan Justice Law and Order Sector, Zurich University of Applied Sciences, University of Sussex and UN Office on Drugs and Crime. The conference was well-received and solidified CIPFA's presence in the Western Balkans and relationships with international stakeholders.

Performance Tracker

The [Performance Tracker](#) is published annually in collaboration with the Institute for Government (IfG) and is an ongoing analysis of the performance of public services. The 2022 Performance Tracker assessed how public services have coped in the aftermath of the COVID-19 pandemic. It also highlighted how COVID pressures are still present in many if not all services, despite having decreased from their peak in 2020 and 2021.

Given the impact of the mini-budget and the state of politics at the time, its release on 17 October 2022 was highly relevant. It gained media coverage from the ITV News website and the Guardian, while our chief economist Jeffrey Matsu took part in a live interview on LBC radio. Following the new Chancellor Jeremy Hunt's emergency statement on the same day, the report was also mentioned in the House of Commons.

International projects

Pakistan

In June 2022 we signed a three-year contract with the Department of the Auditor General in Pakistan (DAGP), in partnership with the University of Lahore. We are supporting DAGP through a major capacity development and change management project. The project includes the University of Lahore delivering CIPFA's professional qualification to 150 key staff in the department and thematic audit training, improving understanding of performance audit across the country. CIPFA is also providing on-the-job and change management support to auditors, building the capacity of training institutions and developing an innovation hub. The University of Lahore School of Accountancy and Finance also became CIPFA's first international Approved Training Provider (ATP) in Pakistan to offer the CIPFA Professional Accountancy Qualification, with teaching for the Certificate in Management and Financial Accounting to commence in 2023.

Mongolia

In September 2022 we commenced a new project financed by the Asian Development Bank. The aim is to increase the capacity of the Mongolian

National Audit Office (MNAO) to conduct financial, performance and compliance audits. This encompasses improving the timeliness and quality of its audits, enhancing staff capacity and assisting in the adoption of new technology. In addition, the project is improving the communication of MNAO's work to stakeholders, supporting MNAO's key role in Mongolia's continued development and progress towards the Sustainable Development Goals.

Albania

In December 2022 we successfully completed our project with Albania's Ministry of Finance and Economy (MoFE), financed by the World Bank. The project delivered a comprehensive capacity development programme to support Albania's roll-out of IPSAS, improving understanding and application among key experts. By training those responsible for the public sector accounting methodology and professional training, they can support the next tier of finance professionals. Delivery of this project was challenging due to pandemic limitations, but its success was recognised by the award of additional funds to expand its reach.

CIPFA Property

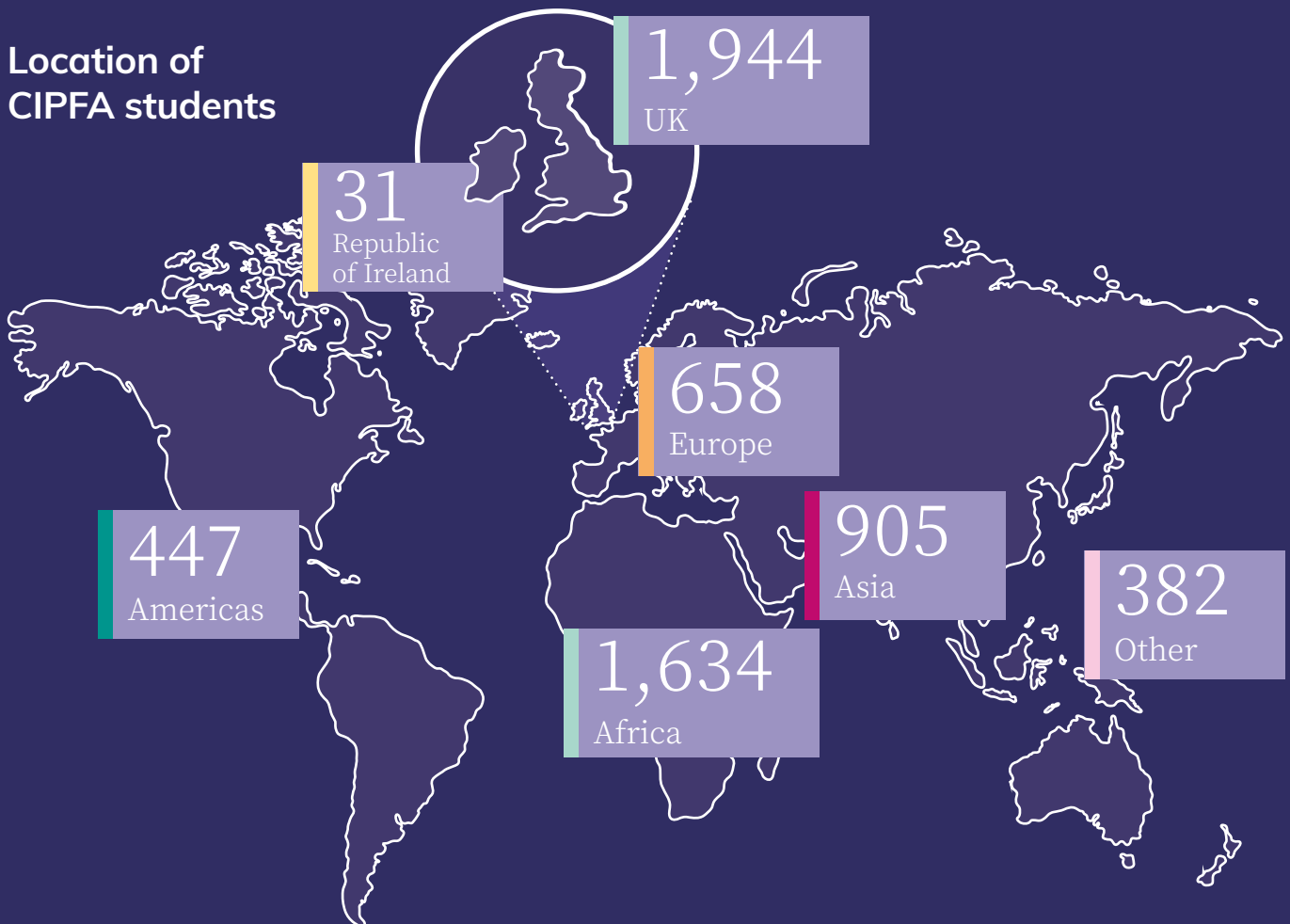
CIPFA Property Network delivered 58 events during 2022, attracting 1,615 delegates. There was also an uptake in CIPFA Property training events from colleagues in the police sector. CIPFA Property completed 289 property condition surveys, 61 fire risk assessments and several suitability assessments and building accessibility audits for various local authorities, other public sector and third sector organisations.

Supporting the police

The Achieving Finance Excellence in Policing (AFEP) programme is now entering the third iteration after its continued success over the past four years, working closely with programme partners (NPCC, APCC and PACCTS) to achieve the vision of delivering the best possible financial management for the police, by the police. Reflections from the AFEP II programme were gathered into an independent

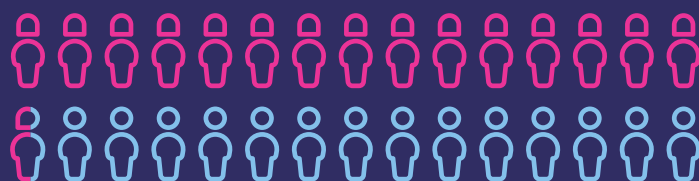
CIPFA's year in numbers

Location of CIPFA students



Student demographic

50.7%
female
(3,043 students)



49.3%
male
(2,958 students)

[consultancy learning report](#) demonstrating how forces have used their AFEP consultancy days. The [CFO retreat](#) has been a critical part of the programme bringing together police senior leaders to think strategically about the future of police finance.

Following the additional two programme streams, the reintroduction of face-to-face events, wider CIPFA network access and professional development opportunities for both finance and non-finance team members, the AFEP programme remains to be a strong asset for forces across the policing sector.

CIPFA Solutions

CIPFA Solutions advisory practice combines financial management, property and fraud consultancy and has continued to grow both its client base and revenue during 2022. An analysis of clients and revenues shows that the team delivered 163 projects in 2022 and worked with 88 different client organisations and 27 police forces.

In 2022 CIPFA Advisory commenced support for Newton Europe in delivery of the Department for Education's 'Better Value' programme. This is a two-year programme supporting 50 local authorities as they respond to the increasing costs and demand for Special Educational Needs and Disability (SEND) services.

In 2022 we commenced a redesign and rebuild of the CIPFA [Financial Management Model](#). This will bring the FM Model up to date with added flexibility to allow deployment across the world and significantly improve its working, look and feel.

Insights through data

Over the last couple of years, CIPFAStats+ has established itself as a source of statistics on all things public finance and services, as well as a platform for using data to understand a council's position and inform decision making. This development continued in 2022 and new features will be released throughout 2023 with the addition of several new dashboards, new forms of analysis that provide even more insight and the introduction of predictive analytics. Throughout 2022 the data team were able to investigate and

establish how we introduce these new improved features within the CIPFAStats+ PowerBI platform.

Awards in 2022

The annual [Public Finance Awards](#), in collaboration with Public Finance magazine, celebrate excellence and innovation within the public sector. The 2022 ceremony took place on 29 November at JW Marriott Grosvenor House in London. Awards were given across 14 categories and the Grand Prix winner was Paul McKeivitt, Chief Officer and Council Treasurer at NHS Wigan Borough CCG and Wigan Council, in recognition of his public finance leadership work.

In October 2022 CIPFA won two [Association Excellence Awards](#):

- Best awareness campaign or advancement of a cause: Silver award for our levelling up campaign
- Best new event by an association: Silver award for best new conference (CIPFA/CEF international conference).

In April 2022 three CIPFA members were recognised at the annual PQ Magazine Awards:

- Newly Qualified (NQ) of the Year: ThorViolet Harman, NHS Manchester
- Accountancy Personality of the Year: Caroline al-Beyerty, City of London Corporation
- Part Qualified (PQ) of the Year: Katie Harwood, Essex County Council.

Social media engagement

- [LinkedIn](#) followers increased by 9.5% to 17,512
- [Twitter](#) followers increased by 3% to 12,345
- Launched our CIPFA [Instagram](#) channel, which now has 238 followers.

CIPFA [Speaks!](#) podcast regularly gets over 200 listens per month. In 2022 it featured BBC editors, think tank professors, procurement practitioners, former ministers and local government leaders.



05

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Operations



Employees

We recognise the importance of our employees in helping make CIPFA a stand-out organisation in the way we behave and the quality of our work. We want our people to share our commitment to CIPFA's values and have fulfilling and challenging careers where they contribute to our success.

Our shared behaviours form part of our online employee performance process and are designed to improve how we work together. We have enabled employees to play a key role in the development of CIPFA's vision, strategy and direction. This has included opportunities for communication and feedback at open forum engagement sessions that all staff attend, and through our leadership development programme, which is creating a cohesive senior management team for the organisation.

Our employee forum, a representative group of employees from across the organisation, provides a mechanism for employees to meet with senior management, discuss important business issues and provide feedback on matters that concern or interest our people.

Our Diversity and Inclusion employee representative group provides input and feedback on our plans to implement our diversity and inclusion strategy, which along with employee development and wellbeing forms an important part of our people plans. Our employees also have access to the Mental Health and Wellbeing hub we provide to members and students, and we have trained a group of employees as mental health first aiders, offering further means of support and information to people when needed.

During 2022 we introduced a new reward framework to improve our transparency in pay and clarity in pay progression. The framework allows employees to understand where their pay point is within a grade system. The grade ranges were benchmarked against an external market to ensure we achieve competitive and fair pay, and all jobs were evaluated to ensure equitable allocation of pay to jobs.

Our employees remain committed to and engaged with our mission and have performed admirably during what has been another exceptional year. As we face the challenges of the current economic climate, we will push on with our ambition to ensure CIPFA remains a great place to work.

Pay gap reporting

Each year CIPFA publishes a gender pay gap report, identifying differences in both hourly salary and bonus payments between men and women working for the Institute. Due to our size, we are not legally required to publish our gender pay gap. Doing so is in keeping with our commitment to diversity, equality and inclusion, and helps hold us to account.

The 2022 report accounted for 210 employees, of whom 99 were men and 111 were women. Our mean gender pay gap for 2022 was 19%, an improvement from 21% in 2021, though the median position increased to 17% from 8%, based on hourly salary.

We have a higher proportion of men at the upper quartile of pay, which has an impact on the overall figures. As a relatively small organisation, any changes to headcount, particularly changes in the upper quartile, will also affect these numbers.

In 2023 we published our first ethnicity pay gap report. The ethnicity pay gap is calculated in the same way as the gender pay gap, and shows the difference in average pay between employees from ethnic minority backgrounds in a workforce, compared to 'white' employees. The 2023 report accounted for 219 members of staff. Of those employees, 22% are from ethnic minority backgrounds. As the 2023 ethnicity pay gap report is a new report for CIPFA, there is no historical data on which to compare this year's ethnicity pay gap. At CIPFA, although our ethnicity pay gap is marginally more positive than the national picture, we recognise that our 54 highest paid employees are not as ethnically diverse as the lower paid quartiles.

Wider EDI activity

The initial focus for our EDI work with members and the wider public finance community is centred on the protected characteristics where we have the most acute challenges (age, gender and ethnicity) and socio-economic background since we know this has a significant impact on access and progression. We have recognised a growing need for mental health and wellbeing support and are additionally responding to that.

We have established a Member Advisory Group to support our programme of work. The group also acts as a practice sharing forum for each of the Regional Diversity Champions, volunteer members who are advocating and organising activity. We are grateful to Andrew Burns for supporting the inception of this work and chairing the group and to Alston Owens (Midlands branch) picking up the mantle from 2023.

Our EDI action plan focuses on six areas:

- leadership and internal engagement
- external advocacy, including collaboration with our Regions and Student Network
- attraction and early outreach

- membership appointment
- membership inclusion and progression
- data monitoring and analysis.

The programme for our flagship conference, PF Live, included a deliberately diverse range of speakers and several EDI-focused sessions including workshops. PF Perspectives magazine also published an EDI-themed edition to coincide with the conference.

The Institute is collaborating with other chartered bodies on a research project to identify barriers to career progression and develop options for action for bodies to take either individually or in partnership. The research findings and recommendations will be published in 2023.

We continue to support Access Accountancy as a signatory, promoting the social mobility scheme to public sector employers.

Our CIPFA Wellbeing Hub is freely available to support the mental health and wellbeing of students, apprentices, members and employees.

At CIPFA we value diversity and aim to provide a place to work that provides equality of opportunity and is inclusive. We have voluntarily reported our gender pay gap annually since 2017, an ongoing activity linked to the pay review process. We recognise the need to continue to improve on our current gender pay gap, as well as encouraging more women to apply for senior positions and have taken multiple steps to achieve this. Our new ability to report on the ethnicity

pay gap moves our equality, diversity and inclusion ambitions forward by identifying trends and areas for development and improvement. We are confident that we have a fair and consistent approach to paying individuals, and are committed to being an equal opportunities employer, appointing the best candidate for each role.

Pride month

CIPFA marked Pride month in June by making short films with a small number of LGBTQ+ members, which were shared on social media. This content performed well, generating above-average levels of engagement, and we hope it is something we can build on for future years.

Black History Month

For the first time, CIPFA developed a communications campaign to mark and celebrate Black History Month in October. Participants included Joe Sealy, chair of CIPFA Board, and talking heads videos were posted on social media. We released a Black History Month podcast and two Black CIPFA staff shared their experiences on the intranet.

Facilities and environment

The change to a hybrid style of working has dramatically reduced CIPFA's office occupancy. In this scenario CIPFA aims to continue to lower its environmental impact by reducing utility consumption wherever possible and only running building services where required.

2022 saw the re-opening of office facilities in Edinburgh and Birmingham, but as with Chester and London there is only minimal attendance. A small core of Facilities staff oversees CIPFA's current needs.

Planned preventative maintenance arrangements remain in place to minimise building structure and office space degradation and wherever possible CIPFA continues to recycle materials.

ISO certification

CIPFA's ISO certified management systems covering Quality, Health, Safety and the Environment remain in place and received their annual external audit with no non-conformances.

The Health, Safety and Environmental Management System (HS&EMS) outlines how we aspire to continually review our services in line with client needs, relevant environmental legislation and best practice, thereby maximising the efficient use of resources. Our vision is to be widely known and respected for delivering safe, reliable services that cause minimal environmental impact. Our current system is certified under the ISO 45001:2018 and 14001:2015 Standards. The HS&EMS assists CIPFA in ensuring we operate in a professional manner to meet our clients' requirements while taking due care and attention to provide a safe, healthy and secure working environment.

The ISO 9001 Quality Management System (QMS) outlines CIPFA's approach to implementing clear, efficient and repeatable processes that ensure that we provide a consistent quality service to both internal and external customers. CIPFA is committed to a continuous improvement culture and the QMS is essential in our considerations on how we can do things more efficiently and effectively.

Both systems are overseen by management review teams that are responsible for the overall content, process integrity and day-to-day running of the system. Regular review team meetings are held twice a year, with policy, procedural guidance and other system information published on the intranet.

Our ISO 27001 certification – the international standard that sets out best practice for information security – lapsed in 2020. 2021 and 2022 saw work towards recertification, following significant investment and improvements in our infrastructure, adopting a risk-based approach to information security and actively identifying information security risks and appropriate controls to tackle them. Achieving recertification in 2023 will ensure we are in the best possible preventative position to defend our information and organisation from cyber threats.



06

How we are
governed





Name and nature of the charity

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is governed by Royal Charter granted in 1959, most recently amended in 2018, and is registered with the Charity Commission for England and Wales, number 231060.


CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

CIPFA is managed and regulated in accordance with its Charter and bye-laws.


Charitable objectives




To **advance the science of public finance** and of **accountancy** and cognate subjects as applied to all or any of the duties imposed upon and functions undertaken by public service bodies, and to promote public education therein.



To **promote** and to **publish** the results of **studies and research** work therein and in related subjects.



To **advance** and **promote co-operation** between accountancy bodies in any way.



To **advance** and **promote any scheme or schemes** (howsoever constituted), having as one or more of their objects the review or regulation in the public interest of the **establishment of standards** by, and the training, regulatory and disciplinary activities and procedures of, any one or more accountancy bodies.

Within the charity is a network of branches and regions. They work alongside CIPFA helping to deliver the charitable objects, principally through the provision of support and information to members and students locally.

Public benefit

CIPFA's work building trust and delivering excellence in public financial management, accountancy and related disciplines aims to ensure public money and services are managed effectively, efficiently and securely for the benefit of all.

We seek to preserve at all times the professional independence of qualified accountant members of the Institute in whatever capacities they may be

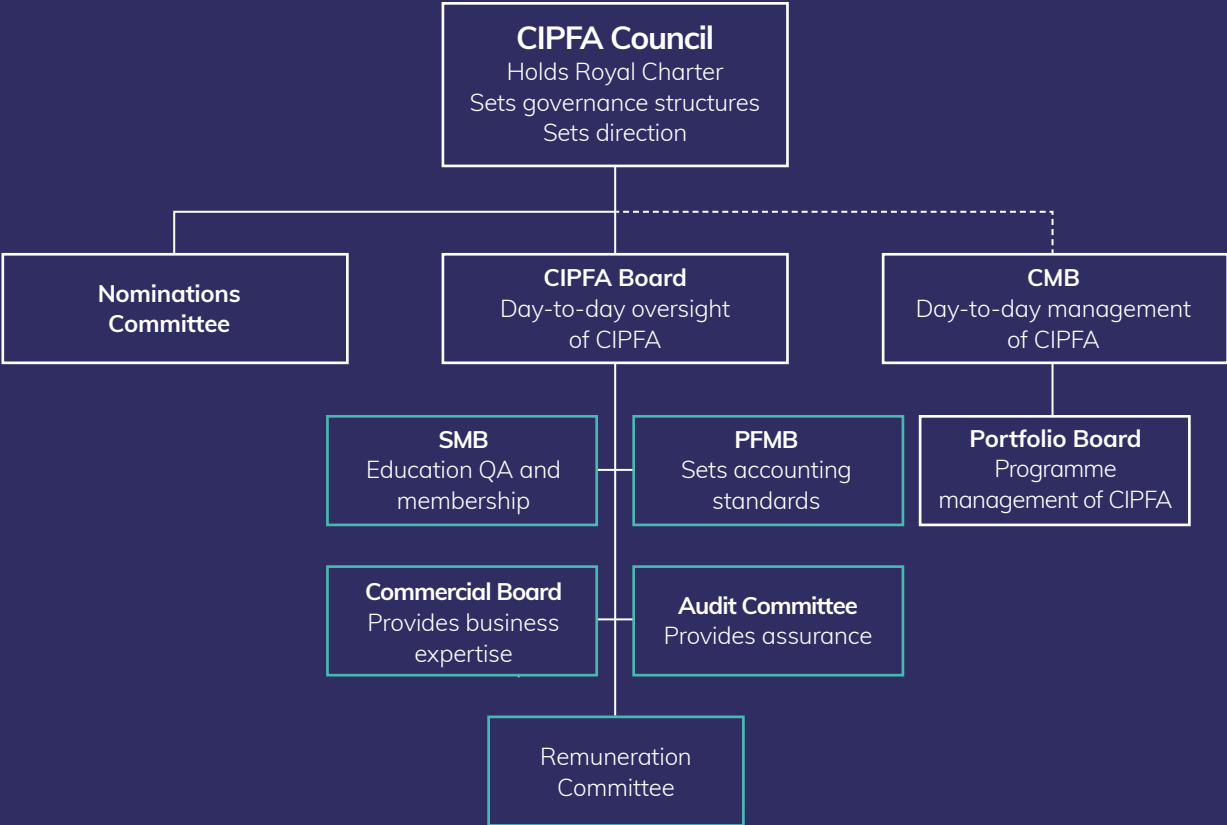
serving, promoting excellence in governance and ethical standards.

Through our activities as a standard setter and educator, and our advisory and consultancy services, we support our members, students and finance professionals in a wide range of public sector settings. As such, our work benefits the public through excellence in the management of the public finances.

The Council confirms that it has complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

Membership of CIPFA is open to all who can demonstrate the required academic achievement. Fees are kept to a minimum through subsidy supplied by profits generated through the subsidiary company.

The governance structure



Key: Regional and advisory boards and panels

Subsidiaries

CIPFA has a wholly owned subsidiary company: CIPFA Business Limited, Companies House registration number 2376684, and a majority holding in CIPFA C.Co Ltd, registration number 10212053.

CIPFA Business Ltd is the management support services company of CIPFA and has a separately constituted board of directors. It specialises in providing financial advice and governance, property and asset management solutions, and the supply of information and expertise.

The CIPFA Business Ltd Board comprises the president, vice president, four non-executive directors, the chief executive and director of finance.

The charity (including regional groups) and the subsidiary company are reported on a consolidated basis.

Governance structure

The Institute's overarching governing body is the Council. The membership of Council is specified in the bye-laws and consists of no more than 41 individuals with three groupings:

- no less than 21 CIPFA members, elected by region
- the elected honorary officers (president, vice president, junior vice president, past president)
- no more than 16 co-opted individuals appointed by Council on recommendation by the Nominations Committee to enhance the breadth of experience, competence, diversity of background and viewpoints.

Biographies for all current Council members are available on CIPFA's website.

The membership of Council is refreshed on a two-year cycle, with individuals serving a maximum of six consecutive years before being required to have a two-year break. A maximum total tenure of nine years has been introduced. Honorary officers serve one year in post. The president, an elected member, chairs Council.

A programme of induction is provided for new Council members and mentors are arranged from the cohort of more experienced Council members.

Council is the charity's trustee body, responsible for the strategic direction of CIPFA and approving major developments. It also approves the terms of reference and delegated powers of its committees and boards. The Council normally meets four times a year.

Council members are fully appraised of their trustee duties and have declared themselves fit to act. The induction for new Council members and the Council Handbook emphasise the trustee responsibilities.

Through delegation to the CIPFA Board, Council fulfils its responsibility for the effective oversight of the operations of CIPFA and its subsidiary company. During 2022 we separated the role of president from the chairing of CIPFA Board in order to provide greater continuity for this governance role. The president continues to chair Council and, following a process of open recruitment, Joe Sealy was appointed as independent Chair for CIPFA Board for a term of three years.

Joe Sealy's career has spanned the public and private sector. He is the Co-Founding Partner and COO at Greater Pacific Capital, an investment firm for major pension funds and institutional investors investing in Asia, and specifically India. Joe serves on the Investment Committee and major firm committees and sits on the board of many investee portfolio companies.

He was previously a managing director in the investment banking division at Goldman Sachs with corporate clients covering multiple industry sectors, financial investors, and government, and played a leadership role in promoting diversity at Goldman Sachs. Formerly, Joe was a partner at KPMG, in roles covering both private and public sector clients, including numerous local authorities and central government departments. Joe began his public service career within the local authority sector at Cheshire County Council and the London Borough of Merton.

This separation of roles represented the final stage of implementing the recommendations from Martin Sinclair, who had been invited to undertake a review of the failure of the London Counter Fraud Hub project. In February 2023 CIPFA Board received a closure report summarising all actions taken; these encompassed governance arrangements, training and understanding of roles, cultural change, risk management and financial management improvements. CIPFA is committed to achieving excellence in its governance and is embedding a culture of vigilance and continuous improvement.

We remain committed to improvement and recognise that good governance is as much about behaviour and culture as it is structure. All governance groups participate in an annual self-assessment exercise and we annually assess ourselves against the Charity Governance Code, with good compliance across all principles. During 2022, CIPFA Board and the Commercial Board participated in two facilitated development sessions and we have introduced annual one to one reviews of all board members, conducted by the chair.

Delegations

Having set the strategy for the organisation, Council delegates oversight of CIPFA's business to the CIPFA Board, which implements the approach through other boards and committees.

The CIPFA Board comprises six Council members (which include the four honorary officers of the Institute), two non-executive directors, the chief executive and the director of finance.

All boards and committees are formally constituted with terms of reference. The Council acts on advice and information provided by the executive. Members of Council are able, where appropriate, to take independent professional advice at no personal expense so that they are able to fulfil their role.

Statement of Council responsibilities

The trustees must ensure that the annual report and financial statements are made in accordance with applicable law and regulations. They are also responsible for the integrity of the corporate and financial information included on the charity's website.

Charity law requires the trustees to prepare financial statements for each financial year. Statements must give a true and fair view of the charity and the group and their financial activities in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards).

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- follow applicable UK accounting standards and the Charities SORP, disclosing and explaining any departures in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and group will continue to operate.

The trustees must disclose with reasonable accuracy at any time the financial position of the charity and the group, and ensure that the financial statements comply with the Charities Act 2011.

Trustees are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application in accordance with charity law. This includes taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees have adopted the Charity Governance Code. While CIPFA has good compliance across

the seven principles of the code, the trustees acknowledge the need for continuous vigilance and to strive for excellence. Therefore, we annually review our application of the code and take actions where necessary. Over the coming year we will continue to focus on improving our practice in relation to Principle 6: Equality, diversity and inclusion.

Conflicts of interest are reviewed annually and at the beginning of each meeting.

Trustees

The gender balance of Council members over the 2022 calendar year was 16 women and 27 men.

On completion of this term of office a small number of trustees will have served more than the nine years maximum recommended in the Charity Governance Code. These individuals were Council members when governance changes were introduced in 2014; at this point the decision was taken to 'reset the clock'.

Council members and attendance chart

Attendance for main Council meetings only; does not include subcommittee attendance.

	5 May 2022	7 July 2022	5 Oct 2022	30 Nov 2022	Council	Audit Committee	Elected (E) or Co-opted (C) to Council	CIPFA member
Naeem Ahmed	●	●	●	●	4/4		E	●
Caroline Al-Beyerty	●		●	●	3/4		E	●
Deirdre Bane	●	●	●	●	4/4		C	●
John Bloomer+		●			1/2		C	●
Michael Brodie	●		●	●	3/4		C	●
Chris Chaplin-Roberts	●	●	●	●	4/4		E	●
Amy Crowson	●	●	●	●	4/4		E	●
Carol Culley	●	●	●	●	4/4		E	●
Jane Cuthbertson					0/4		E	●
Sophie Darlington*			●	●	2/2		C	●
Nadeem Dean	●				1/4		E	●
Stephanie Donaldson	●	●	●		3/4		E	●
Mike Driver	●	●	●	●	4/4		President until 12/07/22 Past President	●
Tony Era	●	●		●	3/4	●	E	●
Pete Gillett		●		●	2/4		E	●
Will Goodchild+	●	●			2/2		C	●
Claire Gravil	●	●			2/4		C	●
Andy Hardy+	●	●			2/2		Past President until 12/07/22	●

	5 May 2022	7 July 2022	5 Oct 2022	30 Nov 2022	Council	Audit Committee	Elected (E) or Co-opted (C) to Council	CIPFA member
Elizabeth Honer			●		1/4		C	●
Vanessa Howlison		●			1/4		C	●
Hari Iyer					0/4		C	●
Catherine Little					0/4		C	●
Sir Mark Lowcock*				●	1/2		C	●
Mark McBride	●	●	●	●	4/4		E	●
Umesh Naicker					0/4	●	E	●
Mike Newbury	●		●	●	3/4	●	C	●
Lee Outhwaite	●	●		●	3/4		C	●
Colin Owen					0/4		C	●
Jayne Owen		●	●	●	3/4		Vice President until 12/07/22 President	●
Caroline Russell		●		●	2/4		Junior Vice President until 12/07/22 Vice President	●
Marcus Richards	●	●	●	●	4/4		C	●
Angela Ridgwell	●	●			2/4		C	●
Geoffrey Simpson	●	●	●		3/4		C	●
Luke Smith	●	●	●	●	4/4		E	●
Jason Vaughan		●		●	2/4	●	E	●
Hardev Virdee				●	1/4		C	●
Maria Wanland	●	●	●	●	4/4		E	●
Kelly Watson	●	●		●	3/4	●	E	●
Peter Welch	●	●	●	●	4/4		E	●
Mark White	●	●		●	3/4		E	●
Ian Williams	●	●	●	●	4/4		E	●
Lee Yale-Helms	●	●	●	●	4/4		E	●
Derek Yule	●	●	●	●	4/4		E	●

*co-opted to Council in July 2022

+ stood down from Council in July 2022

Key individuals and sub-committees

	Audit Committee	CIPFA Board	Students and Members Board	Public Financial Management Board	Remuneration Committee	Commercial Board	Nominations Committee
Chair	Lyn Davies	Mike Driver (until 12 July 2022) Joe Sealy (from 12 July 2022)	Caroline Russell (until 15 June 2022) Mark McBride (from 15 June 2022)	Carol Culley	Joe Sealy	Joe Sealy (until 12 July 2022)	Andy Hardy (until 12 July 2022) Mike Driver (from 12 July 2022)
Vice Chair	Jason Vaughan	Joe Sealy (until 12 July 2022) Jayne Owen (from 12 July 2022)	Mark McBride (until 15 June 2022) Amy Crowson (from 15 June 2022)	Caroline Al-Beyerty	Jane Cuthbertson	Roger Alderson	Jane Cuthbertson
Gender balance	Female 2 Male 6	Female 4 Male 7	Female 6 Male 5	Female 5 Male 6	Female 4 Male 3	Female 3 Male 6	Female 6 Male 3

Audit Committee

Maintains oversight of corporate governance throughout the CIPFA Group and management of external and internal audit.

CIPFA Board

Provides oversight of operational matters and delivery of the business plan, including management of impact on the environment and people. Guides, monitors and challenges development and operations in line with the strategy set by Council. Ensures an effective risk management strategy is maintained across the CIPFA Group.

Students and Members Board

Oversight of activities to develop the membership and professional standards including member services, education and training. This includes advising and supporting the CIPFA Regions and supervising the Disciplinary Scheme.

Public Financial Management Board

Oversees the Institute's work on policy and technical issues including the specialist Forums and therefore plays a key role in CIPFA's thought leadership and influence on public finance management. Supports the continuous improvement of standards in public finance,

management and governance, particularly in UK local government where the Institute has formal standard setting responsibilities.

The Board holds responsibility for formal approval of all updates to Institute codes of practice, with any new codes approved by Council in the first instance.

Remuneration Committee

Holds full delegated responsibility for decision making in relation to pay and conditions of specified members of staff employed by the CIPFA Group, including the CEO and executive directors.

Commercial Board

Guides commercial operations in line with the overall strategic direction set by Council. Oversees the wholly owned subsidiary, CIPFA Business Ltd.

Nominations Committee

Supports Council by overseeing the elections and appointment processes and advising on nominations. Ensures that all appointments and nominations support the Institute's diversity and inclusion objectives.

Directors of CIPFA Business Limited

The directors of CIPFA Business Ltd are all experienced in business or the markets that it serves. Brief details of their background and experience are included below.

● Roger Alderson

Roger has spent a significant portion of his career working internationally, as a consultant (with the McKenna Group), a strategist (with Perot Systems) and a marketing director (with EDS, HP and Logica). Roger has proven experience working

with a range of organisations from start-ups to multi-nationals and has operated from both headquarters and the field.

● Mary Bishop

Mary is a fellow of the Association of Chartered Certified Accountants (ACCA), and a former Director of Learning for ACCA Global. Her experience of learner needs spans SMEs, academic institutions and listed companies across around 200 countries. With industry experience herself as a leader in education, technology, manufacturing and utility businesses, she is an author of over 15 books including the first edition of the Oxford Dictionary of Accounting.

● Harry Gaskell (appointed 1 February 2023)

Harry is Chair of the Which? Limited Board. Harry is a Senior Advisor within the Sustainability team for EY UK and chairs their External Advisory Board on Sustainability. Harry previously headed the UK&I EY Earth team and before that the UK Innovation team. Prior to that, he was the Managing Partner of the 1,700-strong UK&I Consulting business, which Harry helped grow from scratch. From 2011–20 Harry was Chair and Trustee of the Employers Network for Equality and Inclusion (enei).

Gareth Moss

A CIPFA-qualified accountant, Gareth is a former Director of Resources of two local authorities. Before becoming Finance Director he worked in CIPFA's Consultancy arm, advising public sector bodies on issues as wide as financial management, governance and senior staff recruitment. Gareth's past employment includes roles at Serco, where he was responsible for their

Key:

- Non-executive director
- Member of the CIPFA Group Remuneration Committee
- CIPFA Trustee

local government contracts, PWC and several local authorities. Gareth is a non-executive director at Worcestershire Children First and until recently chaired the John Taylor Multi Academy Trust (based in Staffordshire and Derbyshire).

● **Jayne Owen**

● Jayne is Finance and Resources Director of North Wales Housing Association, a successful social enterprise providing homes and delivering services across North Wales. She is a CIPFA-qualified accountant with 30 years' public sector experience, including five years as Treasurer/Director of Finance. Prior to taking up this role, Jayne undertook the role of Director of Finance (Police and Crime) for the Greater Manchester Combined Authority. This and previous roles involved significant complexity, with accountability for multi-million-pound budgets and advising on the deployment of these resources. Areas of expertise include treasury management, financial planning, audit, procurement, commissioning, value for money, organisational transformation and effective governance.

● **Caroline Russell**

● Caroline is the CEO for Parkinson's UK, a national charity focused on finding a cure and improving life for everyone affected by Parkinson's. Caroline is a trustee of her local hospice and gained operational experience of the third sector at Versus Arthritis as the Director of Planning and Operations. Before moving to the third sector, Caroline was the Accountable Officer of NHS Mid Essex CCG and the Joint STP lead for Mid and South Essex. She has been CIPFA qualified since 1990 and has held board level roles in both local and national organisations for 20 years. These have spanned a variety of roles from Director of Finance, Commissioning and Procurement to Deputy CEO and CEO.

● **Mark Thomson**

Mark Thomson is an experienced business leader, having held high-profile senior positions in both the private and public sector. As Director General

for UK Visas and Immigration and Her Majesty's Passport Office, Mark led teams responsible for managing around 10 million visa and passport applications a year and advised the Home Secretary on immigration strategy and policy.

Rob Whiteman CBE

Rob is CIPFA's Chief Executive. He formerly held a senior civil servant role as the Chief Executive of the UK Border Agency and led the Improvement & Development Agency. Rob has also worked in local government as Chief Executive of the London Borough of Barking and Dagenham and Director of Resources at the London Borough of Lewisham.

Key management personnel remuneration

The trustees consider the CIPFA management board, which includes the chief executive, as comprising the key management personnel of the charity.

The CIPFA management board is made up of the executive directors of CIPFA and CIPFA Business Ltd. It is responsible for directing and controlling, running and operating the charity on a day-to-day basis.

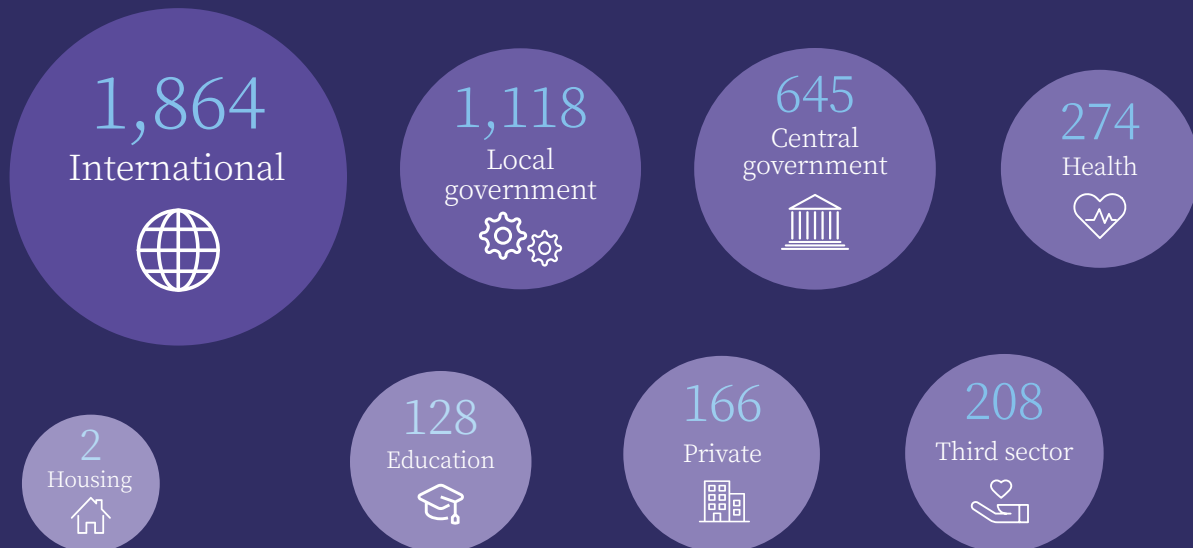
All trustees give of their time freely and no trustee remuneration was paid in the year.

The remuneration committee has full delegated responsibility for decision making in relation to the pay and conditions of senior management including the chief executive in relation to remuneration, including:

- remuneration
- terms and conditions upon appointment
- changes to base salary
- bonus arrangements and payments thereunder
- honoraria and ex-gratia payments
- severance payments
- pensions.

CIPFA's year in numbers

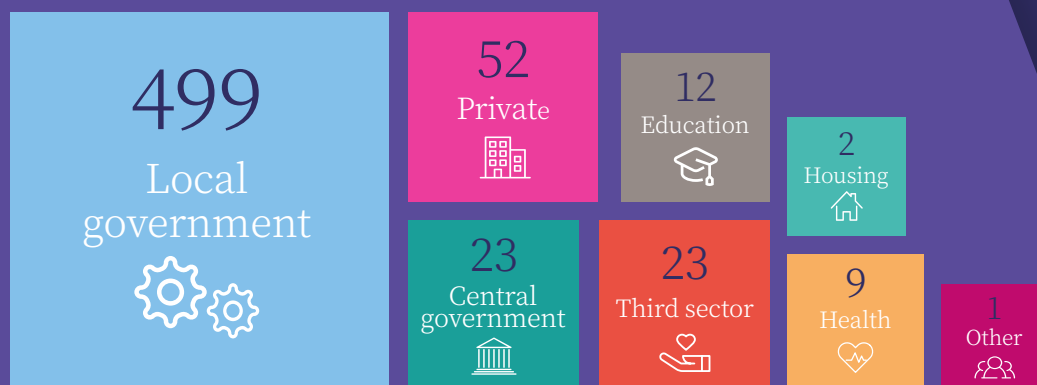
Number of students based in each sector



Total number of students: 6,001*

*1,596 other sectors

CIPFA subscribing organisations



Total number of organisations : 621

The pay of the CIPFA management board is reviewed annually and is informed by any general pay award within the Institute. In the case of the chief executive, any changes to current salary, terms and conditions, bonus awards, etc are considered on advice from the honorary officers, and on receipt of recommendations from the chair of the remuneration committee.

The Institute provides a single discretionary group bonus scheme, applicable to all eligible employees including the CIPFA management board, which has clear trigger points and also allows for investment in the organisation's future growth.

The trigger point and target surplus are reviewed and agreed as part of the annual business planning process by the trustees. The trigger and the split between bonus scheme pot and investment may vary. The bonus scheme is triggered when CIPFA generates a trading surplus above the approved business plan. All bonus awards are subject to the overall value of the bonus pot and based on assessment of individual in-year performance.

In the case of the CIPFA management board, the chief executive recommends any bonus awards to the remuneration committee. In the case of the chief executive, any bonus award is considered on advice from the honorary officers, and on receipt of recommendations from the chair of the remuneration committee.

The committee obtains independent professional advice as required including to compare and benchmark CIPFA's practices against those of other organisations. Executive remuneration is also benchmarked periodically with organisations of a similar size within the sector and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. Such advisors may attend meetings as necessary.

Equal opportunities, diversity and inclusion

CIPFA is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. We seek to go beyond legislative requirements to improve diversity of representation and inclusivity in our role as an employer and as a membership body.

Our employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, pregnancy and maternity, sexual orientation, race, religion or belief, age, disability, gender reassignment or any other grounds that are unjustifiable in terms of equality of opportunities for all.

We have introduced mandatory diversity and inclusion training for all employees and have embarked on a wider programme of activity to improve mental health and wellbeing, equality, diversity and inclusion.

The Nominations Committee embraces CIPFA's commitment to equal opportunities and to improving diversity of backgrounds and viewpoints. Its role includes identifying candidates to stand for CIPFA Council; it also recommends to Council candidates for co-option as well as chair and vice chair roles on major boards and committees. The criteria on which the committee's decisions are based include diversity considerations.



07

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Opportunities
and risks



Opportunities

CIPFA operates within a challenging environment. As the impact of the pandemic has lessened, the conflict in Ukraine and the cost of living crisis have brought new pressures, alongside long-term strains on public finances. Amid the difficulties of our current context, there are opportunities for CIPFA to provide leadership and support to the organisations we work with, and to furnish them with services to meet their immediate and future needs.

We are building new partnering arrangements to promote collaboration and closer working across territories, sectors and professional accountancy organisations. Established and new jurisdictions are adopting public financial management standards and actively participating in our forums and events.

We continue to be the first choice for public sector finance professionals looking for advice and help under unrelenting pressure. We are dedicated to public service, we understand how public sector organisations work and we provide bespoke support. We will continue to use insights from our forums and existing customers to inform our offer to the market over the long term.

As the UK moves closer to a general election there is a window of opportunity to reassess the shape of the public sector and shine a light on where intractable problems could be addressed through structural reform. Our thought leadership plan, together with our economic research agenda, provides a framework for content and activity to support our messaging to policy makers and influencers.

We continue to drive forward standards, equipping finance professionals with the education and training they require. We are completing the phased roll out of our refreshed professional accountancy qualification and expanding our offer with new qualifications in

anti-corruption, counter fraud and audit. Following the launch of our first Accredited Training Provider, we will be applying this model to increase our international student cohort.

We see finance professionals having an increasingly important role in sustainability reporting and we are strengthening our voice on sustainability as a pathway to becoming an authoritative voice on reporting in the public sector.

The steps taken to close and exit the Wiltshire Local Authority defined benefit pension scheme will bring stability and certainty to our balance sheet. The level and volatility of the fund deficit has impacted the confidence of members, staff, customers, partners and stakeholders. Reaching agreement with the scheme members and the pension trustees gives us a stronger platform for future planning. While we have agreed a repayment plan with Wiltshire, we have built in the ability to pay this early should our cash position enable that.

Risk management and internal control

Risks are monitored and reported on a quarterly basis at all levels of the Institute including the CIPFA management board, CIPFA Board and the Audit Committee. Risks are addressed as part of the business planning process and placed under the management of a senior member of staff and the appropriate board or committee. The Council and its Audit Committee are satisfied that all reasonable steps are being taken to manage exposure to major risks.

Our risk management strategy was reviewed in 2021 and our processes refreshed. We rolled out training for all staff and undertook a bottom-up refresh of risk identification. This process enabled us to ensure we are aligning risk management to the level of risk mandated by CIPFA Council.

We operate a comprehensive business planning process, with an annual business plan and budget set by the CIPFA Board and approved by the Council. We use a performance dashboard that is reviewed by the CIPFA management board monthly, and forecasts are revised on a quarterly basis as a minimum. The performance dashboard is used as a single information source to streamline performance reporting at all levels of governance including every CIPFA Board meeting.

CIPFA maintains a comprehensive set of delegations of authority and financial regulations. The financial controls and procedures are reviewed regularly and compliance with them verified by the work of the internal and external auditors.

We maintain a comprehensive set of policies and procedures, including whistleblowing, data protection, health and safety, complaints handling, code of conduct and register of interests for Council members, non-executive directors and senior staff. The Audit Committee reviews CIPFA's accounting and financial reporting practices on behalf of the Council. Internal audit reviews are prioritised using a risk-based approach, and recommendations are followed up.

Risks

We continue to respond to the changing market for our qualifications and training, taking strategic measures to ensure we meet the needs of a student-led market and respond to changing demographics.

We have taken steps to improve the connection between the development of our products and services and customer feedback to maintain relevance and diversify our offer.

We are increasingly vigilant to the shifting geopolitical context and its potential impact on our international growth and UK public bodies. While CIPFA's cash position is strong, the repayment of the pension deficit means that we will need to ensure appropriate management and oversight of this area.

CIPFA is investing in significant change with our transformation programme and wider strategic plans; we have rigorous governance in place to oversee this change management.

Managing risks

Principal risks for CIPFA	What the risks mean	How we manage the risks
We need to be more responsive and agile to ensure our products and services keep pace with market and customer challenges, issues and risks.	Our products and solutions portfolio is insufficiently targeted with inefficiencies in repurposing or repackaging existing projects. This is exacerbated by scarcity in customer funding and resources. There would be an impact on the delivery of our objectives, including our charitable aims.	The key accounts process focuses on listening to market issues and challenges. Products and services are mapped and prioritised with stringent business case assessment.
The market for professional qualifications is increasingly driven by student choice. The perceived lack of portability of our qualification makes us less attractive to trainees in government bodies and firms.	Reduced student numbers lead to a reduction in members and a smaller institute, which in turn impacts our ability to support existing members and customers.	The redeveloped PAQ was launched with brand and messaging to counter portability perception. We are working closely with employers and exploring partnership with ICAEW.
CIPFA is viewed as a local government organisation in the UK.	This acts as a barrier to developing in other markets; diversification could undermine our brand.	Developing CIPFA Connect as a new subscription offer along with new products and services for other markets.
Loss of the right to deliver apprenticeship training or end-point assessments.	Significant financial and reputational impact.	The Ofqual application process has enabled us to mitigate many of the risks identified. We have a programme of continuous monitoring and improvement and are widening our student base.
An ageing member demographic is accelerating attrition rates.	Reduces market penetration, impacts on revenue and credibility.	We have developed and are expanding alternative routes into membership. Broadening members appear through equality, diversity and inclusion programme.
Lack of structured approach to change management leads to benefits not being realised.	Failure to improve efficiency and evolve in order to achieve growth.	We have incorporated change management into business planning and initiated a culture change programme.
Debt spreading agreement for defined benefit pension scheme alongside investment for growth places pressure on cash flow.	Repayment agreement reduces margin for error in forecasting and limits capacity for investment.	There is increasing emphasis on the monitoring of cash and targets, and rigorous challenge of targets, margin and contribution.



08

Financial
summary



CIPFA’s financial position strengthened considerably during 2022 with the closure of the defined benefit pension scheme administered by Wiltshire Pension Fund.

This decision, which followed a period of consultation with staff and negotiation with the fund, resulted in a release of the provision held for the pension (which in 2021 was a liability of £30.5m). This liability has now been released to the Statement of Financial Activity as a credit to staff costs. We have discounted the settlement to £11.7m (reflecting the repayments) as a liability on the balance sheet and the gain has been recognised within staff costs. The liability is split within creditors over and under a year based on our assessment of the timing of repayments.

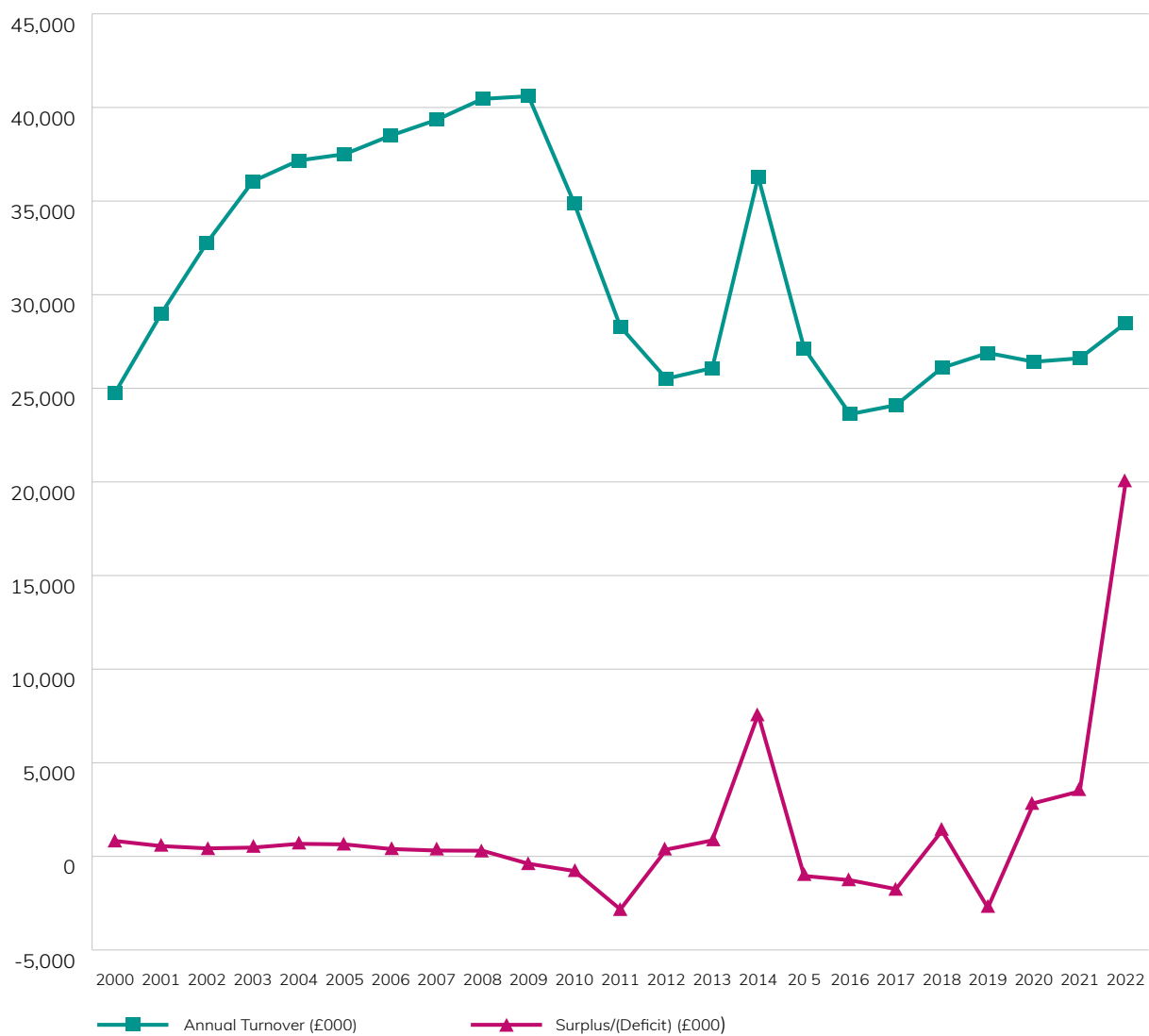
These transactions therefore have resulted in a net credit to the Statement of Financial Activities of £18.9m.

Stripping out the pensions related entries, CIPFA has shown a positive return again this year, showing a surplus of £1.142m:

	2022	2021
	£000	£000
2022 Full year results before pension entries		
Income	28,483	26,603
Expenses	27,341	23,129
Contribution	1,142	3,474

When including the pensions entries our statutory accounts show a healthy surplus of £15.513m. This demonstrates a pattern of strong financial management over recent years:

CIPFA Annual Turnover and Surplus/(deficit) 2002 to 2022



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual Turnover £000	24,763	28,967	32,776	36,058	37,170	37,507	38,498	39,340	40,459	40,601	34,856	28,290	25,514	26,081	36,297	27,139	23,623	24,100	26,092	26,889	26,417	26,603	28,483
Surplus/(Deficit) £000	824	552	428	470	670	640	394	311	301	-393	-781	-2,831	365	852	7,586	-1,045	-1,273	-1,748	1,367	-2,746	2,842	3,474	20,001

The actions to resolve the challenges posed by the variability of the pension deficit on our balance sheet have been an issue CIPFA has grappled with for a number of years, as demonstrated here:

	2017 £000	2018 £000	2019 £000	2020 £000	2021 £000	2022 £000
Pension deficit	(25,825)	(21,477)	(27,152)	(38,567)	(30,523)	–
Liability to Wiltshire						(12,700)
Net assets – CIPFA only	(4,492)	981	(7,498)	(15,905)	(3,733)	14,972
Net assets movement		5,473	(8,479)	(8,407)	12,172	18,705
% of movement due to pension		79%	67%	136%	66%	96%
Pension impact						
Actuarial movement	8,603	3,868	(6,190)	(11,266)	8,092	
Recognised in net resources	43	480	515	(149)	(48)	18,859
Total recognised of SOFA	8,646	4,348	(5,675)	(11,415)	8,044	18,859

The strengthening of our balance sheet now enables us to plan more effectively for investing in the future.

Financial review and related policies

In 2022 the total income for the CIPFA Group was £28.5m (2021 £26.6m) an increase of £1.9m (7%), which is not impacted by the accounting adjustments relating to the closure of the pension scheme. Detailed analysis of group operating income and expenditure showed increases in our UK advisory activity. International advisory showed a similar increase in performance, although this was not matched by cash as we had some timing differences on payments at the year-end.

The business continues to adapt to the changing needs of the market and our advisory practice in particular has benefitted from some larger-scale contracts than previous years. The recruitment market for specialist provision continues to be challenging. Overall however CIPFA coped well with the economic uncertainties and

inflationary pressures that caused significant pressures on our customer base in particular.

Despite these difficulties we remain conscious of the need to contain our cost base to protect the financial sustainability of CIPFA, as well as diversifying our contract and service base to remain competitive both domestically and internationally.

CIPFA Business Limited (CBL) is the professional services business of CIPFA. As part of the CIPFA Group, CBL governance arrangements are integrated with CIPFA. The Commercial Board, which meets at least five times a year, also acts as the CIPFA Business Board and is responsible for taking decisions and monitoring the business and performance. The majority of CBL Directors are independent non-executives.

CIPFA C.Co Ltd commenced trading in July 2016 when former directors and senior managers from local government, with a successful track record of public sector transformation, formed a partnership

with CIPFA. CIPFA C.Co Ltd supports public sector organisations to deliver the transformation of public services against a backdrop of ever-challenging circumstances. The aim of the company is to work with organisations that deliver public services to help them improve the advancement and wellbeing of society.

Reserves policy

CIPFA's overall reserves in 2022 are a surplus of £15.5m (2021: £3.6m deficit). The position for 2021 was complicated by the inclusion of the FRS102 pension reserve, which stood at a deficit of £30.5m. As CIPFA has now left the scheme and agreed to settle the remaining liability, the pension deficit has been unwound in 2022 resulting in a net credit to income of £18.9m, which substantially explains the improvement in the overall reserves position in the year.

Within total funds are designated funds and a revaluation reserve of £21.1m, which predominantly represent the value of fixed assets and investments. Remaining other charitable funds now stand at £6m surplus (2021: surplus £5.1m). In previous years CIPFA targeted reserves of two months' average expenditure. Removing the impact of the exceptional pension gain this year (£18.9m), two months' expenditure is £4.6m (2021: £3.8m).

The Board revisited the existing policy during 2022 and concluded that a more flexible policy was relevant, and that CIPFA should aspire to a minimum level of reserves of three months but flexibility to move that up to six months. Based on the 2022 results this range is from £6.9m to £13.8m. While not compliant with the revised reserves policy, the current position is not considered to be an impediment on the going concern of the group as cash flow forecasting across the period of review indicates that sufficient working capital is available for CIPFA to satisfy all commitments as they fall due.

The Board recognise that while we are repaying the Wiltshire Scheme this revised target will be a challenge. The repayment agreement does allow CIPFA to redeem the outstanding amount earlier if trading and cash performance allow for that.

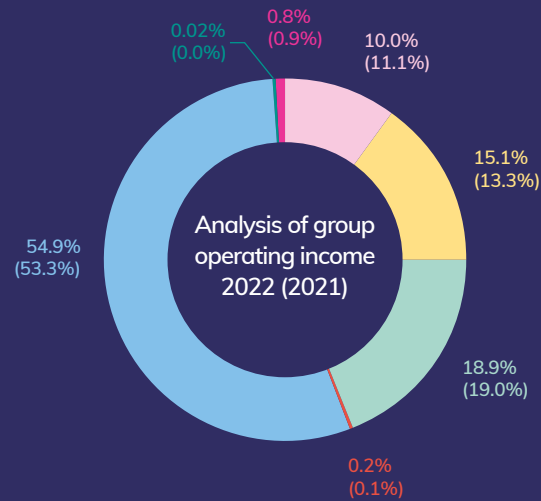
Going concern

The CIPFA Audit Committee and Board, on behalf of Council, have assessed the ability of CIPFA to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing the financial statements. This has included the revised budget for 2023 and forecast for 2024–25 contained in the business plan, cash flow forecasts to 31 December 2024 and a consideration of the key risks on the continued operation of CIPFA's activities and our revised methods of working as well as the impact on our customers. In addition, during the preparation of the budgets we undertook some sensitivity analysis on service areas around income and expenditure assumptions included in the final submission to the Board.

In addition, the Board is aware of the impact of the likely increase in prices during 2023 following on from the increases seen during 2022. It is unlikely that CBL will be able to pass on all of its rising costs to customers, increasing pressure on margins and necessitating even tighter control of the cost base. The Board believes that its strategy of diversifying products in existing markets and identifying new markets will manage the inflation risks.

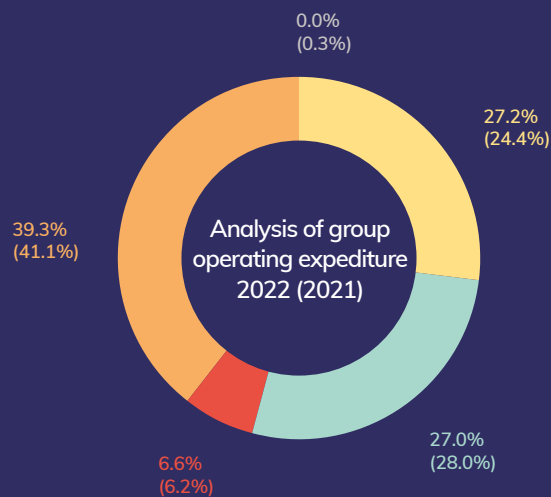
We continue to benefit from adapting our services to reflect a greater use of remote activity than before the pandemic and we have reflected that in our plans. We do not anticipate an adverse impact on our finances, in fact greater take up of those services and delivery at a reduced cost have been built into the business plan.

Income by source



- Membership subscriptions
- Educating and training student members
- Other trading activities
- Advancing public finance and promoting best practice
- Regulation and supporting members
- Investments
- Other income

Expenditure by source before Exceptional gain on closure of defined benefit pension scheme



- Advancing public finance and promoting best practice
- Regulation and supporting members
- Impairment
- Educating and training student members
- Other trading expenses

We continue to anticipate access to broader markets given this mode of delivery and our operational resilience and lower risk will continue.

We maintain our focus on high-quality products and services to our members and customers and to seek innovations in the delivery of those services and products.

In addition, we have maintained our tight controls over expenditure and investment, only releasing the investment that is included in the business plan when we are comfortable that the underlying business performance warrants that.

2023 anticipates a continuation of investment that was started in 2022, recognising our stronger financial health as well as a need to improve services to remain competitive.

CIPFA has now closed the Wiltshire pension scheme with a final payment due of £12.7m that will be paid off over five years. This was within the affordability confirmed by InterPath who undertook a Covenant Review before the financial offer to close the scheme was submitted to Wiltshire Pension Fund. The payment terms have been proposed to include the flexibility to repay greater amounts and consequently an earlier repayment should our cash position enable that. The business plan also considers the terms and conditions of the existing bank facilities.

The Board concluded that it is appropriate that the accounts are prepared on a going concern basis.

Investment policy

Byelaw 59 details the extensive investment powers that are bestowed upon the Council. Given the annual cycle of fluctuation in cash balances held, the current investment policy is limited to depositing surplus funds within a range of approved institutions in tranches with a range of maturity dates. The policy focuses on low risk and readily realisable investment forms. Within these confines, we seek to obtain the best interest rates possible.

Fundraising

CIPFA had no fundraising activities requiring disclosure under Section 162A of the Charities Act 2011.



09

Our future
plans

CIPFA is the only professional accounting institute in the world that deals exclusively with public finance. We want to make our role count and strengthen public financial management around the world. No other institute is able to comment with the breadth and depth that we can, both for and on behalf of the public sector. When CIPFA's revised business plan was first established in late 2020, the landscape looked very different. The change and disruption we have become used to shows no signs of abating and, like most organisations, we must respond and adapt.

As an organisation we will be responding to some major global challenges to assist the public sector's response to them: the economic crisis, sustainability and climate change, political upheaval and the increasing pressure which the public service faces. We want to make our support and contribution count. We will continue to support our students and members in their public sector finance roles around the world, and to complement governments as they seek to professionalise the public sector with tailored financial management training and development. We will work at both organisational and system level to improve and solve financial management challenges. We will continue to lead on preventing and fighting the rising tide of corruption and fraud across the globe. We will continue to make CIPFA count.

We've streamlined our ambitions to focus on voice, membership, revenue and customer, each of these underpinned by outcomes we will deliver, measured by a series of metrics and milestones. Our international ambition now cuts across all these areas, and we have aligned our purpose and ambitions to the UN's Sustainable Development Goals. We want to continue to be a respected voice and to strengthen and embed good public financial management. We want to influence governance at a global level and use our voice to provide best practice to the public sector.

CIPFA is a membership body that supports our members and students, ensuring we equip them with the tools to deliver best-in-class public financial management across the whole of their career. CIPFA is a charity, promoting best practice in public finance to ensure the money and resources used on behalf of citizens are raised and spent fairly, transparently and effectively. CIPFA sets the standards that UK local government and organisations worldwide adopt. CIPFA is a trainer, delivering accountancy and other qualifications that are relevant to the public sector, and preparing students for the future. We have lifelong learning materials to support career development in line with a clearly defined competency framework for public finance professionals.

To support CIPFA's aims, our teams work with the organisations that employ our students and members, and other key public finance stakeholders, to ensure that – at the organisational level – public finance is working at its strongest, contributing to effective and efficient public services.

CIPFA's biggest asset is our employees. We will continue to deploy and develop our resources to achieve our purpose and deliver our ambition, while continuing to attract fresh talent to the Institute. Flexible working continues throughout the Institute and in 2023, we are piloting a four-day working week to improve the work/life balance for all CIPFA employees, as well as helping us to attract and retain the talent and experience we want and need. A diverse workforce, which reflects the diversity of our members and partners, will improve outcomes for our organisation and profession. We want to champion talented people and help them excel, regardless of their background or demographic.

Markets and customers are evolving more rapidly than organisations can predict, and the public sector is no

different. It is important we understand our customers and market needs. We will continue to collaborate with other professional accounting organisations, ministries of finance and supreme audit institutions across the globe, growing our student and member base. We will adapt to the changes that will inevitably come, and throughout everything we do we will uphold good public financial management.

The trustees' annual report was approved on 3 May and signed on their behalf by Jayne Owen, CIPFA President.



Jayne Owen
President



Rob Whiteman CBE
CEO



10

Administrative
information

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a charity by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales, number 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

CIPFA management board

Chief Executive: Rob Whiteman CBE

Director of Finance: Gareth Moss

Chief Operating Officer: Dan Worsley

Director of Policy and Membership: Drew Cullen

Director of Public Financial Management:
Iain Murray (joined November 2022)

Director of International: Khalid Hamid

Interim Director of Transformation: Ravi Dhindsa
(contract concluded March 2023)

Head of HR: Clare Thompson (resigned December 2022)

Head of HR: Sarah Carruthers (joined January 2023)

Company Secretary and Chief of Staff: Nicola Hannam

Principal Office

77 Mansell Street
London E1 8AN

Principal Advisers

Bankers

Lloyds Bank Plc
Villiers House
48-49 Villiers Street
London WC2N 5LL

Insurers

Bartlett and Company Ltd
Broadway Hall
Horsforth
Leeds LS18 4RS

Solicitors (disciplinary)


DAC Beachcroft
100 Fetter Lane
London EC4A 1BN

Solicitors (corporate)

Ashtons Legal
Trafalgar House
Meridian Way
Norwich NR7 0TA

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW



11

Financial
report

Consolidated statement of financial activities for the group

Year ended 31 December 2022

	Note	2022 £000	2021 £000
Income			
<i>Income from charitable activities:</i>			
Membership subscriptions		2,860	2,956
Advancing public finance and promoting best practice		4,292	3,800
Educating and training student members		5,381	5,404
Regulation and supporting members		65	33
		12,598	12,193
<i>Other trading activities:</i>			
Income from information, advisory and property services	2	15,645	14,189
<i>Investments:</i>			
Interest received		5	–
<i>Other income:</i>			
Property sales and rentals	3	235	221
Total income		28,483	26,603
Expenditure			
<i>Expenditure on charitable activities:</i>			
Advancing public finance and promoting best practice		7,434	5,648
Educating and training student members		7,377	6,475
Regulation and supporting member		1,794	1,433
Exceptional gain on closure of defined benefit pension scheme	6	(18,859)	–
		(2,254)	13,556
<i>Other expenditure:</i>			
Expenditure from information, advisory and property services	2	10,736	9,510
Impairment of intangible asset	8	–	63
Total expenditure	4	8,482	23,129
Net income (expenditure)		20,001	3,474
<i>Other recognised (losses)/gains:</i>			
Gain on revaluation of fixed assets	18	(815)	666
Actuarial gain on defined benefit pension scheme	7	–	8,092
Net movement in funds		19,186	12,232
Reconciliation of funds			
Fund balances brought forward at 1 January		(3,673)	(15,905)
Fund balances carried forward at 31 December		15,513	(3,673)

The results set out in the above Statement of Financial Activities all relate to continuing operations and includes the net restricted expenditure attributable to the non-controlling interest in CIPFA C.Co Ltd of £23k net expenditure (2021: £5k net expenditure).

There are no other gains or losses, other than those recognised above and therefore no separate statement of total recognised gains and losses has been presented. Further analysis can be found in note 19.

The notes on pages 67 to 87 form part of these financial statements.

Consolidated balance sheets

as at 31 December 2022

	Note	Group 2022 £000	2021 £000	CIPFA 2022 £000	2021 £000
Fixed assets					
Intangible assets	8	870	520	508	292
Tangible assets	9	13,342	13,947	13,322	13,930
Investment property	10	6,850	7,200	6,850	7,200
Investments	11,12	9	9	409	409
		21,071	21,676	21,089	21,831
Current assets					
Stocks and work in progress	14	752	476	712	391
Debtors	15	4,644	3,369	3,082	2,335
Cash at bank and in hand		6,356	7,031	4,200	4,701
		11,752	10,876	7,994	7,427
Creditors: amounts falling due within one year	16	(9,858)	(5,702)	(6,659)	(2,468)
Net current (liabilities)/asset		1,894	5,174	1,335	4,959
Total assets less current liabilities		22,965	26,850	22,424	26,790
Long-term liabilities					
Creditors: amounts falling due after more than one year:					
Pension Liability	17	(7,452)	–	(7,452)	–
Net assets excluding pension liability		15,513	26,850	14,972	26,790
Defined benefit pension scheme liability	7	–	(30,523)	–	(30,523)
Net assets/(liabilities) including pension liability		15,513	(3,673)	14,972	(3,733)
Funds					
Restricted funds	19	40	41	40	41
Minority interest		44	21	–	–
Unrestricted funds					
Designated funds		16,855	16,461	16,855	16,461
Revaluation reserve		4,207	5,206	4,207	5,206
Pension reserve	17	(11,664)	(30,523)	(11,664)	(30,523)
Other charitable funds		6,031	5,121	5,534	5,082
Total funds including pension liability		15,513	(3,673)	14,972	(3,733)

The financial statements of CIPFA's branches, regions and students' societies are incorporated within the Charity's financial statements. Before consolidation into the group financial statements, the charity made a surplus of £19,521,000 in 2022 (2021: a surplus of £3,518,000). The surplus for this year is before other recognised losses of £816,000 (2021 gains £8,758,000).

Approved and authorised for issue by the Council on 03 May 2023 and signed on its behalf by:

President



Chief Executive



The notes on pages 67 to 87 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Net cash provided by operating activities			(32)		2,451
Cash flows from investing activities					
Interest received		4		–	
Purchase of intangible fixed assets		(481)		(128)	
Purchase of tangible fixed assets		(166)		(113)	
Proceeds from sale of tangible fixed assets		<u>–</u>		<u>–</u>	
Net cash (used in) investing activities			(643)		(241)
Cash flows from financing activities	17				
Commercial loan	2	–		(1,156)	
Interest paid		–		(34)	
Net cash provided by financing activities			–		(1,190)
Net increase in cash and cash equivalents			(675)		1,020
b/fwd Cash at bank			7,031		6,011
c/fwd Cash at bank			6,356		7,031

Notes to the cash flow statement

	Note	2022 £000	2021 £000
A. Net cash (used in) operating activities			
Net income		20,001	3,474
Current year pension	7	–	48
Interest receivable		(4)	–
Interest payable	2	–	35
Commercial loan	17	–	1,156
Depreciation and amortisation charges	8 & 9	437	410
Impairment of intangible asset	8	–	63
Release of defined benefit liability		(30,523)	–
(Increase) in stocks and work in progress		(276)	(177)
(Increase)/decrease in debtors		(1,275)	(507)
Increase/(decrease) in creditors		11,608	(2,051)
		(32)	2,451
		At 1 Jan 2022 £000	At 31 Dec 2022 £000
B. Analysis of changes in net debt			
Cash in hand		7,031	(675)
Total		7,031	(675)

Notes to the financial statements

1 Accounting policies

Company information

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a public benefit entity set up by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales. The charity registration number is 231060. CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963. CIPFA is a Public Benefit Entity and its registered office is 77 Mansell Street, London, E1 8AN.

Accounting conventions

The consolidated financial statements comprise the financial statements of CIPFA, and its subsidiary undertakings, CIPFA Business Ltd, registration number 2376684 and CIPFA C.Co Ltd, registration Number 10212053 on a line by line basis and adjusted for the elimination of inter-group transactions and balances.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and investment property and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2019.

The functional currency of CIPFA and its subsidiary entity is considered to be GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

Further details of the CIPFA's active subsidiary undertakings are provided in note 2.

The financial statements of CIPFA's branches, regions and students' societies are incorporated within the charity's financial statements.

Going concern

The CIPFA Audit Committee and Board, on behalf of Council, have assessed the ability of CIPFA to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included the revised budget for 2023 and forecast for 2024–25 contained in the business plan, cash flow forecasts to 31 December 2024 and a consideration of the key risks on the continued operation of CIPFA's activities and our revised methods of working as well as the impact on our customers. In addition, during the preparation of the budgets we undertook some sensitivity analysis on service areas around income and expenditure assumptions included in the final submission to the Board.

In addition, the Board is aware of the impact of the likely increase in prices during 2023 following on from the increases seen during 2022. It is unlikely that CBL will be able to pass on all of its rising costs to customers, increasing pressure on margins and necessitating even tighter control of the cost base. The Board believes that its strategy of diversifying products in existing markets and identifying new markets will manage the inflation risks.

We continue to benefit from adapting our services to reflect a greater use of remote activity than before the pandemic and we have reflected that in our plans. We do not anticipate an adverse impact on our finances, in fact greater take up of those services and delivery at a reduced cost have been built into the business plan. We continue to anticipate access to broader markets, given this mode of delivery and consequently our operational resilience and lower risk will continue.

We maintain our focus on high quality products and services to our members and customers and to seek innovations in the delivery of those services and products.

In addition, we have maintained our tight controls over expenditure and investment, only releasing the investment that is included in the business plan when we are comfortable that the underlying business performance warrants that. 2023 anticipates a continuation of investment that was started in 2022, recognising our stronger financial health as well as a need to improve services to remain competitive.

CIPFA has now closed the Wiltshire pension scheme with a final payment due of £12.7m that will be paid off over five years. This was within the affordability confirmed by InterPath who undertook a Covenant Review before the financial offer to close the scheme was submitted to Wiltshire Pension Fund. The payment terms have been proposed to include the flexibility to repay greater amounts and consequently an earlier repayment should our cash position enable that. The business plan also considers the terms and conditions of the existing bank facilities. As per note 18 of the Financial Statements CIPFA's overall reserves in 2022 are a surplus of £15.5m (2021: £3.6m deficit). The position for 2021 was complicated by the inclusion of the FRS102 pension reserve which stood at a deficit of £30.5m. As CIPFA has now left the scheme and agreed to settle the remaining liability (see note 7), the pension deficit has been unwound in 2022 resulting in a net credit to income of £18.9m, which substantially explains the improvement in the overall reserves position in the year.

Within total funds are designated funds and a revaluation reserve of £21.1m, which predominantly represent the value of fixed assets and investments. Remaining other charitable funds now stand at £6m surplus (2021: surplus £5.1m). In previous years CIPFA targeted reserves of two months' average expenditure. Removing the impact of the exceptional pension gain this year (£18.9m), two months' expenditure is £4.6m (2021: £3.8m).

The Board revisited the existing policy during 2022 and concluded that a more flexible policy was relevant, and that CIPFA should aspire to a minimum level of reserves of three months but flexibility to move that up to six months. Based on the 2022 results this range is from £6.9m to £13.8m. While not compliant with the revised reserves policy, the current position is not considered to be an impediment on the going concern of the group as cash flow forecasting across the period of review indicates that sufficient working capital is available for CIPFA to satisfy all commitments as they fall due.

Having regard to the above, the trustees believe there are no material uncertainties surrounding the decision to adopt the going concern basis of accounting in preparing the financial statements.

Income recognition

Income is credited to the statement of financial activities in the year to which it relates. Income is deferred only when conditions have to be fulfilled before CIPFA becomes entitled to it or where the donor has specified that the income is to be expended in the future period. In the case of membership subscriptions and subscriptions for journals and electronic services any receipt in respect of future years is shown as deferred income.

- Membership subscriptions comprise membership fees from CIPFA professional qualifications.
- Advancing public finance and promoting best practice comprises income from publications, courses and conferences and advisory services.
- Educating and training student members comprises income from training and examining for CIPFA's professional qualifications.
- Regulation and supporting members comprises the income from practice assurance and disciplinary fines.

Investments

Investment properties are measured at fair value annually with any change recognised in the Statement of Financial Activities. The trustees deem market value to be a fair approximation of fair value for the purpose of obtaining annual valuations. A full valuation is undertaken every three years and interim valuations are performed in intermediate years.

Expenditure recognition

Expenditure, including irrecoverable value added tax, is debited to the Statement of Financial Activities on an accruals basis:

- Expenditure from information, advisory and property services comprises the costs of the trading subsidiaries.
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.
- Governance costs comprise those incurred as a result of constitutional and statutory requirements.
- Support costs, which include central office functions such as finance, information technology and human resources, are allocated across the categories of charitable expenditure. The basis of the cost allocation has been explained in the notes to the accounts.

Pensions

CIPFA operates a defined contribution Group Personal Pension Plan via Aegon, introduced from 1 January 2007. The Wiltshire defined benefit scheme was closed on 30 September 2022 and all members moved across to the defined contribution scheme under Aegon.

Historic defined benefit pension scheme

CIPFA has reached agreement with the Wiltshire Pension Fund to settle its remaining pension deficit for a sum of £12.7m. A payment plan is now in place that will see CIPFA pay £3m in 2023 with the balance spread across the next five years. The full cost has been recognised in the SoFA (see note 4) and discounted at a rate of 3.8% (£1,036,000), which represents the interest being charged by Wiltshire and the net present value of the obligation (£11,664,000) has been recognised within creditors in 2022 (see notes 16 and 17 – creditors notes). The pension deficit in 2021 (£30,250,000) was released to the SoFA on 30 September 2022 on the exit of the scheme. An overall net credit of £18,859,000 has therefore been recognised within staff costs in 2022 (see note 6) to reflect the release of the 2021 deficit and net present value of the agreed pension settlement in 2022.

As detailed in note 7, pension scheme assets were measured at fair value and liabilities were measured on an actuarial basis and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations were obtained triennially and were updated at each balance sheet date. The resulting defined benefit pension scheme liability was presented separately after other net assets on the face of the balance sheet.

Defined contribution scheme

Defined contributions are paid to the Group Personal Pension Plan via Aegon in accordance with the group policy. The policy allows for minimum employee contributions of 3%, with the employer contributing double the employee contribution up to a maximum of 10%.

CIPFA C.Co Ltd operates a defined contributions Personal Pension Plan via Royal London, with defined contributions paid in accordance with the company policy.

Work in progress

Work in progress is stated at the lower of cost and net realisable value. It comprises the cost of ongoing projects and work performed on contracts not yet billed to clients. Costs include direct labour, contractual costs and attributable overheads.

Leased assets – lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Leased assets – lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Intangible fixed assets – development expenditure

Intangible fixed assets represent research and development costs capitalised in accordance with FRS 102. These are stated at historical cost and amortised on a straight-line basis over the period which revenue is expected to be generated (three to five years).

Amortisation is recognised in the statement of financial activities under expenditure on charitable activities.

Tangible fixed assets and depreciation

Freehold property is held at valuation and depreciated over 50 years. Revaluations are undertaken by an independent valuation expert annually. A full valuation is undertaken of freehold property every three years and interim valuations in intermediate years. Included in the fixed asset note is the carrying amount that would have been recognised had the assets been carried under the historical cost model.

Other fixed assets are capitalised and depreciated if the value is greater than £1,000 for an individual asset or greater than £5,000 for a capital project.

Tangible fixed assets are depreciated from the month the assets are first used on a straight-line basis over their estimated economic lives as follows:

	Years
Computer equipment	3
Furniture, fittings and other equipment	5

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Deferred taxation

Deferred tax is provided in full in respect of material timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is only recognised where the conditions for recognition in FRS 102 are satisfied and such balances may fall due after more than one year.

Fund accounting

Unrestricted funds held by the charity are:

Designated funds – these are unrestricted funds set aside by the trustees for specific future purposes or projects.

Other charitable funds – these are unrestricted general funds that can be used in accordance with the charitable objects at the discretion of trustees.

Restricted funds – those funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

Critical accounting judgements and key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to the Wiltshire Council having crystallised its defined benefit pension scheme at 30 September 2022.

Valuation of land and buildings and investment property – The charity's land, buildings and investment property are stated at their estimated fair value based on professional valuations as disclosed in note 9 and 10.

Financial instruments

Financial assets and financial liabilities are recognised when CIPFA becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate.

2 Profits from trading activities of subsidiary

CIPFA has one active wholly-owned trading subsidiary: CIPFA Business Ltd, registration number 2376684. The principal activities of CIPFA Business Ltd are networks, advisory and research. CIPFA Business Ltd remits a proportion of its profits to CIPFA by means of gift aid. Audited accounts are filed with the Registrar of Companies.

CIPFA additionally owns a 88% (2021 88%) interest in the trading subsidiary CIPFA C.Co Ltd, registration number 10212053 that commenced trading in July 2016. The principal activities of CIPFA C.Co Ltd are strategy, transformation and improvement advisory services. A summary of the trading results of both subsidiaries are shown below.

	2022	2021
Profit and loss account – CIPFA Business Ltd	£000	£000
Turnover	14,130	13,385
External charges	(2,784)	(2,464)
Staff costs	(4,726)	(5,080)
Depreciation	(79)	(116)
Other operating charges	(1,853)	(973)
Operating profit	4,688	4,752
Interest payable	–	(34)
Profit on ordinary activities before taxation	4,688	4,718
Tax on profit on ordinary activities	–	–
Profit after taxation	4,688	4,718
Retained profit	(118)	(115)
Gift aid to CIPFA	(4,398)	(4,721)
Retained in subsidiary	172	(118)
Net assets	572	282

	2022	2021
Profit and loss account – CIPFA C.Co Ltd	£000	£000
Turnover	1,552	798
Staff costs	(995)	(554)
Other operating charges	(327)	(284)
Operating profit	230	(40)
Interest payable	(1)	(1)
Profit on ordinary activities before taxation	229	(41)
Tax on profit on ordinary activities	(39)	–
Retained in subsidiary	190	(41)
Net assets	368	178

3 Property income

	2022	2021
	£000	£000
Rent and dilapidations from tenants	235	221
	235	221

Property income is the income from tenants occupying parts of the Mansell Street property during the year.

4 Net income disclosure

Group	Support costs							Defined benefit pension costs £000	2022 Total £000
	Activities direct costs £000	Human resources £000	ICT £000	Finance & admin support £000	Marketing & public relations £000	Governance £000			
Charitable expenditure:									
Advancing public finance and promoting best practice	5,043	152	393	190	1,360	296	–	–	7,434
Educating and training students	5,271	240	645	227	700	294	–	–	7,377
Regulation and supporting members	1,249	33	87	88	265	72	–	–	1,794
Gain on closure of pension scheme	–	–	–	–	–	–	(18,859)	–	(18,859)
Total charitable costs	11,563	425	1,125	505	2,325	662	(18,859)	–	(2,254)
Other expenditure:									
Expenditure from information, advisory and property services	7,545	147	1,117	1,358	474	95	–	–	10,736
	19,108	572	2,242	1,863	2,799	757	(18,859)	–	8,482
Total 2021	16,286	673	1,693	1,189	2,717	523	48	–	23,129
Basis of allocation:									
– Charitable costs		Headcount	Work	Income	Estimated	Income	Headcount		
– Information, advisory and property services		Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost		
								2022	2021
Net income for the year is stated after charging								£000	£000
FRS 102 pension								–	48
Depreciation and amortisation								436	409
Impairment								–	63
Operating lease rentals								159	168

5 Governance costs

Increases in governance costs in 2022 are due to the staffing up of our governance department from 0.3 FTE heads in 2021 to 2.1 FTE heads in 2022. Additionally, we incurred costs to support our activities around forging a closer relationship with the ICAEW.

	2022	2021
	£000	£000
Auditor fees – group		
Statutory audit – Crowe	65	50
Statutory audit – Other	7	6
Tax advisory services	12	10
	84	66
	2022	2021
	£000	£000
Group		
Audit fees	72	56
Internal audit fees	36	41
Council, committees and boards	89	82
Management and governance support	477	280
Apportionment of costs supporting governance activities	83	65
	757	524

6 Employees

	2022	2021
	£000	£000
Group		
Salaries and wages (including temporary staff)	11,471	9,756
National insurance	1,313	1,061
Pension costs	1,886	1,784
Other staff costs	556	874
Redundancy and termination costs	4	137
	15,230	13,612
Pension credit	(18,859)	–
	(3,629)	13,612

The £18.9m pension credit arose on the settlement of the local government pension scheme deficit. See note 7 for full details.

Redundancy and termination payments of £4,000 (2021: £137,000) were paid during the period and are recognised in the statement of financial activities. These costs include £0 one off pension costs (2021: £0).

Bonus payments of £256,000 (2021: £Nil) and ex-gratia payments of £58,000 (2021: £Nil) were paid during the period and are recognised in the statement of financial activities.

The average number of employees in the group in 2022 was 238 (2021: 214).

Group	2022	2021
	No	No
Advancing public finance and promoting best practice	29	24
Educating and training student members	49	38
Regulation and supporting members	6	4
Governance	3	2
Support services	95	94
CIPFA Business Ltd	45	45
CIPFA C.Co Ltd	11	7
	238	214

Senior employees received remuneration falling within the following ranges:

	CIPFA 2022	CIPFA Business 2022	CIPFA C. Co Ltd 2022	CIPFA 2021	CIPFA Business 2021	CIPFA C. Co Ltd 2021
£220,000 – £229,999	1	–	–	–	–	–
£210,000 – £219,999	–	–	–	1	–	–
£180,000 – £189,999	–	–	1	–	–	–
£160,000 – £169,999	–	1	–	–	–	–
£150,000 – £159,999	–	–	–	–	1	–
£140,000 – £149,999	1	–	1	–	–	–
£130,000 – £139,999	1	–	–	1	–	–
£120,000 – £129,999	–	–	–	1	–	–
£110,000 – £119,999	1	–	–	–	–	–
£100,000 – £109,999	1	–	1	1	–	1
£90,000 – £99,999	3	2	2	4	–	–
£80,000 – £89,999	5	3	–	5	1	1
£70,000 – £79,999	12	2	1	5	1	2
£60,000 – £69,999	11	7	1	14	6	–

Remuneration for the above table excludes employer pension contributions and national insurance.

Of the senior employees 36 CIPFA (2021: 30), 15 CIPFA Business Ltd (2021: 9) and 7 CIPFA C.Co Ltd (2021: 4) are members of the pension schemes. Employer pension contributions made on behalf of senior employees in 2022 were £778,000 (2021: £756,000).

Remuneration of key management personnel

Key management is made up of the chief executive and the executive directors. CIPFA's total cost, including pension and national insurance, for key management personnel for 2022 was £1,262,000 (2021: £1,222,000). The total cost for the chief executive, including pension and national insurance, was £260,000 (2021: £246,000).

Volunteers

CIPFA is supported by a strong network of volunteers who play a vital role advancing our objectives of advancing public finance, promoting best practice, educating and training student members and regulating and supporting members.

Volunteers sit on our Council, boards, committees and policy panels; they also undertake regional engagement and are involved in organising regional events.

7 Pensions

CIPFA operates a defined contribution pension scheme for its staff:

The Local Government Pension Scheme – This scheme was closed on 30 September 2022, when all members transitioned across to the defined contribution scheme.

CIPFA has reached agreement with the pension provider to settle its remaining pension deficit for a sum of £12.7m. A payment plan is now in place which will see CIPFA pay £3m in 2023 with the balance spread across the next five years. The full cost has been recognised in the SoFA (see note 4) and discounted at a rate of 3.8% (£1,036,000), which represents the interest being charged by Wiltshire and the net present value of the obligation (£11,664,000) has been recognised within creditors in 2022 (see notes 16 and 17 – creditors notes). In 2021, the deficit for the scheme (£30,523,000) was recognised based on an actuarial valuation prepared under the requirements of FRS102. Required disclosures for comparative information are included below. This deficit was released to the SoFA on 30 September 2022 on the exit of the scheme. An overall net credit of £18,859,000 has therefore been recognised within staff costs in 2022 (see note 6) to reflect the release of the 2021 deficit and net present value of the agreed pension settlement.

The scheme was contributory for both employer and employees. Total contributions recognised in the statement of financial activities during 2022 were £1,009,000 (2021: £1,175,138).

The CIPFA Personal Pension Plan – this is a defined contribution, money purchase scheme, operated on behalf of CIPFA by Aegon. Pension benefits payable under the scheme are dependent upon contributions made and fund growth over the life of the scheme.

This scheme replaced the Local Government Pension Scheme as the default scheme for CIPFA employees joining on or after 1 January 2007.

The scheme allows for minimum employee contributions of 3%, with the employer contributing double the employee contribution up to a maximum of 10%.

The total pension cost to the group for the financial year, in respect of the pension schemes, for 2022 was £1,886,000 (2021: £1,784,000).

The Local Government Pension Scheme comparative information for 2021

The assets and liabilities of the Wiltshire Pension Fund of the Local Government Pension Scheme are subject to a full actuarial valuation every three years in accordance with the requirements of the Local Government Pension Scheme (Administration) Regulations 2008. The latest valuation of the scheme was carried out as at 31 March 2019.

With effect from 1 April 2017 the “employer’s” contributions are made up of two elements – a fixed sum annual payment for past service and an employer’s contribution rate of 26.0% of pensionable earnings for future service until the next triennial valuation. At the March 2019 valuation CIPFA had a pension deficit of £4,567,000.

The assumptions used in the actuarial valuation as at 31 March 2019, together with the market value of assets and funding level were:

Rate of return on investments	3.3%
Rate of increase in salaries	2.7%
Retail price inflation	2.3%
Funding level for CIPFA staff	95.0%
Deficit for CIPFA staff	£4.567m

The actuary has valued the pension scheme in accordance with FRS102 for the purpose of the statutory financial statements. FRS102 methodology differs from that used in the triennial funding valuation, particularly in the determination of the discount rate.

The FRS102 disclosures are shown below. The amounts recognised in the balance sheet are as follows:

	2021 £000
Fair value of employer assets	113,290
Present value of funded obligations	(143,778)
Present value of unfunded liabilities	(35)
Net (underfunding) in funded plans	(30,523)
Net (liability)	(30,523)
Amount in balance sheet:	
Liabilities	(30,523)
Assets	–
Net (liability)	(30,523)

	2021 £000
Reconciliation of defined benefit obligation	
Opening defined benefit obligation	145,977
Current service cost	638
Past service cost	–
Interest cost	2,018
Contribution by members	125
Actuarial (gains)/losses	(745)
Past service losses	–
Losses on curtailments	–
Benefits paid	(4,200)
Closing defined benefit obligation	143,813

	2021 £000
Reconciliation of fair value of employer assets	
Opening fair value of employer assets	107,410
Expected return on assets	1,482
Contributions by members	125
Contributions by the employer	1,126
Actuarial (loss)/gain	7,347
Estimated benefits paid	(4,200)
Closing fair value of employer assets	113,290

	2021
Recognition within the statement of financial activities	£000
Current service cost	(638)
Past service cost	–
Interest cost	(2,018)
Expected return on employer assets	1,482
Past service loss	–
Contributions by employer	1,126
Losses on curtailments and settlements	–
Total amount (charged)/credited within net incoming resources	(48)
Actuarial gain/(loss)	8,092
Total amount (debited)/credited to statement of financial activities	8,044

The major categories of plan assets as a percentage of total plan assets	2021
Equities	54%
Bonds	34%
Property	12%
Cash	0%

Principal assumptions at the balance sheet date	2021
Pension increase rate	2.9%
Salary increase rate	2.8%
Discount rate	1.9%
Assumes life expectations on retirement age 65:	
Current pensioners – males	21.9
Current pensioners – females	24.4
Future pensioners – males	22.9
Future pensioners – females	26.2

The amounts for the current and previous periods are as follows:

	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000
Defined benefit obligation	–	(143,813)	(145,977)	(127,224)	(110,654)
Scheme assets	–	113,290	107,410	100,072	89,177
(Deficit)	–	(30,523)	(38,567)	(27,152)	(21,477)

8 Intangible assets

A Group	Assets under		Total £000
	Other £000	construction £000	
Development at cost			
At 1 January 2022	907	151	1,058
Additions	96	385	481
Transfers	104	(104)	–
Disposals	(157)	–	(157)
At 31 December 2022	950	432	1,382

Amortisation

At 1 January 2022	538	–	538
Charge for year	131	–	131
Eliminated on disposal	(157)	–	(157)
At 31 December 2022	512	–	512
Net book value 31 December 2022	438	432	870
Net book value 31 December 2021	369	151	520

B CIPFA	Assets under		Total £000
	Other £000	construction £000	
Development at cost			
At 1 January 2022	446	151	597
Aquisition during year	96	191	287
Transfers	104	(104)	–
At 31 December 2022	646	238	884

Amortisation

At 1 January 2022	305	–	305
Charge for year	71	–	71
At 31 December 2022	376	–	376
Net book value 31 December 2022	270	238	508
Net book value 31 December 2021	141	151	292

Intangible assets relate to product software, delivery and support software, the costs of learning material to support students training for the professional qualification and migration of our servers to Amazon Web Service. The assets under construction relate to the periodic refresh of the learning materials, and an interface to assist recognition of our apprenticeship income streams.

9 Tangible fixed assets

	Freehold land & buildings £000	Furniture & Fittings £000	Computers £000	Total £000
A Group				
Cost or valuation				
At 1 January 2022	13,800	1,396	2,723	17,919
Revaluations	(650)	–	–	(650)
Additions	–	–	166	166
Disposals	–	(500)	(1,594)	(2,094)
At 31 December 2022	13,150	896	1,295	15,341
Depreciation				
At 1 January 2022	–	1,387	2,585	3,972
Charge for year	184	–	121	305
Revaluations	(184)	–	–	(184)
Eliminated on disposal	–	(500)	(1,594)	(2,094)
At 31 December 2022	–	887	1,112	1,999
Net book value 31 December 2022	13,150	9	183	13,342
Net book value 31 December 2021	13,800	9	138	13,947
B CIPFA				
Cost or valuation				
At 1 January 2022	13,800	1,172	2,285	17,257
Revaluations	(650)	–	–	(650)
Additions	–	–	143	143
Disposals	–	(496)	(1,300)	(1,796)
At 31 December 2022	13,150	676	1,128	14,954
Depreciation				
At 1 January 2022	–	1,170	2,157	3,327
Charge for year	184	–	101	285
Revaluations	(184)	–	–	(184)
Eliminated on disposal	–	(496)	(1,300)	(1,796)
At 31 December 2022	–	674	958	1,632
Net book value 31 December 2022	13,150	2	170	13,322
Net book value 31 December 2021	13,800	2	128	13,930

The tangible fixed assets are held for charitable use.

Cushman & Wakefield, Property Consultants, completed a desktop valuation of the Mansell Street property as at 31 December 2022. The basis used for the valuations was open market value. The historical cost of the freehold land and buildings is £10,698,000.

10 Investment property

	2022	2021
Group and CIPFA	£000	£000
Cost		
At 1 January	7,200	6,975
Revaluation	(350)	225
At 31 December	6,850	7,200

The investment property relates to the third and fifth floors of the Mansell Street property.

11 Investments in subsidiary company

	2022	2021
	£000	£000
400,100 £1 ordinary shares in CIPFA Business Ltd	400	400
75 £1 ordinary shares in CIPFA C. Co Ltd	–	–
	400	400

12 Other investments

	2022	2022
Group and CIPFA	£000	£000
At 1 January	9	9
Movement in year	–	–
At 31 December	9	9

As one of five major accountancy bodies the Institute holds 70 £1 shares in CCAB Ltd at a cost of £70 (7% of the issued equity capital). Other investments comprise a number of funds that have been established either by way of donations in memory of eminent accountants within public finance or from various organisations.

13 Deferred tax

A deferred asset of £80,000 (2021: £22,000) exists at 31 December 2022 in respect of timing differences. However, the asset has not been recognised in the balance sheet as it is not deemed likely to crystallise given CIPFA Business Ltd's policy and practice of remitting all taxable profits to CIPFA under gift aid.

14 Work in progress

	Group		CIPFA	
	2022	2021	2022	2021
	£000	£000	£000	£000
Work in progress	752	476	712	391
	752	476	712	391

15 Debtors

	Group		CIPFA	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade debtors	3,864	2,942	1,793	1,200
Amounts due from subsidiary undertakings	–	–	748	822
Other tax and social security	167	–	167	–
Other debtors	255	134	44	57
Prepayments	358	293	330	256
	4,644	3,369	3,082	2,335

16 Creditors: amounts falling due within one year

	Group		CIPFA	
	2022	2021	2022	2021
	£000	£000	£000	£000
Trade creditors	1,326	1,107	942	628
Amounts due to subsidiary undertakings	–	–	2	1
Other tax and social security	979	951	390	451
Other creditors	249	142	107	69
Receipts in advance	3,092	3,502	1,006	1,319
Pension liability	4,212	–	4,212	–
	9,858	5,702	6,659	2,468

Receipts in advance of £3,092,000 (2021: £3,502,000) relate to professional membership and commercial services that will be delivered in the next financial year.

17 Pension liability

	2022	2021
	£000	£000
Balance at 1 January	–	1,156
Pension liability	11,664	–
Repayments	–	(1,156)
Balance at 31 December	11,664	–

	2022	2021
	£000	£000
Analysis of pension liability		
Within one year	4,212	–
Within two to five years	6,921	–
Over five years	531	–
	11,664	–

CIPFA Business Limited had a commercial loan of £2,000,000 which was secured on the Mansell Street, London property. The loan was repaid in September 2021.

CIPFA has reached agreement with the pension provider to settle its remaining pension deficit for a sum of £12.7m. A payment plan is now in place which will see CIPFA pay £3m in 2023 with the balance spread across the next five years. The full cost has been recognised in the SoFA (see note 4) and discounted at a rate of 3.8% (£1,036,000), which represents the interest being charged by Wiltshire and the net present value of the obligation (£11,664,000) has been recognised within creditors in 2022.

18 Group funds

	Balance at 1 Jan 2022	Transfers	Income	Expenditure	Other recognised gains/ losses	Balance at 31 Dec 2022
	£000	£000	£000	£000	£000	£000
Unrestricted funds						
Designated (property)	15,794	(1)	–	–	–	15,793
Designated (other fixed assets)	667	647	–	(252)	–	1,062
Revaluation reserve	5,206	–	–	(184)	(815)	4,207
Other charitable	5,121	(19,505)	28,297	(7,882)	–	6,031
Pension reserve	(30,523)	18,859	–	–	–	(11,664)
	(3,735)	–	28,297	(8,318)	(815)	15,429
Restricted funds						
Trust funds	9	–	–	–	–	9
Regional funds	32	–	–	(1)	–	31
Minority interest	21	–	186	(163)	–	44
Total funds	(3,673)	–	28,483	(8,482)	(815)	15,513

	Balance at 1 Jan 2021 £000	Transfers £000	Income £000	Expenditure £000	Other recognised gains/ losses £000	Balance at 31 Dec 2021 £000
Unrestricted funds						
Designated (property)	14,638	1,156	–	–	–	15,794
Designated (other fixed assets)	712	236	–	(281)	–	667
Revaluation reserve	4,731	–	–	(191)	666	5,206
Other charitable	2,484	(1,363)	26,507	(22,507)	–	5,121
Pension reserve	(38,567)	–	–	(48)	8,092	(30,523)
	(16,002)	29	26,507	(23,027)	8,758	(3,735)
Restricted funds						
Trust funds	9	–	–	–	–	9
Regional funds	33	–	–	(1)	–	32
Minority interest	55	(29)	96	(101)	–	21
Total funds	(15,905)	–	26,603	(23,129)	8,758	(3,673)

Designated fund (property) – The Council has classified as designated funds the element of its reserves which represents the cost of the freehold buildings and investment properties as at 31 December 2015.

Designated fund (other fixed assets) – The Council has classified as designated funds the intangible assets and other non-property fixed assets.

Revaluation reserves (property) – This relates to the revaluation of the freehold and investment properties.

Trust funds – A number of funds have been established either by way of donations in memory of eminent accountants within public finance or from various organisations. The income from the investments is used for prizes in each year's examinations, either for the best subject or the best student in a particular field. A proportion of the funds (£9,000) are administered through a separate charity, Charity Commission Registration 313981.

Regional funds – A number of funds have been established by way of donations in memory of eminent accountants within public finance. The funds are used to support students or further the work of the region.

Minority interest – This represents CIPFA's non-controlling interest in CIPFA C.Co Ltd, of which it owns 88% (2021 88%) of issued shares in the company.

Pension reserve – This scheme was closed on 30 September 2022, when all members transitioned across to the defined contribution scheme. See note 7 for the reserve movement in year.

19 Analysis of group net assets between funds

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Fund balances at 31 December 2022 are represented:						
Intangible assets	870	–	–	–	–	870
Tangible fixed assets	9,135	–	–	4,207	–	13,342
Investment property	6,850	–	–	–	–	6,850
Investments	–	–	–	–	9	9
Current assets	–	11,721	–	–	31	11,752
Current liabilities	–	(5,690)	(4,212)	–	44	(9,858)
Long-term liabilities	–	–	(7,452)	–	–	(7,452)
Group net assets/(liabilities)	16,855	6,031	(11,664)	4,207	84	15,513

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Fund balances at 31 December 2021 are represented:						
Intangible assets	520	–	–	–	–	520
Tangible fixed assets	8,741	–	–	5,206	–	13,947
Investment property	7,200	–	–	–	–	7,200
Investments	–	–	–	–	9	9
Current assets	–	10,844	–	–	32	10,876
Current liabilities	–	(5,723)	–	–	21	(5,702)
Long term liabilities	–	–	–	–	–	–
	16,461	5,121	–	5,206	62	26,850
Pension liability	–	–	(30,523)	–	–	(30,523)
Group net assets/(liabilities)	16,461	5,121	(30,523)	5,206	62	(3,673)

20 Leasing commitments

At 31 December 2022 the future minimum lease payments under non-cancellable operating leases were as follows:

	Land & buildings 2022 £000	Other 2022 £000	Land & buildings 2021 £000	Other 2021 £000
A Group				
Future lease payments:				
within one year	124	8	145	15
within 2 to 5 years	191	8	314	1
in over 5 years	–	–	–	–
	315	16	459	16

	Land & buildings 2022 £000	Other 2022 £000	Land & buildings 2021 £000	Other 2021 £000
B CIPFA				
Future lease payments:				
within one year	75	8	96	15
within 2 to 5 years	58	8	133	1
in over 5 years	–	–	–	–
	133	16	229	16

21 Leased assets

At 31 December 2022 the future minimum lease receipts due to CIPFA under non-cancellable operating leases were as follows:

	Land & buildings 2022 £000	Land & buildings 2021 £000
Group and CIPFA		
Future lease receipts:		
within one year	136	169
within 2 to 5 years	–	138
in over 5 years	–	–
	136	307

22 Transactions with trustees

The trustees received no remuneration in relation to fulfilling their role as trustees (2021: Nil).

24 trustees were reimbursed £22,979 for actual travel and subsistence costs necessarily incurred on institute business (2021: Seven trustees were reimbursed £1,275). No additional payments were made to trustees.

23 Transactions with related parties

In 2022, the following transactions were incurred between CIPFA and its subsidiaries, CIPFA Business Ltd and CIPFA C.Co Ltd. There are no other related transactions or balances for disclosure in this report.

	2022	2021
	£000	£000
Management fees/recharges charged by CIPFA to CIPFA Business Ltd	2,844	2,079
Sales to CIPFA from CIPFA Business Ltd	11	–
Sales to CIPFA Business Ltd from CIPFA	–	3
Sales to CIPFA C.Co Ltd from CIPFA Business Ltd	6	58
Amounts due to CIPFA from CIPFA Business Ltd	1,116	765
Amounts due to CIPFA Business Ltd from CIPFA	3	–
Amounts due to CIPFA from CIPFA C.Co Ltd	–	51
Amounts due to CIPFA Business Ltd from CIPFA C.Co Ltd	11	–
Defined benefit employer pension contribution on behalf of SMT member	10	–
Loan interest charged by CIPFA to CIPFA C.Co Ltd	1	2
Gift aid paid to CIPFA by CIPFA Business Ltd	5,096	4,362

Independent auditor's report to the trustees of the Chartered Institute of Public Finance and Accountancy

We have audited the financial statements of the Chartered Institute of Public Finance and Accountancy ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2022 which comprise the Statements of Financial Activities, the group and charity balance sheets, the Consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011, and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures

responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2018. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were taxation legislation, employment legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing surrounding recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Dated: 31 May 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under Section 1212 of the Companies Act 2006.



CIPFA

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Accounts

Annual report and accounts 2021

A review of the year

Contents

1

President's introduction
and CEO overview 4

3

Our purpose and strategy 14

5

Staff and environment 30

7

Opportunities and risks 46

9

Our future plans 59

11

Financial report 64

2

About CIPFA 12

4

Performance and
achievements 18

6

How we are governed 34

8

Financial summary 50

10

Administrative information 62

A lighthouse on a rocky island at sunset, with a large red triangle overlaid on the image. The lighthouse is white with a red top and is situated on a rocky island. The sky is a mix of blue and orange, and the water is calm. A large red triangle is overlaid on the right side of the image, containing the number '01' in white.

01

President's
introduction
and CEO
overview



2021 was, in many ways, a transition year. It was a year when 'living with covid' became the new norm for people across the country.

While the pandemic continued, life as we once knew it began to make a hesitant return. Lockdowns were lifted and gatherings green-lighted, but life didn't completely go back to how it was in 2019. The NHS remained under huge pressure, working from home continued to fundamentally change how organisations operate and the wide economic effects of the disruption still lingered.

Despite ongoing challenges, 2021 was a busy year for CIPFA, with some huge milestones. As climate change dominates government priorities around the world, we released our major report *Evolving climate accountability: sustainability reporting in the public sector*. The public sector has a huge role to play in tackling the climate crisis, and this report found that the public sector still has room for improvement when it comes to reporting on its environmental impact.

In light of this research, we have decided to reframe our own annual report to incorporate sustainability reporting. Our activities and performance are now structured around two of the UN's Sustainable Development Goals, and we aim to continue incorporating a sustainability dimension into all that we do.

In 2021 CIPFA was awarded a 'Good provider' rating by Ofsted, after our first ever inspection. This was a remarkable achievement and is a testament to the skill, expertise and passion of our staff who deliver our student program. We also launched our refreshed flagship qualification, the Professional Accountancy Qualification, which will modernise the curriculum and will prepare future finance leaders for a successful career in the public sector.

Towards the end of the year, we announced the potential of closer working with the Institute of Chartered Accountants of England and Wales (ICAEW). This will make CIPFA's leading voice in public financial management even stronger by combining the resources of both institutes to reach new audiences and help deliver even better public services.

Although uncertainty is not kind to any business, the public sector has a unique responsibility to continue to deliver, come what may. It is not there to make profit, but to support and improve the lives of citizens both in the UK and internationally. As we look ahead, the future may seem unclear and challenging, but I am certain that organisations across the public sector will continue to deliver essential services, and CIPFA will be there to support them.

A handwritten signature in black ink that reads "Mike Driver". The signature is fluid and cursive, with a horizontal line underneath the name.

Mike Driver CB
President



(In 2021) we launched our refreshed flagship qualification, the Professional Accountancy Qualification, which will modernise the curriculum and will prepare future finance leaders for a successful career in the public sector.

”

Mike Driver CB
President





Rob Whiteman CBE
CEO

I wrote in last year's annual report that the COVID-19 pandemic was a transformative event for CIPFA. But rather than let it slow us down, we emerged stronger, fitter and with a five-year plan to grow our membership, tap into new markets and invest in current systems and products.

We are still in a time of global uncertainty, and saw successive pandemic waves throughout 2021 even as the vaccination programme made incredible strides to boost immunity against COVID-19. As we have emerged from this shadow, the focus has shifted onto economic concerns, with soaring inflation and a cost of living crisis causing a great deal of worry for governments and citizens alike. The war in Ukraine has also been a significant and terrible event in recent months, and we hope for a resolution soon.

Within this challenging context, 2021 was a good year for CIPFA. It was the first year of our five-year plan and we made good progress toward our goals. It was also an excellent year for us financially and we delivered a £3.5m trading surplus, our best-ever performance. This sets us up to strengthen our balance sheet and continue with our planned programme of investment.

As the pandemic continued throughout 2021, we continued to pursue a hybrid working approach, formalising this with our employees through changes to employment contracts and continuing with exclusively digital delivery of our training and events. While there was a return to some face-

to-face events, teaching and office working in the autumn, we adjusted according to fluctuations in the pattern of the pandemic and were always mindful of government guidance.

In terms of our transformation programme, work got underway to replace our online exam system and virtual learning environment. Due for roll out in 2022, these will greatly enhance the experience we offer our students and will complement our refreshed and updated Professional Accountancy Qualification syllabus, which we launched in December.

We also made great progress in transforming and digitising our continuing professional development training materials and introduced a programme of bitesize learning for members, which is proving extremely successful.

Of particular significance for our education and training provision was the approval we received from regulators. Following application, we were recognised by Ofqual as an end-point assessment of Level 7 apprenticeships. Being both an apprentice training provider and an EPAO makes us an unusual organisation and we needed to demonstrate our separation of responsibilities to the regulator satisfactorily. It was testament to the hard work of the Qualifications and Membership team that we were granted recognition without conditions.

Later in the year our apprenticeship provision was subject to an Ofsted inspection and we were delighted to be rated 'Good', a very significant achievement given this was our first full inspection. Inspectors noted our effective relationships with employers, our sector-focused approach and "very strong commitment towards responsible stewardship of public money".

We also aimed to deliver a step change in our thought leadership and started a new programme of internationally focused research. The first output from this was our analysis of public sector sustainability reporting, which we published at our annual conference in July. The research attracted, and continues to attract, significant interest and we

were pleased to be invited to present it in more detail at a session of the Commons Environmental Audit Committee in October.

There were significant and important updates to our Prudential Code and Treasury Management Code for local government, which we published towards the end of the year following two consultations with the sector. We also actively participated in conversations emanating from the Redmond Review of local audit, continued to direct members, other finance practitioners and leaders to helpful resources via our weekly CFO bulletins and maintained a rich programme of content via our podcasts and webinars. Our annual conference took place online for the second year running but we enjoyed a return to a face-to-face celebration in late September with the annual Public Finance Awards.

Our advisory practice was involved in a significant piece of work for MHCLG, now DLUHC, carrying out independent financial reviews at eight councils and supporting them to improve. We continued to work with the police sector, refreshing and extending our Achieving Finance Excellence in Policing programme. Our practitioner-focused Networks continued to be active and successful, and our international advisory activity went from strength to strength. We made significant progress with two major international projects: the APEX project, a large training programme for the UN agency the International Fund for Agricultural Development, and the IFR4NPO project, which is developing common global financial reporting standards for non-profits.

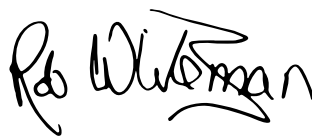
In the light of the growing need for higher levels of assurance in public sector accounting, CIPFA Council established the Practice Oversight Panel to consider possible developing areas of concern in current practice, raising awareness of potential risks to both the Institute and the sector. The panel will also provide governance oversight of our professional regulation function, and began its work by undertaking an independent review of CIPFA's Disciplinary Scheme. The review's recommendations are now being implemented.

Internally, we invested in employee wellbeing, training staff across our departments as mental health first aiders, while all staff participated in a diversity and inclusion training programme. As part of ongoing internal systems improvements, a new intranet was built to host corporate resources and keep employees informed of changes at CIPFA.

In 2021 CIPFA and ICAEW announced that we were in discussions about forming a closer working relationship. Talks are continuing over the shape and form that such a closer relationship might take. It is hoped that we will be able to announce the results of those discussions during 2022.

Finally, readers will note a change to this report. We want to change the way we give the whole picture of CIPFA's operations and bring our corporate reporting more in line with international best practice, taking an approach that better supports sustainability. Our value is not just in our financial activities but in our impact on our members, stakeholders, customers and the world around us. So this annual report sees us shift our narrative into a new structure aligned to two of the UN's Sustainable Development Goals: Quality Education, and Peace, Justice and Strong Institutions. These objectives are at the heart of CIPFA's mission.

Delivering our mission and the successes outlined in this report would not be possible without the hard work of our employees and I once again commend their efforts to members.



Rob Whiteman, CBE
CEO

“ 2021 was the first year of our five-year plan and we made good progress toward our goals. It was also an excellent year for us financially.



Rob Whiteman CBE
CEO



02

About
CIPFA

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for finance experts in the public sector.

Our members work across all public services. They manage the largest budgets under the greatest scrutiny – that’s why the CPFA designation is widely recognised as the benchmark qualification for public service finance.

Founded in Manchester in 1885 as the Corporate Treasurers and Accountants Institute, CIPFA has helped shape public financial management in the UK, and increasingly globally.



CIPFA is the world’s only professional accountancy body to specialise in public services. Our suite of training and qualifications is sought after and highly respected around the world.

We champion high performance with information and guidance, courses and conferences, property and asset management solutions, advisory and recruitment services for a range of public sector clients.



03

Our purpose
and strategy

Making it count

CIPFA is committed to changing lives for the better.

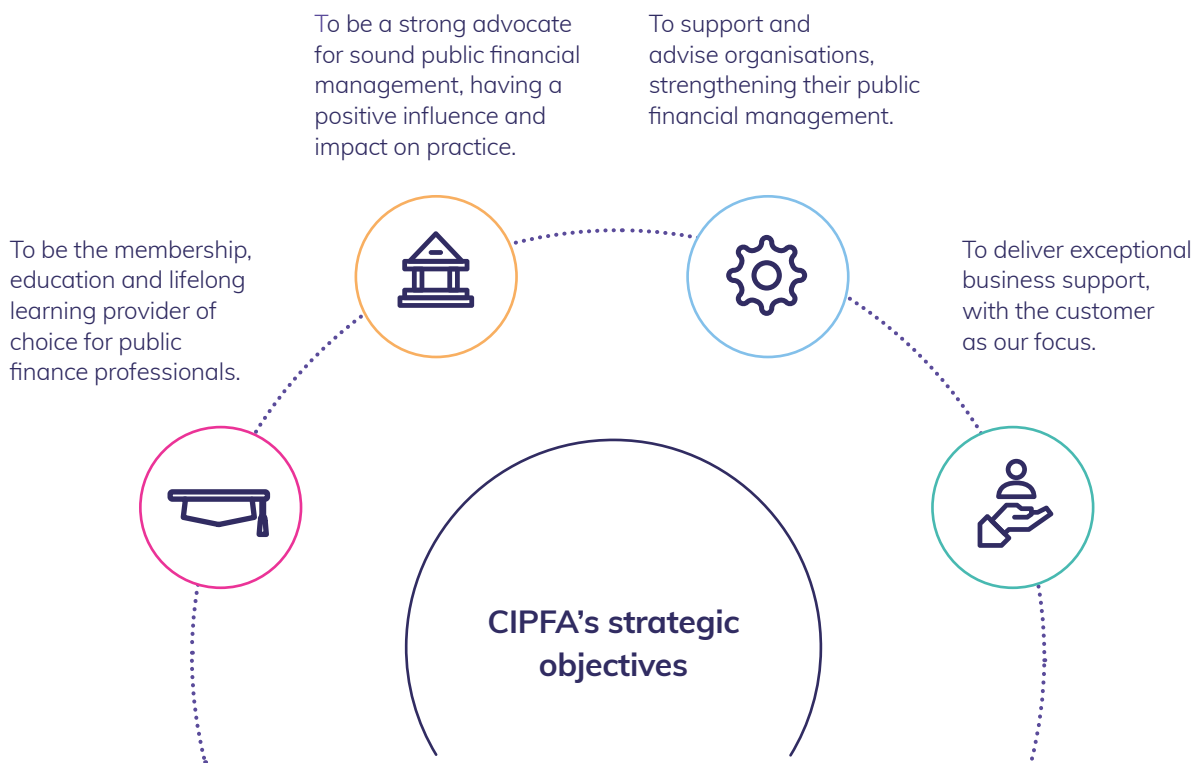
As a global leader in public financial management and governance, our aim is to make a difference to the world we live in. Our work enables people to prosper, protects the vulnerable and helps sustain the environment for future generations.

As a professional institute, we support our members and students to act with integrity and deliver excellence in public financial management throughout their careers.

By setting standards and advising public bodies and governments, we help ensure the money and resources used on behalf of citizens are raised and spent fairly, transparently, efficiently and are free from fraud and corruption.

Our thought leadership puts us at the heart of the policy debate, while our education and training offerings and range of advisory services support our members, students and other public finance professionals, helping them add value to their teams and the organisations for which they work.

CIPFA is a global body, operating at local, national and international level. Wherever we find ourselves and whoever we are supporting, our goal is to always make it count.



CIPFA's values

The CIPFA logo is displayed in white text on a light green square background. The letters 'CIPFA' are in a bold, sans-serif font, followed by a diagonal slash.

CIPFA provides
unique specialist
expertise

CIPFA is
responsive
and customer
oriented

CIPFA is
people-focused,
supportive and
collaborative

CIPFA is
committed to
innovation and
digital delivery

CIPFA is **trusted**
as independent
and ethically
driven

An aerial photograph of a lush green valley. A river flows through the center, bordered by dense trees. A stone bridge with multiple arches spans the river in the lower third of the image. The background shows rolling hills under a soft, golden light, suggesting sunrise or sunset. A large, semi-transparent orange shape is overlaid on the right side of the image, containing the number '04' and the text 'Performance and achievements'.

04

Performance and
achievements

Sustainability reporting for 2021

The practice of sustainability reporting, which draws together not only environmental but also social and economic measures, is now becoming more widespread. This is an incredibly positive trend. Knowing and understanding the impact of our actions is essential if we are to mitigate climate change effectively and support more sustainable societies. Public interest in climate change is growing and sustainability reporting enables organisations to demonstrate how they are addressing the most pressing challenge of our generation. It also holds them accountable for their environmental performance.

Following [CIPFA research into sustainability reporting](#) in the public sector, and given the importance of protecting the environment and holding ourselves accountable, we have chosen to reframe our 2021 annual report to focus on sustainability. We are working towards a more integrated report that also tracks CIPFA's activities against relevant targets and in line with best practice disclosure standards.



We have chosen to use the UN Sustainable Development Goals (SDGs) as a framework for the report. These internationally recognised targets for sustainable growth align with CIPFA's Charter and charitable objectives in two key areas: SDG 4: Quality Education, and SDG 16: Peace, Justice and Strong Institutions.

Looking at these two goals provides a starting point for CIPFA to think further about what we do through a sustainable development lens, and to build in systems for evaluation as we look towards the future. We believe that this approach also demonstrates our commitment to discharging our charitable objectives to support public benefit, something we have woven through the narrative of the report.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

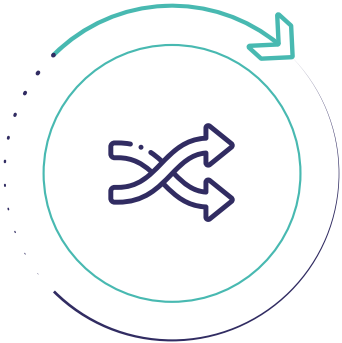
CIPFA's charitable objectives



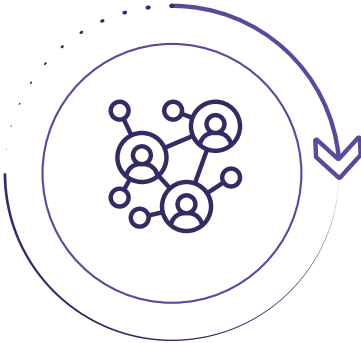
Advancing public finance and promoting best practice



Regulating and supporting members



Advancing and promoting co-operation between accountancy bodies in any way



Educating and training student members.

The decision to use these two SDGs, while linked to our charitable objectives, is nevertheless a subjective one and represents a new way of presenting the annual report. Other SDGs that could be considered include SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth, SDG 10 Reduced Inequalities and SDG 13 Climate Action.

As such, we are keen to receive any feedback on this framing of CIPFA's activities, both in this report and in practice. This will then feed into our strategic planning helping us incorporate sustainable development considerations into our decision making.



SDG 4: Quality education

CIPFA provides world-class education and training for our student members, and supports lifelong learning for all CIPFA members as they progress in their careers. The topic of sustainability is embedded in our new qualification, outlined below, to give our students the best preparation for the future.

CETC

CIPFA Education and Training Centre teaches the next generation of public sector finance professionals and leaders best practice in key areas, including commercial skills, governance and audit, leadership and management, technical accounting and financial reporting. 2021 was a busy year with most training/ tuition continuing to take place online due to the ongoing COVID-19 pandemic but there was some return to face-to-face teaching in response to client and student demand.

CETC saw growth in apprentice numbers across Levels 3, 4 and 7 and the launch of a new Level 4 Counter Fraud Investigator Apprenticeship, with two new cohorts starting in 2021. At year-end there were 572 apprentices on the programme.

236 new apprentices were enrolled:

Level	No. of apprentices
Level 7 Accountancy/ Taxation Professional	183
Level 4 Professional Accounting Taxation Technician	10
Level 3 Assistant Accountant	24
Counter Fraud Investigator	19

Ofsted inspection November 2021

November 2021 saw the first full inspection by Ofsted of CETC's apprenticeship provision. Following a robust and intensive inspection process, during which inspectors spoke to a large number of students, employers and staff, the grading of CETC's overall effectiveness was confirmed as GOOD. This was an outstanding outcome that reflects years of hard work and huge commitment to all our students.

The report confirmed:

Leaders and board members have a very strong commitment towards responsible stewardship of public money. They ensure that this principle lies

at the heart of their apprenticeships. Leaders and managers work highly effectively with employers. They design the curriculum for each apprentice to reflect precisely the needs of the sectors in which they work. As a result, apprentices gain detailed knowledge of public sector accounting and finance.

Earlier in the year we secured recognition from Ofqual as an end-point assessor and both these judgements confirm regulators' confidence in CIPFA's provision and helps secure the continued funding for apprenticeship training.

Training

Take-up of continuing professional development (CPD) training has remained high, particularly in relation to open courses and e-learning. There has been strong demand for accredited programmes such as Better Business Cases™ and CIPFA's Diplomas in Contract Management, Finance Business Partnering and Corporate Governance. Increasing numbers of delegates are achieving the Diploma in School Operational and Financial Leadership, offered in collaboration with the Institute of School Business Leadership.

Ongoing travel restrictions curtailed the delivery of some planned international programmes but there have also been some notable successes with programmes delivered to international clients. The Fraud Investigator Training programme was delivered on behalf of the German Agency for International Cooperation (GIZ) to delegates from three government ministries in Uganda and was extremely well received.

Demand for accredited counter fraud training grew, with increased numbers achieving the Accredited Counter Fraud Technician (ACFTech) or Accredited Counter Fraud Specialist (ACFS) qualification via CIPFA.

E-learning

E-learning in development and/or launched in 2021 includes: Introduction to Local Government Finance, Introduction to Treasury Management, Introduction to Sustainability in Procurement, Diploma in IPSAS, and an International Anti-Corruption Qualification. Through partnerships, we now offer accredited e-learning on Change Management and AgilePM.

As part of CIPFA's commitment to supporting our members, students and the wider public finance profession on ethics, a short accessible e-learning module specifically focused on ethics was made available free of charge to all members and students. This module offers a practical insight into how ethics

can impact public finance professionals and includes essential reference materials, giving participants the confidence to behave ethically and in alignment with the CIPFA Statement of Professional Practice on Ethics.

Membership CPD

The AccountingCPD platform was introduced in the middle of 2021 to help our members actively engage in their continuing professional development (CPD). Every member registered with our CPD Bites service receives a weekly email containing a 15-minute CPD session, as well as access to the back catalogue of CPD Bites content and a 10% discount on their range of online training courses. This allows our members to build their technical skills, keep up to date on legislative and regulatory changes, and develop management and leadership skills. The uptake on this service was 1,648 registrations with 6,789 bites logged as at October 2021, and the feedback we have received has been excellent.

Association Excellence Awards

We were very pleased that CIPFA was recognised with a bronze award at the annual Association Excellence Awards on 7 October 2021 for our work supporting members during COVID-19.

PF Live 2021

Our annual conference, PF Live, took place in July as planned, but for the second year running was a digital event. The extension to the government’s roadmap out of the COVID-19 pandemic meant face-to-face events on the scale of the conference could not take place, so the decision was taken during the planning phase to pivot to digital delivery.

The online conference attracted 872 delegates, with 639 attending live across the two days. Speakers included Lord Deben, chair of the Climate Change Committee, Torsten Bell, chief executive of the Resolution Foundation, Ben Page of Ipsos MORI and George Parker of the FT. Delegate feedback was broadly positive with delegates praising the content as informative and professional.

Total members



Total students

The Professional Accountancy Qualification (PAQ) and CIPFA Futures

In looking to the future following the challenge of the COVID-19 pandemic, CIPFA wanted to ensure that our qualification offers the necessary skills and support needed to operate in a changed world. Following a review of our PQ and consultations with students, members, employers, partners and other stakeholders, we launched our new PAQ in December 2021.

The PAQ has an updated syllabus and a refined structure; the units have a greater emphasis on sustainability, ethics and data. There is also a

renewed focus on developing transferable skills for our students. However, we are changing not just the qualification itself, but the experience of learning with CIPFA for all our students. This has meant introducing a new e-assessment platform and a new virtual learning environment for all of our students, which will be rolled out in 2022. The new digital learning platform will introduce greater flexibility for studying, while the e-assessment platform will support the development of technical competencies, enhanced by new exam questions to test the soft skills acquired by our students.



SDG 16: Peace, justice and strong institutions

CIPFA works to strengthen institutions in the UK and around the world through our role as a standard-setter. Through a wide range of consultancy, research and training projects, we are a respected partner and a voice that speaks to and for the public sector.

Sustainability reporting

In June 2021 we published [Evolving Climate Accountability: A Global Review of Public Sector Environmental Reporting](#). The report is intended to provide a baseline from which the evolution of public sector sustainability reporting can be measured.

Evolving Climate Accountability is part of CIPFA's commitment to further developing the public financial management profession in our ever-changing modern context. CIPFA recognises that the public sector represents the largest economic sector of most nations, and that the planet does not discriminate when it comes to who is responsible for emitting carbon and other greenhouse gases.

Sustainability reporting in the public sector is in its infancy, and there is an evolutionary journey to be embarked upon – sooner rather than later. The report provides insights into sustainability reporting practices in the public sector across the globe.

The report was published in our new refreshed brand, and publication included using a new digital storytelling tool for the first time to give a [synopsis of the research](#). The campaign around the report generated press coverage in new publications and

established relationships with new stakeholders across continents and disciplines; CIPFA representatives presented the report's findings in front of parliamentarians and laid the foundation for future policy and technical work in a new field.

IFAD – APEX project

The **APEX project** is a large training programme for the International Fund for Agricultural Development (IFAD), a UN Agency, that launched in 2021, following development of the course and e-learning in 2020. The training aims to strengthen financial management practices in agricultural development projects funded by IFAD. CIPFA has developed the e-learning and delivers the trainer-led workshops in English, French, Spanish and Arabic. Seven cohorts were started in 2021 and three have completed.

Prudential and Treasury Management Codes

In late 2021 we published updated versions of the [Prudential Code for Capital Finance in Local Authorities](#) (Prudential Code) and [Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes](#) (the Treasury

Management Code) following a consultation period. These two statutory and professional codes are important regulatory elements of the capital finance framework within which local authorities operate.

The updated Prudential Code includes several substantive changes. The provisions in the Prudential Code, which present the approach to borrowing in advance of need in order to profit from additional sums borrowed, have been strengthened. The relevant parts of the code have augmented to be clear that borrowing for debt-for-yield investment is not permissible under the Prudential Code. Proportionality has been included as an objective in the Prudential Code, and new provisions have been added so that an authority incorporates an assessment of risk to levels of resources used for capital purposes.

The changes to the Treasury Management Code included investment management practices and other recommendations relating to non-treasury investments, and an update to how environmental, social and governance (ESG) risks are considered.

The Redmond Review and the Local Audit Framework

Following the Redmond Review, the *Oversight of Local Audit and Transparency of Local Authority Financial Reporting* in September 2020, CIPFA has maintained a small co-ordinating team that leads on our responses to government proposals.

CIPFA has been a key player in the sector's response to the review's recommendations in addressing the significant and increasing issues in local audit timeliness. We are a member of the influential (interim) Liaison Committee, the key forum for ensuring co-ordination across different parties, and play a central role in a number of the groups that have been established by government.

We have led the work on local audit functions and governance, and are updating our guidance on audit committees. The various initiatives have also called on our expertise as a standard setter and in education and training to lead on the development

of the proposals for a new training diploma in local government audit and financial reporting for auditors. This would be accompanied by a new technical advisory service to provide support to firms, and in particular new entrants.

CIPFA Solutions

CIPFA Solutions advisory practice combines financial management, property and fraud consultancy and has continued to grow both its client base and revenue during 2021. Revenues have grown from £2.226m in 2020 to £2.841m in 2021, an increase of 27%.

An analysis of clients and revenues shows that the team delivered 145 projects in 2021, compared to 96 in 2020, and worked with 67 different clients. 27% of our clients collectively delivered in excess of £1.89m of income, with eight of these delivering in excess of £100,000. This indicates that the plan to achieve higher-value contracts and repeat business is being delivered.

Practice Oversight Panel

A new Practice Oversight Panel was established in late 2021 to consider possibly developing areas of concern in current practice, raising awareness of potential risks to both the Institute and the sector. It will identify and advise on any prevailing practice or professional conduct concerns and so support CIPFA's role as a standard-setter. By identifying potential risks at an early stage, CIPFA aims to provide improved support and advice to its members and the wider public sector

The panel, comprising up to eight members with sufficient expertise and experience to advise on decisions about professional conduct and best practice, is chaired by Aileen Murphie, recently retired director at the National Audit Office.

Supporting the public sector's COVID-19 response

The world public bodies operate in changed in March 2020 with the outbreak of the COVID-19 pandemic. Public bodies continue to find a way to deliver their

International Financial Reporting for Non-Profit Organisations (IFR4NPO)

The International Financial Reporting for Non-Profit Organisations ([IFR4NPO](#)) project is a ground-breaking initiative to develop the first international financial reporting guidance for non-profit organisations (NPOs). This project is being delivered jointly by CIPFA and Humentum and is funded primarily through philanthropic donations; an additional £1.2m was raised in 2021.

In January 2021 the project launched a consultation paper to engage with non-profit organisations globally. The consultation paper was accompanied by a [launch video](#) and additional content developed by CIPFA.

To support the consultation there were:

- Twelve regional roundtable events in four languages, attended by 598 people.
- Five topic-based webinars attended by 1,153 people from 96 countries.

The consultation paper received 205 responses from 33 countries around the world.

The project anticipates issuing three exposure drafts of the guidance, starting with tranche 1, which will set out the context, pervasive principles and key statements. The guidance, to be called INPAG, will be issued in 2025.

There were significant efforts during the year to grow awareness and understanding of the project. CIPFA continued to engage with national standard setters from around the world to better inform efforts through the Technical Advisory Group (TAG). Nineteen country-level awareness raising meetings were held in four languages, attended by 2,247 people from 79 countries.

The project is supported by individuals who kindly gave their time, and we would like to extend our thanks to all those who have volunteered their time or participated in the project consultation and events. Further details can be found in the [2020/21 project report](#).

core services and ensure good financial management continues, while adapting and responding to the impacts of lockdown and processing additional government grants and reliefs.

CIPFA's work in 2021 was integral to these efforts. Expert CIPFA staff continued to work closely with DLUHC to provide advice on business rates collection fund and accounting, all of which enabled the department to shape its planned funding package to local government.

Building public sector capacity

CIPFA's team of Network advisors delivered over 100 events through webinar delivery. Through these events, our advisors supported public sector organisations to build capacity, supporting customers in finance, governance, procurement, revenues, police and fire, social care, insurance, and treasury management to over 4,000 practitioners across the events.

Achieving Finance Excellence in Policing (AFEP)

With over 85% of police forces signed up to the AFEP II programme, we continue to be at the forefront of police finance. Working closely with National Police Chiefs' Council (NPCC), Association of Police and Crime Commissioners (APCC) and Police and Crime Commissioners Treasurers' Society (PACCTS), CIPFA progressed into AFEP II in 2021 to deliver the best possible financial management within the police sector.

The AFEP programme provides the platform for forces and PCCs to compare and learn from others while CIPFA continually develops and shapes its offer to specifically support the police sector. This helps us to maintain the collective vision of AFEP: “for police, by police.”

Achievements include:

- Three additional forces have signed up to join the AFEP II programme for the 2022/23 subscription year, in addition to the 39 forces who are already participating.
- Publication of the financial resilience self-assessment and medium-term financial planning toolkit. This report expands on the findings of the national report into the financial management capability reviews in 2020, which highlighted the need for more focus on financial resilience and medium-term financial planning in the sector.
- The Future Leaders development programme is underway for those that completed the AFEP I Future Leaders Academy. It is designed to support aspiring leaders for their next stage of professional development.
- Five new police data dashboards were developed, covering roads, fleet, criminal justice, firearms and economic crime.

We look forward to developing the next iteration of the programme, both individually and collectively, to best support forces and PCCs in meeting the vision of achieving financial excellence in policing.

Institute of Certified Public Accountants Rwanda (ICPAR)

In November, we commenced our new two-year project that will support the development of ICPAR's public sector accounting. We are working with internal staff and external associates to develop an entry-level technician qualification to be delivered through e-learning and examined online, aimed at Rwandan public sector finance staff. This is the first step in a longer-term relationship with ICPAR to support the improvement of public financial management in Rwanda.

Development of professional accounting skills in Albania

In October, members of the International team attended the first face-to-face training event organised under this World Bank-funded project. The project involves assisting the Albanian Ministry of Finance and Economy in developing and delivering a comprehensive capacity development programme to improve technical accounting capability and capacity across all tiers of government. The project commenced in January 2021 but due to COVID-19, all training sessions were initially held online.

Events

A total of 817 events were delivered in 2021, across conferences, webinars, workshops and training sessions. 13,490 delegates attended, with an average of 91% rating CIPFA events as either “Good” or “Excellent”.

CIPFA Property

Fifty-one Property Network events were delivered during 2021, attracting 1,532 delegates from a range of public and private sector organisations. The two qualification programmes, the Diploma in Public Sector Asset Management and the Certificate in Valuation, had 632 participants. CIPFA Property also completed 203 property condition surveys and 48 fire risk assessments for various local authorities, other public sector and third sector organisations and educational establishments.

MHCLG-commissioned reviews

In reviewing 2021 performance it is important to recognise the impact of CIPFA's advisory reputation to deliver high-quality independent reviews. A particular highlight was the commission by the then Ministry of Housing, Communities and Local Government (MHCLG, now DLUHC) to undertake eight financial reviews as part of capitalisation requests.

MHCLG formally appointed CIPFA to undertake a series of local government independent assurance reviews.

These began in July and concluded in August, and were conducted at Redcar and Cleveland, Peterborough, Luton, Slough, Wirral, Bexley, Copeland and Eastbourne.

The reviews provided a detailed assessment of each council's financial position and management, making recommendations where necessary of how each council can take action to improve. The positive response from the department to the work undertaken has led to further requests for support by them and indeed growth in revenue from the market in general. Each of the reports has also generated significant publicity and is a clear demonstration of the public benefit of CIPFA's consultancy work.

In October 2021, Property worked with the International team to deliver a pilot project of the Diploma in Public Sector Asset Management with AFROSAI-E, the English-speaking subgroup of the African branch of the International Organization of Supreme Audit Institutions (AFROSAI).

PF Awards 2021

There was a return to a major face-to-face event with the PF Awards ceremony and gala dinner at The Brewery in London on 28 September 2021. A total of 377 guests attended the evening, which was hosted by Aasmah Miah of Times Radio. A short keynote address was given by Comptroller and Auditor General Gareth Davies.

Awards were given across 16 categories with the Grand Prix Award going to winners of the outstanding procurement initiative award, the Procurement Department at Wrightington, Wigan and Leigh Teaching Hospitals NHS Foundation Trust.

Public Finance magazine

We were delighted that *Public Finance* magazine was named best magazine in its category at two separate award ceremonies in October – the memcom awards and the Association Excellence Awards. It was deserved recognition for the hard work and creativity from colleagues at CIPFA and Redactive that goes into the magazine and the wider PF portfolio.



05

Staff and
environment

Facilities/environment

The impact of the pandemic continues to skew the health, safety and environmental data and targets, and therefore detailed figures are not available. Wherever possible CIPFA continues to recycle paper, and all other appropriate materials such as food waste and unwanted furniture, in order to reduce our use of resources and lessen the impact on the environment.

The continuing COVID-19 pandemic meant that for most of the year the Birmingham and Edinburgh locations remained mothballed and there was only limited use of the Chester and London offices, each being supported by a small group of volunteer staff.

In the weeks leading up to Christmas, the CIPFA Birmingham office at 154 Great Charles Street was closed. The Apprenticeships team have now taken up residence in a managed office suite at Victoria Square, conveniently located close to Birmingham New Street station and the city's main shopping and cultural district.

ISO accreditation

CIPFA's ISO level certified management systems covering Quality and Health, Safety & the Environment remain in place and received their annual external audit with no non-conformances.

The Health, Safety and Environmental Management System (HS&EMS) outlines how we aspire to continually review our services in line with client needs, relevant environmental legislation and best practice, thereby maximising the efficiency of our resources. Our vision is to be widely known and respected for delivering safe, reliable services that cause minimal environmental impact. Our current system is certified under the ISO 45001:2018 Standard.

The HS&EMS also assists CIPFA in ensuring we operate in a professional manner to meet our clients' requirements while taking due care and attention to provide a safe, healthy and secure working environment in which handling of personal information and general data is properly conducted.

The ISO 9001 Quality Management System (QMS) outlines CIPFA's approach to implementing clear, efficient and repeatable processes that ensure that we provide a consistent quality service to both internal and external customers. CIPFA is committed to a continuous improvement culture and the QMS is essential in our considerations on how we can do things better, more efficiently and effectively.

Both systems are overseen by management review teams that are responsible for the overall content, process integrity and day-to-day running of the system. Regular review team meetings are held twice a year.

Our ISO 27001 accreditation – the international standard that sets out best practice for information security – lapsed in 2019. 2021 saw work towards reaccreditation, following significant investment and improvements in our infrastructure, adopting a risk-based approach to information security and actively identifying information security risks and appropriate controls to tackle them. Achieving reaccreditation in 2022 will ensure we are in the best possible preventative position to defend our information and organisation from cyber threats.

CIPFA employees

We recognise the importance of our employees in helping make CIPFA a stand-out organisation in the way we behave and the quality of the work we deliver for the public, members, customers, each other and everyone with a stake in our work. We want our people to share our commitment to CIPFA's values and have fulfilling and challenging careers where they contribute to our success.

Our shared behaviours form part of our online employee performance process and are designed to foster and grow how we work. We have enabled employees to play a key role in the development of CIPFA's vision, strategy and direction. This has included opportunities for communication and feedback at open forum engagement sessions that all staff attend, and through our leadership development programme,

Pay gap reporting

Each year CIPFA publishes a gender pay gap report, identifying differences in both hourly salary and bonus payments between men and women working for the Institute. Due to our size, we are not legally required to publish our gender pay gap. Doing so is in keeping with our commitment to diversity, equality and inclusion, and helps hold us to account.

The 2021 report accounted for 196 employees, of whom 105 were men and 91 were women. We found an improvement on the 2020 position, with a 21% mean gender pay gap, and 8% median, based on hourly salary.

We have a higher proportion of men at the upper quartile of pay, which has an impact on the overall figures. As a relatively small organisation,

any changes to headcount will also affect these numbers.

We recognise the need to improve on our current gender pay gap, as well as encouraging more women to apply for senior positions. We are confident that we have a fair and consistent approach to paying individuals, and are committed to being an equal opportunities employer, appointing the best candidate for each role – regardless of their gender or other personal characteristics.

We have voluntarily reported our gender pay gap annually since 2017, an ongoing activity linked to the pay review process. We have also undertaken analysis of our ethnicity pay gap and will publish the results soon.

which is creating a cohesive senior management team for the organisation.

Our employee forum, a representative group of employees from across the organisation, provides a mechanism for employees to meet with senior management, discuss important business issues and provide feedback on matters that concern or interest our people. The forum was re-established in 2021 and new elections were held for representatives from each directorate across the organisation.

Our Diversity and Inclusion employee representative group provides input and feedback on our plans to implement our diversity and inclusion strategy, which along with employee development and wellbeing forms an important part of our people plans. In 2021 all employees attended workshops to raise awareness of equality, diversity and inclusion matters. Our employees also have access to the Mental Health and

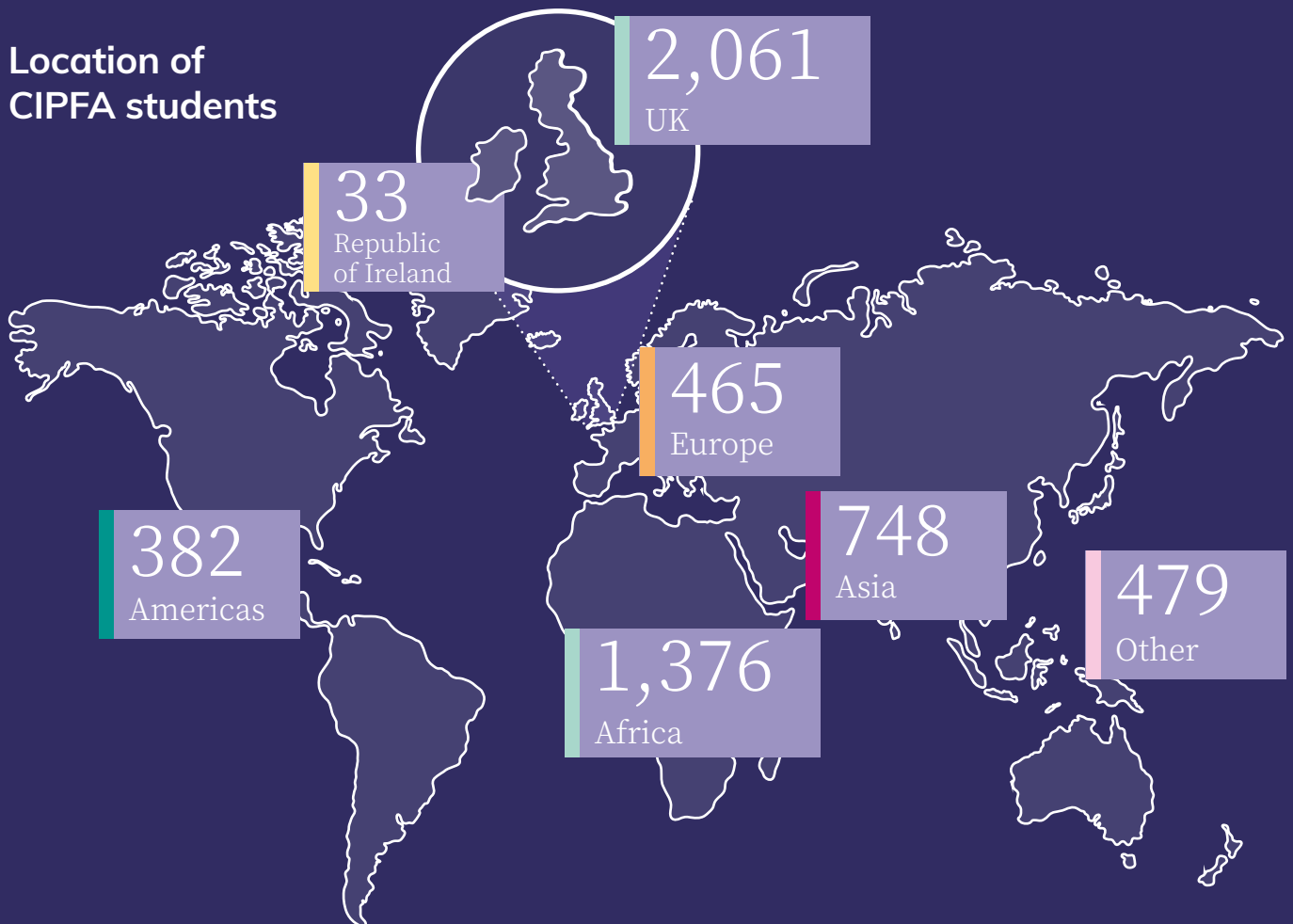
Wellbeing hub we provide to members and students, and we have trained a group of employees as mental health first aiders, offering further means of support and information to people when needed.

During the last year we engaged with employees about potential changes to the way we work and – based on our experience of remote working during the global pandemic – we have been able to shift to a new hybrid working model. This new, flexible approach to the way we work is an important part of our employment offer and we believe it will help us to attract and retain talented people.

Our employees remain committed and engaged with our mission and have performed admirably during what has been another exceptional year. As we emerge from the pandemic and its consequences we will push on with our ambition to ensure CIPFA remains a great place to work.

CIPFA's year in numbers

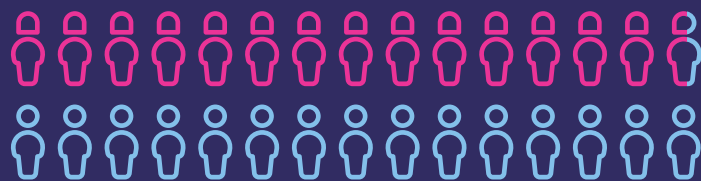
Location of CIPFA students



Student demographic

49%
female

(2,715 students)



51%
male

(2,827 students)

An aerial view of the London skyline at sunset. The sky is a mix of orange, yellow, and grey clouds. The city is filled with buildings, including the prominent Gherkin and the Shard. A large teal graphic element, shaped like a downward-pointing triangle, is overlaid on the right side of the image. Inside this teal shape, the number '06' is written in a large, white, serif font.

06

How we are
governed

Name and nature of the charity

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is governed by Royal Charter granted in 1959, most recently amended in 2018, and is registered with the Charity Commission for England and Wales, number 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

CIPFA is managed and regulated in accordance with its Charter and bye-laws.

Charitable objectives

- To **promote** and to **publish** the results of **studies and research** work therein and in related subjects.
- To **advance** and **promote co-operation** between accountancy bodies in any way.
- To **advance the science of public finance** and of **accountancy** and cognate subjects as applied to all or any of the duties imposed upon and functions undertaken by public service bodies, and to promote public education therein.
- To **advance** and **promote any scheme or schemes** (howsoever constituted), having as one or more of their objects the review or regulation in the public interest of the **establishment of standards** by, and the training, regulatory and disciplinary activities and procedures of, any one or more accountancy bodies.

Within the charity is a network of branches and regions. They work alongside CIPFA helping to deliver the charitable objects, principally through the provision of support and information to members and students locally.

Public benefit

CIPFA's work building trust and delivering excellence in public financial management, accountancy and related disciplines aims to ensure public money and services are managed effectively, efficiently and securely for the benefit of all.

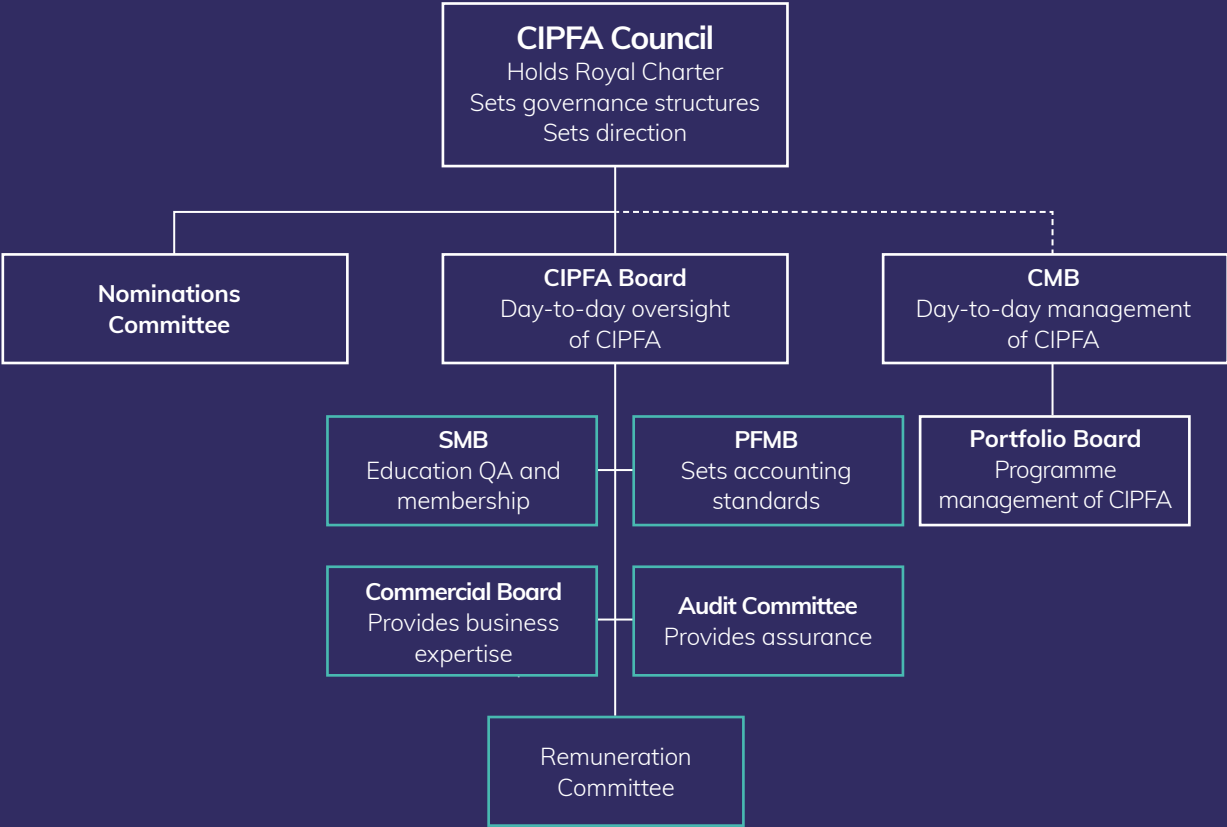
We seek to preserve at all times the professional independence of qualified accountant members of the Institute in whatever capacities they may be serving, promoting excellence in governance and ethical standards.

Through our activities as a standard setter and educator, and our advisory and consultancy services, we support our members, students and finance professionals in a wide range of public sector settings. As such, our work benefits the public through excellence in the management of the public finances.

The Council confirms that it has complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit.

Membership of CIPFA is open to all who can demonstrate the required academic achievement. Fees are kept to a minimum through subsidy supplied by profits generated through the subsidiary company.

The governance structure



Key: Regional and advisory boards and panels

Subsidiaries

CIPFA has a wholly owned subsidiary company: CIPFA Business Limited, Companies House registration number 2376684, and a majority holding in CIPFA C.Co Ltd, registration number 10212053.

CIPFA Business Ltd is the management support services company of CIPFA and has a separately constituted board of directors. It specialises in providing financial advice and governance, property and asset management solutions, and the supply of information and expertise.

The CIPFA Business Ltd Board comprises the president, vice president, three non-executive directors, the chief executive, director of finance and the chief operating officer.

The charity (including regional groups) and the subsidiary company are reported on a consolidated basis.

Governance structure

The Institute's overarching governing body is the Council. The membership of Council is specified in the bye-laws and consists of no more than 41 individuals with three groupings:

- no less than 21 CIPFA members, elected by region
- the elected honorary officers (president, vice president, junior vice president, past president)
- no more than 16 co-opted individuals appointed by Council on recommendation by the Nominations Committee to enhance the breadth of experience, competence, diversity of background and viewpoints.

Biographies for all current **Council members are publicly available on CIPFA's website.**

The membership of Council is refreshed on a two-year cycle, with individuals serving a maximum of six consecutive years before being required to have a two-year break. Honorary officers serve one year in post. The president, an elected member, chairs Council.

A programme of induction is provided for new Council members and mentors are arranged from the cohort of more experienced Council members.

Council is responsible for the strategic direction of CIPFA and approving major developments. It also

approves the terms of reference and delegated powers of its committees and boards. Through delegation to the CIPFA Board, it is responsible for the effective oversight of the operations of CIPFA and its subsidiary company. The Council normally meets four times a year.

The Institute's bye-laws, as approved by the Privy Council, give Council the power to appoint "trustees" who act as Council's representatives on CIPFA Board. In 2021, these individuals were provided with additional training on the Charities Act 2011.

However, CIPFA recognises that Council remains the Institute's sovereign body and reserves decision-making powers on matters such as strategic direction, approval of the annual report and accounts and appointing the chief executive. These responsibilities are inherent to the role of a charity trustee. Therefore, Council and CIPFA Board have decided that in the interest of transparency and to improve clarity of responsibilities all Council members will be registered as trustees with the Charity Commission.

These individuals are fully appraised of their trustee duties and have declared themselves fit to act. The induction for new Council members and Council Handbook have been amended to emphasise the trustee responsibilities. There is no change to the delegations or CIPFA's governance framework.

We are committed to continuous improvement and recognise that good governance is as much about behaviour and culture as it is structure. All governance groups participate in an annual self-assessment exercise and we annually assess ourselves against the Charity Governance Code. In 2021, CIPFA Board participated in two facilitated development sessions and initiated annual one to one reviews of all board members, conducted by the chair.

In December 2021, Council received a report from Martin Sinclair, who had been invited to review progress against the recommendations in his review of the actions taken and lessons learned from the failure of the London Counter Fraud Hub project. One year on his assessment was that:

"Governance within CIPFA has improved significantly; there has been investment in developing governance structures; embedding better processes; improving understanding of roles and necessary skills; and working to create a shared culture and positive behaviours."

“All of the LCFH Review recommendations on governance processes have been implemented together with other actions identified subsequently.”

Council accepted in principle Martin Sinclair’s recommendation to strengthen governance through greater continuity for the chairing of CIPFA Board. Currently the president chairs both Council and CIPFA Board with annual rotation. Separating the chairing allows for an appointment of longer tenure on CIPFA Board, supporting better continuity and sustainability of approach. A Task and Finish Group is overseeing the plans for implementing this change.

Delegations

Having set the strategy for the organisation, Council delegates oversight of CIPFA’s business to the CIPFA Board, which implements the approach through other boards and committees.

The CIPFA Board comprises six Council members (which include the four honorary officers of the Institute), two non-executive directors, the chief executive and the director of finance.

All boards and committees are formally constituted with terms of reference. The Council acts on advice and information provided by the executive. Members of Council are able, where appropriate, to take independent professional advice at no personal expense so that they are able to fulfil their role.

Statement of Council responsibilities

The trustees must ensure that the annual report and financial statements are made in accordance with applicable law and regulations. They are also responsible for the integrity of the corporate and financial information included on the charity’s website.

Charity law requires the trustees to prepare financial statements for each financial year. Statements must give a true and fair view of the charity and the group and their financial activities in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards).

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- follow applicable UK accounting standards and the Charities SORP, disclosing and explaining any departures in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and group will continue to operate.

The trustees must disclose with reasonable accuracy at any time the financial position of the charity and the group, and ensure that the financial statements comply with the Charities Act 2011.

Trustees are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application in accordance with charity law. This includes taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees have adopted the Charity Governance Code. While CIPFA complies with the seven principles of the code, the trustees acknowledge the need to apply the code and to strive for excellence. Therefore, we continuously review our application of the code and take actions where necessary. Over the coming year we will focus on improving our practice in relation to Principle 6: Equality, diversity and inclusion, and our safeguarding responsibilities as highlighted under Principle 3: Integrity.

Conflicts of interest are reviewed annually and at the beginning of each meeting.

Trustees

The gender balance of Council is currently 15 women and 26 men.

On completion of this term of office a small number of trustees will have served more than the nine years maximum recommended in the Charity Governance Code. These individuals were Council members when governance changes were introduced in 2014; at this point the decision was taken to ‘reset the clock’.

Council members and attendance chart

	Council 20/21	Council 21/22	Council	Audit Committee	Co-opted member	CIPFA member
Naeem Ahmed		●	3/3			●
Caroline Al-Beyerty		●	2/3			●
David Aldous	●	●	2/2		●	●
Deirdre Bane		●	3/3		●	●
Danny Batten	●		2/2			●
John Bloomer	●	●	4/4		●	●
Michael Brodie	●	●	3/4		●	●
James Charlton	●		2/2		●	●
Amy Crowson		●	2/3			●
Carol Culley	●	●	4/4			●
Jane Cuthbertson	●	●	2/4			●
Nadeem Dean		●	3/3			●
Stephanie Donaldson		●	3/3			●
Mike Driver	●	●	3/4			●
Tony Era	●	●	4/4	●		●
Pete Gillett		●	2/3			●
Kathryn Goodall	●		2/2			●
Will Goodchild		●	3/3			●
Claire Gravil		●	3/3			●
Shaer Halewood	●		1/2			●
Richard Harbord	●		1/2			●
Andrew Hardy	●	●	4/4			●
Elizabeth Honer	●	●	3/4		●	●
Vanessa Howlison	●	●	2/4		●	●
Milt Isaacs	●		1/2			●
Toshihiko Ishihara	●		1/2			●
Hari Iyer	●	●	4/4		●	●
Peter Kane	●		2/2			●
Catherine Little	●		2/4		●	●
Muhammad Maqbool	●		2/2		●	●

	Council 20/21	Council 21/22	Council	Audit Committee	Co-opted member	CIPFA member
Mark McBride	●	●	4/4			●
Lynda McMullan*	●		1/3		●	●
Leslie Milne	●		2/2			●
Umesh Naicker		●	3/3	●		●
Mike Newbury		●	1/3	●	●	●
Rosanne Nulty	●		1/2			●
Lee Outhwaite	●	●	4/4		●	●
Colin Owen		●	3/3		●	●
Jayne Owen	●	●	4/4			●
Suresh Patel	●		2/2			●
Caroline Russell	●	●	4/4			●
Marcus Richards		●	3/3		●	●
Angela Ridgwell		●	2/3		●	●
Chris Roberts		●	3/3			●
Mohammed Sajid	●		2/2			●
Renaud Seligmann	●		2/2		●	●
Geoffrey Simpson		●	3/3		●	●
Luke Smith		●	3/3			●
Jason Vaughan		●	3/3	●		●
Hardev Virdee		●	2/3		●	●
Maria Wanland		●	3/3			●
Kelly Watson	●	●	3/4	●		●
Peter Welch		●	3/3			●
Mark White	●	●	3/4			●
Ian Williams		●	3/3			●
Jon Williams	●		1/2		●	●
Carolyn Williamson	●		2/2		●	●
Lee Yale-Helms		●	2/2		●	●
Derek Yule	●	●	4/4		●	●

* Resigned 29 September 2021

Key individuals and sub-committees

	Audit Committee	CIPFA Board	Students and Members Board	Public Financial Management Board	Remuneration Committee	Commercial Board	Nominations Committee
Chair	Lyn Davies	Mike Driver	Caroline Russell	Carol Culley	Joe Sealy	Joe Sealy	Andy Hardy
Vice Chair	Jason Vaughan	Joe Sealy	Mark McBride	Caroline Al-Beyerty	Jane Cuthbertson	Roger Alderson	Jane Cuthbertson
	Female 2 Male 6	Female 4 Male 6	Female 7 Male 6	Female 4 Male 8	Female 4 Male 4	Female 3 Male 7	Female 6 Male 4

Audit Committee

Maintains oversight of corporate governance throughout the CIPFA Group and management of external and internal audit.

CIPFA Board

Provides oversight of operational matters and delivery of the business plan, including management of impact on the environment and people. Guides, monitors and challenges development and operations in line with the strategy set by Council. Ensures an effective risk management strategy is maintained across the CIPFA Group.

Students and Members Board

Oversight of activities to develop the membership and professional standards including member services, education and training. This includes advising and supporting the CIPFA Regions and supervising the Disciplinary Scheme.

Public Financial Management Board

Oversees the Institute's work on policy and technical issues including the specialist Forums and therefore plays a key role in CIPFA's thought leadership and influence on public finance management. Supports the

continuous improvement of standards in public finance, management and governance, particularly in UK local government where the Institute has formal standard setting responsibilities.

The Board holds responsibility for formal approval of all updates to Institute codes of practice, with any new codes approved by Council in the first instance.

Remuneration Committee

Holds full delegated responsibility for decision making in relation to pay and conditions of specified members of staff employed by the CIPFA Group, including the CEO and executive directors.

Commercial Board

Guides commercial operations in line with the overall strategic direction set by Council. Oversees the wholly owned subsidiary, CIPFA Business Ltd.

Nominations Committee

Supports Council by overseeing the elections and appointment processes and advising on nominations. Ensures that all appointments and nominations support the Institute's diversity and inclusion objectives.

Directors of CIPFA Business Limited

The directors of CIPFA Business Ltd are all experienced in business or the markets that it serves. Brief details of their background and experience are included below.

● Roger Alderson

Roger has spent a significant portion of his career working internationally, as a consultant (with the McKenna Group), a strategist (with Perot Systems) and a marketing director (with EDS, HP and Logica). Roger has proven experience working with a range of organisations from start-ups to multi-nationals and has operated from both headquarters and the field.

● Mary Bishop

Mary is a fellow of the Association of Chartered Certified Accountants (ACCA), and a former Director of Learning for ACCA Global. Her experience of learner needs spans both SMEs and listed companies across circa 200 countries as well as academic institutions. With industry experience herself as a leader in education, technology, manufacturing and utility businesses, she is an author of over 15 books including the first edition of the Oxford Dictionary of Accounting.

● Mike Driver CB (President)

● Mike's career in public service started when he joined the Department of Health and Social Security. He worked in operational delivery before moving into regional management and then into a series of policy roles. He transitioned into government finance in 1999, where he held several CFO and senior finance posts, including CFO at the Department for Work and Pensions from 2012, and in 2016 Mike was appointed as CFO for the Ministry of Justice. In 2017 Mike was appointed Head of the Government Finance Function for HM Treasury. As Head of the GFF, Mike was focused on driving the agenda to substantially strengthen the Finance Function's critical role at the heart of government.

In August 2020 Mike spent six months as the Interim Permanent Secretary at the MoJ, before being appointed the Senior Responsible Officer for the Borders and Managed Quarantine Service. In September 2021, after 42 years, Mike retired from the Civil Service and now has a portfolio career.

Gareth Moss

A CIPFA-qualified accountant, Gareth is a former Director of Resources of two local authorities. Before becoming Finance Director he worked in CIPFA's Consultancy arm, advising public sector bodies on issues as wide as financial management, governance and senior staff recruitment.

Gareth's past employment includes roles at Serco, where he was responsible for their local government contracts, Price Waterhouse and several local authorities.

Gareth is a non-executive director at Worcestershire Children First and chairs the John Taylor Multi Academy Trust (based in Staffordshire and Derbyshire).

● Jayne Owen

● Jayne is Finance and Resources Director of North Wales Housing Association, a successful social enterprise providing homes and delivering services across North Wales

She is a CIPFA-qualified accountant with 30 years' public sector experience, including five years as Treasurer/Director of Finance. Prior to taking up this role, Jayne undertook the role of Director of Finance (Police and Crime) for the Greater Manchester Combined Authority. This and previous roles involved significant complexity, with accountability for multi-million pound budgets and advising on the deployment of these resources. Areas of expertise include treasury management, financial planning, audit, procurement, commissioning, value for money, organisational transformation and effective governance.

● **Joe Sealy**

● Founding Partner at Greater Pacific Capital, Joe was previously a managing director in the investment banking division at Goldman Sachs. Joe has been a specialist in providing strategic advice to clients covering communications, media, entertainment, advertising and security. He is an experienced strategic advisor to corporations, investors and government institutions across multiple regions and industries.

He was Partner at KPMG in strategy consulting and implementation and has also held positions as an advisor in the public sector, specialising in privatisation and outsourcing.

● **Mark Thomson**

Mark Thomson is an experienced business leader, having held high-profile senior positions in both the private and public sector. As Director General for UK Visas and Immigration and Her Majesty's Passport Office, Mark led teams responsible for managing around 10 million visa and passport applications a year and advised the Home Secretary on immigration strategy and policy.

Rob Whiteman CBE

Rob is CIPFA's Chief Executive. He formerly held a senior civil servant role as the Chief Executive of the UK Border Agency and led the Improvement & Development Agency. Rob has also worked in local government as Chief Executive of the London Borough of Barking and Dagenham and Director of Resources at the London Borough of Lewisham.

Key management personnel remuneration

The trustees consider the CIPFA management board, which includes the chief executive, as comprising the key management personnel of the charity.

The CIPFA management board is made up of the executive directors of CIPFA and CIPFA Business Ltd. It is responsible for directing and controlling, running and operating the charity on a day-to-day basis.

All trustees give of their time freely and no trustee remuneration was paid in the year.

The remuneration committee has full delegated responsibility for decision making in relation to the pay and conditions of senior management including the chief executive in relation to remuneration, including:

- remuneration
- terms and conditions upon appointment
- changes to base salary
- bonus arrangements and payments thereunder
- honoraria and ex-gratia payments
- severance payments
- pensions.

The pay of the CIPFA management board is reviewed annually and is informed by any general pay award within the Institute. In the case of the chief executive, any changes to current salary, terms and conditions, bonus awards, etc are considered on advice from the honorary officers, and on receipt of recommendations from the chair of the remuneration committee.

Key:

- Non-executive director
- Member of the CIPFA Group Remuneration Committee
- CIPFA Trustee

The Institute provides a single discretionary group bonus scheme, applicable to all eligible employees including the CIPFA management board, which has clear trigger points and also allows for investment in the organisation's future growth.

The trigger point and target surplus are reviewed and agreed as part of the annual business planning process by the trustees. The trigger and the split between bonus scheme pot and investment may vary. The bonus scheme is triggered when CIPFA generates a trading surplus above the approved business plan. All bonus awards are subject to the overall value of the bonus pot and based on assessment of individual in-year performance.

In the case of the CIPFA management board, the chief executive recommends any bonus awards to the remuneration committee. In the case of the chief executive, any bonus award is considered on advice from the honorary officers, and on receipt of recommendations from the chair of the remuneration committee.

The committee obtains independent professional advice as required including to compare and benchmark CIPFA's practices against those of other organisations. Executive remuneration is also benchmarked periodically with organisations of a similar size within the sector and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. Such advisors may attend meetings as necessary.

Equal opportunities, diversity and inclusion

CIPFA is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. We aim to go beyond legislative requirements to improve diversity of representation and inclusivity in our role as an employer and as a membership body.

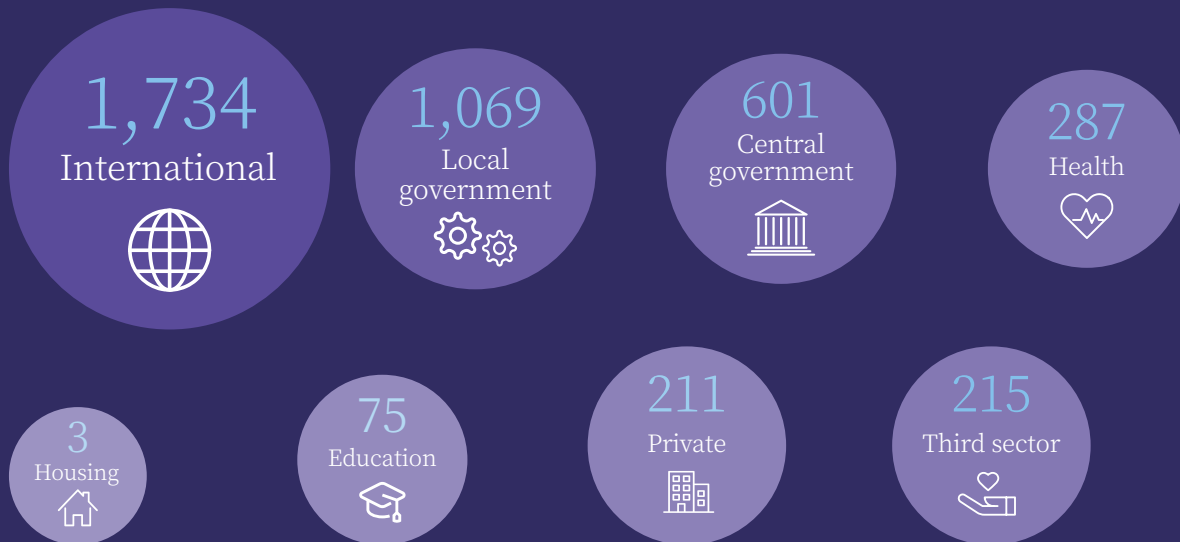
Our employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, pregnancy and maternity, sexual orientation, race, religion or belief, age, disability, gender reassignment or any other grounds that are unjustifiable in terms of equality of opportunities for all.

We have introduced mandatory diversity and inclusion training for all employees and have embarked on a wider programme of activity to improve mental health and wellbeing, equality, diversity and inclusion.

The Nominations Committee embraces CIPFA's commitment to equal opportunities and to improving diversity of backgrounds and viewpoints. Its role includes identifying candidates to stand for CIPFA Council; it also recommends to Council candidates for co-option as well as chair and vice chair roles on major boards and committees. The criteria on which the committee's decisions are based include diversity considerations.

CIPFA's year in numbers

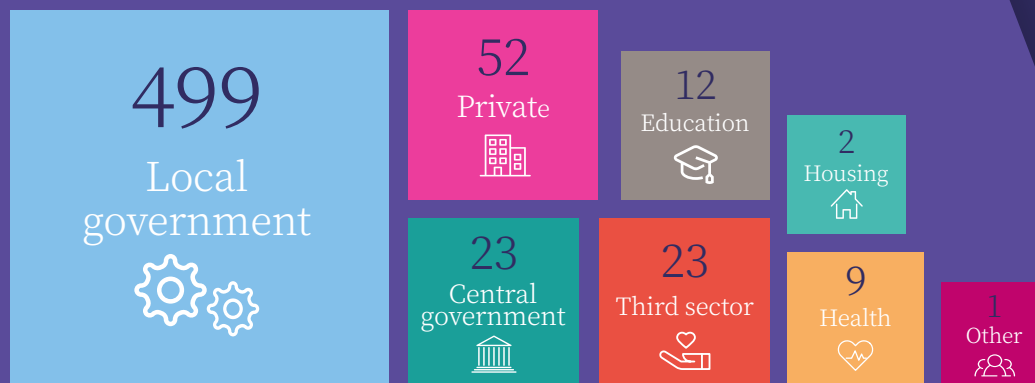
Number of students based in each sector



Total number of students: 5,544*

*1,349 other sectors

CIPFA subscribing organisations



Total number of organisations : 621



07

Opportunities
and risks

Opportunities

As the world learns to adapt to operating in a post-COVID-19 world, with continued reductions in spending across the public sector in the UK and internationally, and an increasingly fragile world economy, our customers are faced with many challenges. However, this also presents opportunities for CIPFA, through training, consultancy activity, leadership and support.

The Institute's reputation has been established over years of promoting best practice in public finance and guiding public bodies through the toughest challenges. 2021 was no exception to that and saw CIPFA's internal operations continue to respond well to the global pandemic, but it also provided opportunities for our services to support customers and members during difficult times. CIPFA continues to see these as its central roles, which makes it the first choice for public sector finance professionals looking for advice and help when the pressure is on. We are dedicated to public service, we understand how public sector organisations work and we provide bespoke support. Our UK and international advisory work continues to support organisations deal with funding, economic and COVID-19 related challenges.

As the world's only public sector accountancy body there is strong demand for our expertise around the globe. Internationally, demand for public services is growing. By investing in our overseas capability, CIPFA is able to help governments across the world establish sound financial management and train the professionals needed to deliver high-quality services. Our strategy reflects these opportunities.

CIPFA invests significant time and resources into ensuring new finance professionals are fully prepared for their future careers and will operate to the highest standards. During 2021, CIPFA's Education and Training Centre has continued to focus efforts on ensuring its professional qualification and its apprenticeship offers are cutting edge, engaging and fit for purpose, to encourage new and talented individuals choose a career in public finance.

Fraud is a recognised and growing problem for the public sector, which is why CIPFA's Counter Fraud Centre (CCFC) works to ensure public bodies have the training and support to stamp out the crime wherever it appears.

Risk management and internal control

Risks are monitored and reported on a quarterly basis at all levels of the Institute including the CIPFA management board, CIPFA Board and the Audit Committee. Risks are addressed as part of the business planning process and placed under the management of a senior member of staff and the appropriate board or committee. The Council and its Audit Committee are satisfied that all reasonable steps are being taken to manage exposure to major risks.

Our risk management strategy was reviewed in 2021 and our processes refreshed. We rolled out training for all staff and undertook a bottom-up refresh of risk identification. This process enabled us to ensure we are aligning risk management to the level of risk mandated by CIPFA Council.

We operate a comprehensive business planning process, with an annual business plan and budget set by the CIPFA Board and approved by the Council. We have introduced a performance dashboard that is reviewed by the CIPFA management board monthly, and forecasts are revised on a quarterly basis as a minimum. The performance dashboard is used as a single information source to streamline performance reporting at all levels of governance including every CIPFA Board meeting.

CIPFA maintains a comprehensive set of delegations of authority and financial regulations. The financial controls and procedures are reviewed regularly and compliance with them verified by the work of the internal and external auditors.

We maintain a comprehensive set of policies and procedures, including whistleblowing, data protection, health and safety, complaints handling, code of conduct and register of interests for Council members,

non-executive directors and senior staff. The Audit Committee reviews CIPFA's accounting and financial reporting practices on behalf of the Council. Internal audit reviews are prioritised using a risk-based approach. Recommendations are followed up.

Risks

We continue to respond to the changing market for our qualifications and training, taking strategic measures to ensure we meet the needs of a student-led market and respond to changing demographics.

We have taken steps to improve the connection between the development of our products and services and customer feedback to maintain relevance and diversify our offer.

We are increasingly vigilant to the shifting geopolitical context and its potential impact on our international growth and UK public bodies.

CIPFA is investing in significant change with our transformation programme and wider strategic plans; we have rigorous governance in place to oversee the change management.

Principal risks for CIPFA	What the risks mean	How we manage the risks
We need to be more responsive and agile to keep pace with market and customer challenges, issues and risks.	Our products and solutions risk losing value. This is exacerbated by scarcity in customer funding and resources. There would be an impact on the delivery of our objectives, including our charitable aims.	Introduction of Forums and increased integration of market and customer insight. Diversification of products, services, markets and sectors to maintain our income base.
The market for professional qualifications is increasingly driven by student choice. The perceived lack of portability of our qualification makes us less attractive to trainees in government bodies and firms.	Reduced student numbers lead to a reduction in members and a smaller Institute, which in turn impacts our ability to support existing members and customers.	Redeveloped PAQ launched with brand and messaging to counter portability perception. Working closely with employers.
CIPFA is viewed as a local government organisation.	Acts as a barrier to developing in other markets; diversification could undermine our brand.	Developing CIPFA Connect as a new subscription offer along with new products and services for other markets.
Loss of the right to deliver apprenticeship training or end-point assessments.	Significant financial and reputational impact on CIPFA.	Ofqual application process has enabled us to mitigate many of the risks identified. Programme of continuous monitoring and improvement.
CIPFA is not seen as a progressive and ambitious place to work and lacks a performance culture. We lack differentiation in the employment market.	Failure to compete in the employment market to attract and retain the best staff.	'CIPFA and me' programme being rolled out. Initial stages including leadership and management training are complete.
Lack of structured approach to change management leads to benefits not being realised.	Failure to improve efficiency and evolve in order to achieve growth.	Incorporated into business planning and culture change programme initiated.
Time and capacity are required to enable us to scale safely and respond to new developments.	Impact on performance and delivery of objectives.	This is being factored into business planning and under continuous review.
Pension deficits and historic run down of reserves has left our balance sheet weak.	Insufficient to fund us to grow out of trouble and invest in ambitious future plans.	Operating surplus used to strengthen the balance sheet and in negotiation with the pension fund to explore closure of the fund.



08

Financial
summary

CIPFA ended the year with a negative balance sheet of £3.7m and the statement of financial activities shows a positive net movement of £12.2m for the year.

The improvement in the CIPFA balance sheet is due to movements in the FRS 102 pension valuation. CIPFA operates two pension schemes: a funded defined benefit pension scheme and a defined contribution group personal pension plan that has been offered to new members of staff since 1 January 2007.

The assets and liabilities of the Wiltshire Pension Fund of the Local Government Pension Scheme are subject to a full actuarial valuation every three years in accordance with the requirements of the Local Government Pension Scheme (Administration) Regulations 2008. The latest valuation of the scheme was carried out as at 31 March 2019.

With effect from 1 April 2017 the “employer’s” contributions are made up of two elements – a fixed sum annual payment for past service and an employer’s contribution rate of 26.0% of pensionable earnings for future service until the next triennial valuation. At the March 2019 valuation CIPFA had a pension deficit of £4,567,000.

The assumptions used in the actuarial valuation as at 31 March 2019, together with the market value of assets and funding level were:

Rate of return on investments

3.3%

Rate of increase in salaries

2.7%

Retail price inflation

2.3%

Funding level for CIPFA staff

95%

Deficit for CIPFA staff

£4.567m

However, FRS 102 rules require inclusion of the year-end valuation calculated on the basis defined in that standard. The scheme actuary has valued the pension scheme in accordance with FRS 102 for the purpose of the statutory financial statements. FRS 102 methodology differs from that used in the triennial funding valuation, particularly in the determination of the discount rate.

The valuation uses the projected unit credit method of valuation, projecting the valuation results of the latest formal valuation date (31.03.19). This allows for changes in financial assumption, among other factors. Similarly liabilities are rolled forward and any changes in pensionable payroll and asset values are also taken onto account, but it is important to stress that FRS 102 is not a formal valuation and that the pensions reserve valuation under FRS 102 is only a snapshot in time and will fluctuate.

The costs of a pension arrangement require estimates regarding future experience. These assumptions are largely prescribed at any point and reflect market conditions at the reporting date. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase of salaries, deferred pension revaluation or pensions in payment), can have a significant effect on the value of the liabilities reported. The assumptions used have been discussed with the scheme's actuary.

The variability inherent in FRS 102 valuations can be demonstrated by CIPFA's recent history:

Year	Year-end pension valuation (£000)		Year-end balance sheet position (£000)	Actuarial gain/(loss) (£000)
	TRIENNIAL (@ 31.03.XX)	FRS 102 (@ 31.12.XX)		
2016	(13,000)	(34,471)	(11,389)	(16,500)
2017		(28,825)	(4,492)	8,603
2018		(21,477)	981	3,868
2019	(4,567)	(27,152)	(7,498)	(6,190)
2020		(38,567)	(15,905)	(11,266)
2021		(30,523)	(3,673)	8,092

CIPFA group operating statement	2021	2020
	£000	£000
Income	26,603	26,417
Costs (excluding restructuring costs)	(22,881)	(22,948)
	3,722	3,469
Restructuring costs	(137)	(404)
Operating profit/(loss)	3,585	3,065
Intangible impairment	(63)	(74)
FRS 102 pension credit	(48)	(149)
Net income/(expenditure)	3,474	2,842
Gain on property valuations	666	17
Actuarial gain on pension scheme	8,092	(11,266)
Net movement in funds	12,232	(8,407)

Although the pension fund deficit poses a long-term issue for CIPFA, our governing Council recognises that FRS 102 does not, of itself, affect cash flows. This is because CIPFA makes employer contributions to the pension fund on the basis of advice from the scheme actuary as part of their report on the triennial valuation. Following the 2019 triennial revaluation, the primary employer contribution rate (costs of new benefits accruing) will increase over the three-year valuation period from April 2020 by 3.2%, and the secondary employer rate (deficit repayment) decreased by 30.0% over the same period.

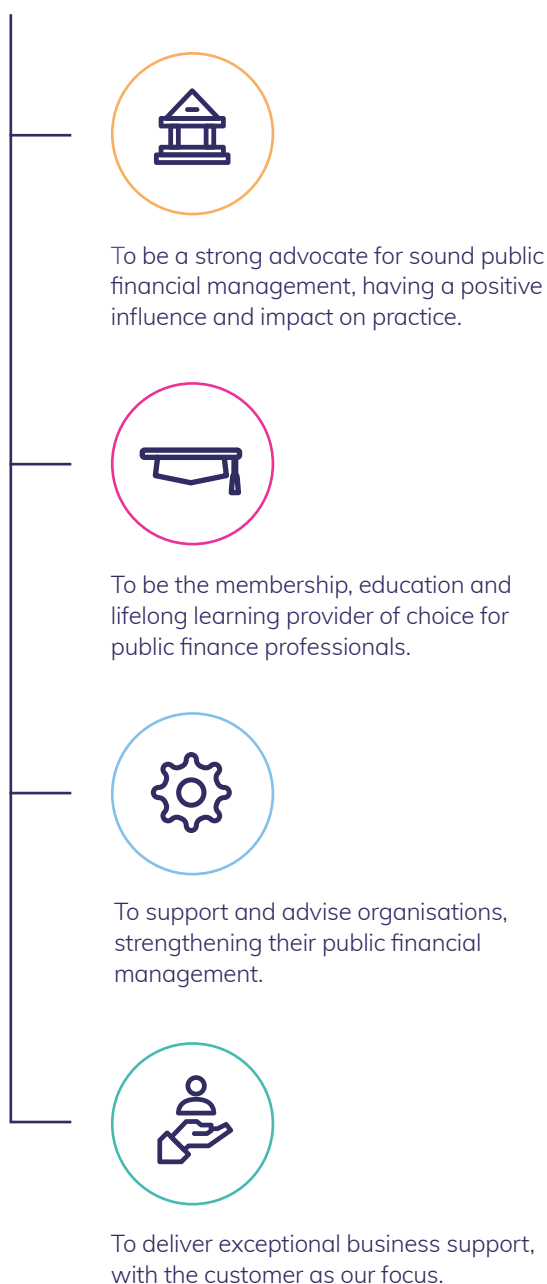
The objective is to fund the deficit over a total of 14 years. We acknowledge our pension fund obligations and have a clear strategy to manage the deficit, which includes a deficit reduction plan that is designed to get the scheme to self-sufficiency by 2033 subject to continued discussion and agreement with the pension scheme trustee board. The scheme is not open to new members of staff and the cost implications have been

built into our business plans. The Council will continue to closely monitor any further upward pressure on the contribution rate and it is included in the CIPFA risk register. The resulting defined benefit pension scheme liability is presented separately after other net assets on the face of the balance sheet.

CIPFA has entered into dialogue with the administrators of the scheme (Wiltshire Pension Fund) to close the scheme to future accrual. At the time of signing these accounts those negotiations had not concluded.

For the third successive year, CIPFA returned an operating profit. It was £3.474m for the year (before non-cash FRS 102 pension and property adjustments), as a consequence of the improvement in areas of our business.

This retained surplus will enable CIPFA to invest in our strategic priorities:



In addition, the Board has indicated a desire to ensure our finances are resilient to future economic challenges.

Financial review and related policies

The total income for the CIPFA Group was £26.6m (2020: £26.4m) a small increase of £0.2m (0.75%).

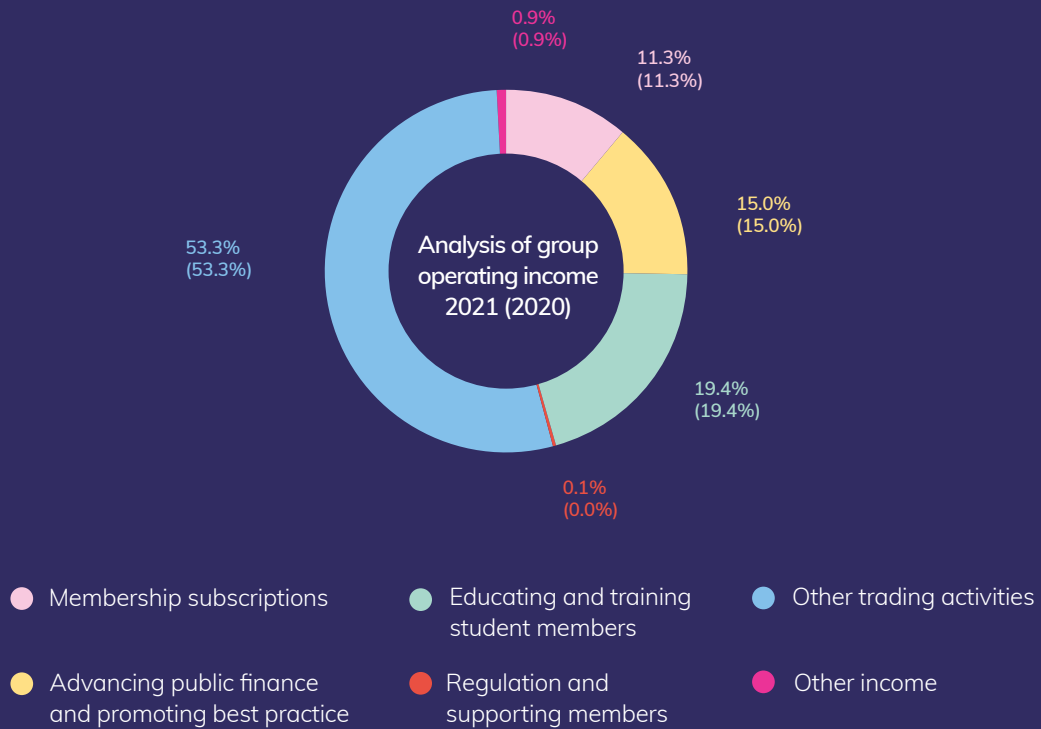
The net movement in funds shows an improvement of £12.2m (2020: £8.4m deterioration), the actuarial gain on the defined benefit pension scheme, a modest gain in property assets and a substantial operating profit.

Detailed analysis of group operating income and expenditure shows some variations between 2020 and 2021. Our Advisory, Networks and Education and Training teams delivered a strong performance, continuing to respond well to the requirements caused by the pandemic uncertainties during the year.

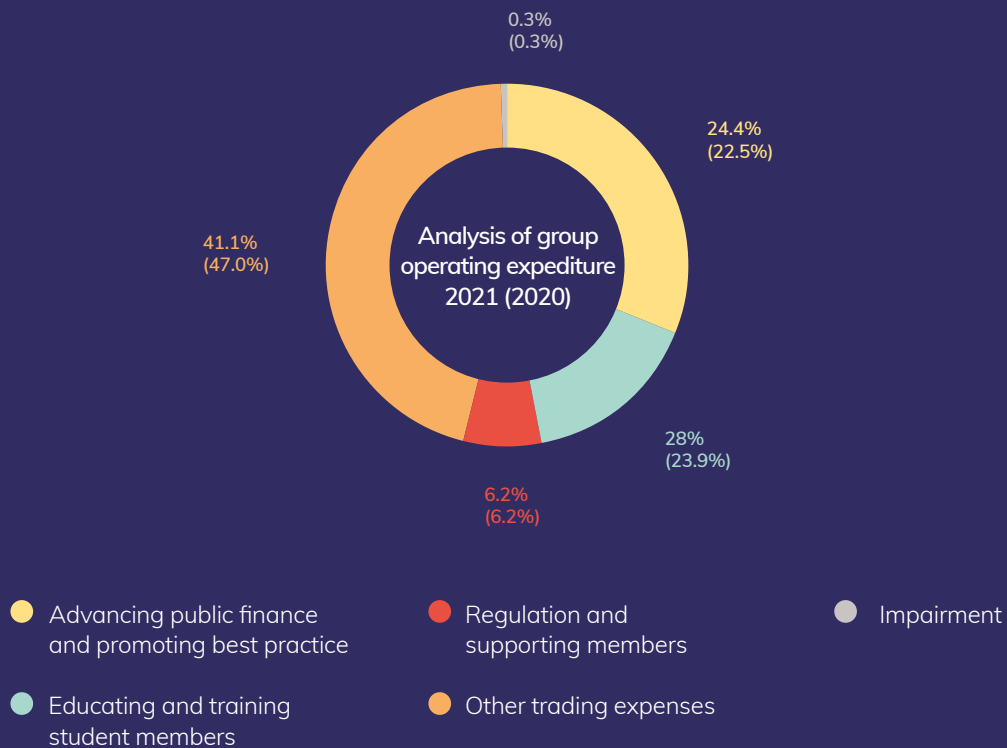
The business continues to respond to the needs of the changing market, as the impact of the government's policies, most notably the reduction in public services spending, continue. At the tail end of 2021 we saw some small impact as the result of economic and inflationary headwinds, and we expect those to continue into 2022. Despite these challenges, and the continued highly competitive trading conditions that our services operate within, we had a strong underlying performance in 2021.

This result, allied with the continued development of our portfolio and keeping the cost base under review, will enable us to continue to respond effectively to the demand for performance improvement and transformation support in public services.

Income by source



Expenditure by source



CIPFA Business Ltd (CBL) is the professional services business of CIPFA. As part of the CIPFA Group, CBL governance arrangements are integrated with CIPFA. The CIPFA Commercial Board, which meets at least five times a year, also acts as the CIPFA Business Board and is responsible for taking decisions and monitoring the business and performance. The majority of the directors are independent non-executives.

CIPFA C.Co Ltd commenced trading in July 2016 when former directors and senior managers from local government, who had successfully supported the transformation of public services, formed a partnership CIPFA. CIPFA C.Co Ltd has been established to support public sector organisations deliver the levels of transformation required to deliver public services against the backdrop of budget reductions. The aim of the company is to work with organisations that deliver public services to help them improve the advancement and wellbeing of society.

Reserves policy

At 31 December 2021 CIPFA had total funds excluding the pension liability of £26.9m (2020: £22.7m). Overall CIPFA had negative total funds, including the pension liability, of £3.7m with total negative unrestricted funds of £3.7m.

At 31 December 2021 there were total designated funds of £16.5m (2020: £15.4m) and a revaluation reserve of £5.2m (2020: £4.7m). The designated funds are represented by the property fund showing the cost of the freehold buildings and investment properties as at 31 December 2015 and the designated fund for other fixed assets. The revaluation reserve relates to the revaluation of freehold and investment property.

At 31 December 2021 there were restricted funds of £62,000 (2020: £97,000) comprising trust funds and regional funds that have been established either by way of donations in memory of eminent accountants within public finance or from various organisations.

Total income for the CIPFA Group

2021

£26.6m

2020

£26.4m

The CIPFA Board, on behalf of Council, reviews its reserves annually. The CIPFA Board view of CIPFA's overall position remains cautious despite the improved performance in recent years. It recognises that CIPFA remains vulnerable to economic downturns given its heavy dependence on commercial income and the public sector market.

It considers that CIPFA needs to hold reserves to protect core activities in the event of income shortfall and to enable balanced long-term strategic planning. This means being able to fund obligations, including employer pension contributions, but ideally not at the cost of charitable activities. The approved reserves policy recognises that measuring total unrestricted funds is only one indicator and includes fixed assets that could not easily be converted to cash. Hence CIPFA Council focuses much of its effort on monitoring the group cash and current asset/liability position, including management of the pension deficit described above.

In recognition of this focus, the Board defined two key financial targets:

1. The group should have available cash or cash equivalent resources of in excess of £2m, being broadly one month's cash requirement.
2. The group should hold a level of other charitable funds equivalent to two months of CIPFA Group expenditure. Other charitable funds exclude CIPFA's property assets, which are treated as designated funds, revaluation and pension reserves.

During 2021, the CIPFA group operated for zero working days with less than its target cash availability, compared to 21 working days in 2020, 74 working days in 2019 and 73 working days in 2018. In relation to its reserves target, while CIPFA's total funds excluding the pension reserves at the year-end stood at £26.9m, this includes property assets of £21.0m (2020: £20.5m) that could only be realised on the sale of the property. The other charitable funds at the year-

end were £5.1m representing a surplus against the reserves target of £3.8m. Cash balances have held up particularly well relative to previous years as a result of the underlying business performing well and returning an operating profit, of £3.5m for the year, and tighter cash management. Despite that the balance sheet shows a net current liability position at the end of 2021.

The continued emphasis on cash management and improving the current asset position will therefore be a feature for 2022 and beyond.

The CIPFA reserves position is a deficit of £3.673m (2020: £15.905m deficit) complicated by the inclusion of the FRS 102 pensions reserve, which stands at a deficit of £30.523m (2020: £38.567m deficit). Within that our designated funds (principally the Mansell St property) have remained stable at £16.461m (2020: £15.350m). However, our charitable funds (free reserves available for investment) have seen a large increase and now stand at £5.121m surplus (2020: £2.484m) as a result of the operating surplus in 2021. This figure exceeds our target of having reserves of two months' average expenditure, ie £3.8m (2020: £3.9m). The Board has indicated it wishes to revisit the existing policy during 2022. Our cash flow forecasting across the period of review indicates that sufficient working capital is available for CIPFA to satisfy all of our commitments as they fall due.

Going concern

The CIPFA Board, on behalf of Council, has assessed the ability of CIPFA to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included the revised budget for 2022 and forecast for 2022–26 contained in the business plan, cash flow forecasts to 31 December 2023 and a consideration of the key risks. These include the extended impact of the recovery from COVID-19 on the continued operation of CIPFA's

activities and our revised methods of working, as well as the impact on our customers. In addition, during the preparation of the budgets we undertook some sensitivity analysis on service areas around income and expenditure assumptions included in the final submission to the Board.

In addition, the Board is aware of the impact of the likely increase in prices during 2022. It is unlikely that CBL will be able to pass on all of its rising costs to customers, increasing pressure on margins and necessitating even tighter control of the cost base. The Board believes that its strategy of diversifying products in existing markets and identifying new markets will manage the inflation risks. In addition, and in order to mitigate the risk, the Board has considered earmarking elements of the 2021 surplus and will explore this, alongside a review of its reserves policy, during 2022.

Since the changes forced on our operations by the pandemic in 2020, our activities have settled into digital by default and that is now considered our preferred mode of activity, but not the only one. We are adapting our services to incorporate a greater use of remote activity than before the pandemic and we have reflected that in our plans. We do not anticipate an adverse impact on our finances – in fact, greater take up of those services and delivery at a reduced cost have been built into the business plan. We continue to anticipate access to broader markets given this mode of delivery and our operational resilience and lower risk will continue.

We maintain our focus on high-quality products and services to our members and customers and continue to seek innovations in the delivery of those services and products.

In addition, we have maintained our tight controls over expenditure and investment, only releasing the investment that is included in the business plan when we are comfortable that the underlying business performance warrants that. 2022 anticipates a higher level of investment than we have seen previously, recognising our stronger financial health as well as a need to improve services to remain competitive. 2021 saw a continued improvement in our cash management processes and as a result a far healthier

cash position throughout the year, with average balances exceeding our cash target for every day of the year. Such was the strength of our cash position that in September we took the decision to make an early repayment of the cash flow loan that was taken out in 2019.

CIPFA continues to face a pension fund deficit that remains subject to the future volatility of the pension scheme's liabilities as a result of changing actuarial variables. Pension scheme considerations and contributions are incorporated into our business plan and considerable work is being undertaken to close the scheme to future accrual. The business plan also considers the terms and conditions of the existing bank facilities.

Having regard to the above, the trustees believe there are no material uncertainties surrounding the decision to adopt the going concern basis of accounting in preparing the financial statements.

Investment policy

Byelaw 59 details the extensive investment powers that are bestowed upon the Council. Given the annual cycle of fluctuation in cash balances held, the current investment policy is limited to depositing surplus funds with a range of approved institutions in tranches with a range of maturity dates. The policy focuses on low risk and readily realisable investment forms. Within these confines, we seek to obtain the best interest rates possible.

Fundraising

CIPFA had no fundraising activities requiring disclosure under section 162A of The Charities Act 2011.

A sunset scene over a field of purple flowers. The sun is low on the horizon, casting a warm glow. In the foreground, there is a large field of purple flowers. A large, solid red triangle is overlaid on the right side of the image, pointing towards the bottom right. The number '09' is written in white inside the red triangle.

09

Our future
plans

CIPFA is the only professional accounting institute in the world that deals exclusively with public sector finance. No other Institute is able to comment with the breadth and depth that we can, both for and on behalf of the public sector. The challenges in 2022 and beyond for the public sector are as significant as they have ever been, and helping the public sector across the world respond to these challenges is reflected in our growth plans contained in the 2022–2026 business plan.

As an organisation we will be responding to some major global challenges to assist the public sector's response to them: the emerging economic crisis, climate change, the advent of globalisation and the need for sustainability reporting. With very low inflation levels for a long period of time, many senior public sector finance professionals will not have experienced the anticipated levels of inflation and will need support to deal with them. We will need to help the public sector manage the emergence of disruptive technology and use data in a proactive and predictive way and accommodate their impact on the accountancy, audit and public finance profession. We will continue to lead on preventing and fighting the rising tide of corruption and fraud across the globe. We will complement governments as they seek to professionalise the public sector with tailored training and development.

CIPFA is a membership body that supports our members and students, ensuring we equip them with the tools to deliver best-in-class public financial management across the whole of their career. CIPFA is a charity, promoting best practice in public finance to ensure the money and resources used on behalf of citizens are raised and spent fairly, transparently and effectively. CIPFA sets the standards that UK local government and organisations worldwide adopt. CIPFA is a trainer, delivering accountancy and other qualifications that are relevant to the public sector, and preparing students for the future. We have lifelong

learning materials to support career development in line with a clearly defined competency framework for public finance professionals. In 2022 we will launch our benchmark chartered professional accountancy qualification, grow our capacity to meet rapidly rising demand for accountancy apprenticeships in the UK and extend our accredited training programmes in finance, governance and counter fraud globally.

To support CIPFA's aims, our business teams work with the organisations that employ our students and members, and other key public finance stakeholders, to ensure – at the organisational level – public finance is working at its strongest, contributing to effective and efficient public services. In 2022 CIPFA will continue to build on its recent strong performance in the advisory field, supporting public sector financial resilience improving organisational capacity and good governance.

In 2022 we will implement 'CIPFA and me', our new people strategy, which sets out what we offer staff and what we expect from them. We will create an environment where people want to work and can perform at their best. We will create a culture where our people are supported, engaged and empowered to fulfil their potential and deliver results. We will also initiate the plans set out in our new diversity and inclusion strategy supporting staff, members and the wider profession to improve access and opportunity for progression in their careers regardless of background as well as developing our approach to sustainability and sustainability reporting.

Through our new business plan and strategy CIPFA will focus on our key account sectors – local government, central government, health and social care, international, police and property – while also remaining responsive to the wider market. We will continue to collaborate with other professional accounting organisations, ministries of finance and supreme audit institutions across the globe, growing our student and member base.

2021 was a particularly strong year for CIPFA in terms of our business performance and financial position; we will look to consolidate this success and invest in services, digital delivery and key new capabilities evolving CIPFA's policy, research and evidence base, investing in product development and digitising our services.

Notwithstanding recent growth, there remains significant uncertainty arising from COVID-19 and a sluggish global economic outlook and these are still challenging times, so we will continue to balance investment with a cautious approach, building a stronger balance sheet and reducing our long-term liabilities. During 2021 we announced plans to explore closer working with the Institute of Chartered Accountants of England and Wales and we will develop those plans during 2022, in consultation with the membership and our stakeholders.

The trustees' annual report was approved on 27 April and signed on their behalf by Mike Driver CB, CIPFA President.

A handwritten signature in black ink that reads "Mike Driver". The signature is written in a cursive style with a horizontal line underneath.

Mike Driver CB
President

A handwritten signature in black ink that reads "Rob Whiteman". The signature is written in a cursive style.

Rob Whiteman, CBE
CEO



10

Administrative
information

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a charity by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales, number 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

CIPFA Management Board

Chief Executive: Rob Whiteman CBE

Director of Finance: Gareth Moss (joined January 2021)

Chief Operating Officer: Dan Worsley

Director of Policy and Membership: Drew Cullen

Director of Public Financial Management:
Karen Sanderson (resigned March 2022)

Director of International: Khalid Hamid

Interim Director of Transformation: Ravi Dhindsa

Head of HR: Darren Parris (resigned February 2022)

Head of HR: Clare Thompson (joined February 2022)

Company Secretary and Chief of Staff: Nicola Hannam

Principal Office

77 Mansell Street
London E1 8AN

Principal Advisers

Bankers

Lloyds Bank Plc
Villiers House
48-49 Villiers Street
London WC2N 5LL

Insurers

Bartlett and Company Ltd
Broadway Hall
Horsforth
Leeds LS18 4RS

Solicitors (disciplinary)


DAC Beachcroft
100 Fetter Lane
London EC4A 1BN

Solicitors (corporate)

Ashtons Legal
Trafalgar House, Meridian
Way, Norwich NR7 0TA

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW



11

Financial
report

Consolidated statement of financial activities for the group

Year ended 31 December 2021

	Note	2021 £000	2020 £000
Income			
<i>Income from charitable activities:</i>			
Membership subscriptions		2,956	2,995
Advancing public finance and promoting best practice		3,800	3,967
Educating and training student members		5,404	5,138
Regulation and supporting members		33	0
		12,193	12,100
<i>Other trading activities:</i>			
Income from information, advisory and property services	2	14,189	14,081
<i>Investments:</i>			
Interest received		0	9
<i>Other income:</i>			
Property sales and rentals	3	221	227
Total income		26,603	26,417
Expenditure			
<i>Expenditure on charitable activities:</i>			
Advancing public finance and promoting best practice		5,648	5,314
Educating and training student members		6,475	5,644
Regulation and supporting member		1,433	1,466
		13,556	12,423
<i>Other expenditure:</i>			
Expenditure from information, advisory and property services	2	9,510	11,078
Impairment of intangible asset	8	63	74
Total expenditure	4	23,129	23,575
Net income (expenditure)		3,474	2,842
<i>Other recognised gains/losses:</i>			
Gain on revaluation of fixed assets	18	666	17
Actuarial gain on defined benefit pension scheme	7	8,092	(11,266)
Net movement in funds		12,232	(8,407)
Reconciliation of funds			
Fund balances brought forward at 1 January		(15,905)	(7,498)
Fund balances carried forward at 31 December		(3,673)	(15,905)

The results set out in the above Statement of Financial Activities all relate to continuing operations and includes the net restricted expenditure attributable to the non-controlling interest in CIPFA C.Co Ltd of £5k net expenditure (2020: £5k net income).

There are no other gains or losses, other than those recognised above and therefore no separate statement of total recognised gains and losses has been presented. Further analysis can be found in note 19.

The notes on pages 68 to 87 form part of these financial statements.

Consolidated balance sheets

as at 31 December 2021

	Note	Group 2021 £000	2020 £000	CIPFA 2021 £000	2020 £000
Fixed assets					
Intangible assets	8	520	552	292	263
Tangible assets	9	13,947	13,710	13,930	13,638
Investment property	10	7,200	6,975	7,200	6,975
Investments	11,12	9	9	409	409
		21,676	21,246	21,831	21,285
Current assets					
Stocks and work in progress	14	476	299	391	157
Debtors	15	3,369	2,862	2,335	1,962
Cash at bank and in hand		7,031	6,011	4,701	1,244
		10,876	9,172	7,427	3,363
Creditors: amounts falling due					
within one year	16	(5,702)	(7,105)	(2,468)	(2,090)
Net current (liabilities)/assets		5,174	2,067	4,959	1,273
Total assets less current liabilities		26,850	23,313	26,790	22,558
Long-term liabilities					
Creditors: amounts falling due after more than one year:					
Loan	17	0	(651)	-	-
Net assets excluding pension liability		26,850	22,662	26,790	22,558
Defined benefit pension scheme liability	7	(30,523)	(38,567)	(30,523)	(38,567)
Net assets/(liabilities) including pension liability		(3,673)	(15,905)	(3,733)	(16,009)
Funds					
Restricted funds	19	41	42	41	42
Minority interest		21	55	-	-
Unrestricted funds					
Designated funds		16,461	15,350	16,461	15,350
Revaluation reserve		5,206	4,731	5,206	4,731
Other charitable funds		5,121	2,484	5,082	2,435
Total funds excluding pension liability		26,850	22,662	26,790	22,558
Pension reserve	7	(30,523)	(38,567)	(30,523)	(38,567)
Total funds including pension liability		(3,673)	(15,905)	(3,733)	(16,009)

The financial statements of CIPFA's branches, regions, and students' societies are incorporated within the Charity's financial statements. Before consolidation into the group financial statements, the charity made a surplus of £3,518,000 in 2021 (2020: a surplus of £1,083,000) The surplus for this year is before other recognised gains of £8,758,000 (2020 losses of £11,249,000).

Approved and authorised for issue by the Council on 4 May 2022 and signed on its behalf by:

President



Chief Executive



The notes on pages 68 to 87 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
Net cash provided by operating activities			2,451		4,577
Cash flows from investing activities					
Interest received		-		8	
Purchase of intangible fixed assets		(128)		(381)	
Purchase of tangible fixed assets		(113)		(215)	
Net cash (used in) investing activities			(241)		(588)
Cash flows from financing activities	17				
Commercial loan	2	(1,156)		(484)	
Interest paid		(34)		(69)	
Net cash provided by financing activities			(1,190)		(553)
Net increase in cash and cash equivalents			1,020		3,437
b/fwd Cash at bank			6,011		2,574
c/fwd Cash at bank			7,031		6,011

Notes to the cash flow statement

	Note	2021 £000	2020 £000
A. Net cash (used in) operating activities			
Net income		3,474	2,842
Current year pension	7	48	149
Interest receivable		-	(8)
Interest payable	2	35	69
Commercial loan	17	1,156	484
Depreciation and amortisation charges	8 & 9	410	420
Impairment of intangible asset	8	63	74
(Increase) in stocks and work in progress		(177)	(189)
(Increase)/decrease in debtors		(507)	879
(Decrease) in creditors		(2,051)	(142)
		2,451	4,577

	At 1 Jan 2021 £000	Cash- flows £000	At 31 Dec 2021 £000
B. Analysis of changes in net debt			
Cash in hand	6,011	1,020	7,031
Commercial loan	(1,156)	1,156	-
Total	4,855	2,176	7,031

Notes to the financial statements

1 Accounting policies

Company information

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a public benefit entity set up by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales. The charity registration number is 231060. CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963. CIPFA is a Public Benefit Entity and its registered office is 77 Mansell Street, London, E1 8AN.

Accounting conventions

The consolidated financial statements comprise the financial statements of CIPFA, and its subsidiary undertakings, CIPFA Business Ltd, registration number 2376684 and CIPFA C.Co Ltd, registration Number 10212053 on a line by line basis and adjusted for the elimination of inter-group transactions and balances.

Going concern

The CIPFA Board, on behalf of Council, has assessed the ability of CIPFA to continue as a going concern and have considered several factors when forming their conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included the revised budget for 2022 and forecast for 2022–26 contained in the business plan, cash flow forecasts to 31 December 2023 and a consideration of the key risks, including the extended impact of the recovery from COVID-19 on the continued operation of CIPFA's activities and our revised methods of working as well as the impact on our customers. In addition during the preparation of the budgets we undertook some sensitivity analysis on service areas around income and expenditure assumptions included in the final submission to the Board.

In addition the Board is aware of the impact of the likely increase in prices during 2022. It is unlikely that CBL will be able to pass on all of its rising costs to customers, increasing pressure on margins and necessitating even tighter control of the cost base. The Board believes that its strategy of diversifying products in existing markets and identifying new markets will manage the inflation risks. In addition, and in order to mitigate the risk the Board has considered earmarking elements of the 2021 surplus and will consider this, alongside a review of its reserves policy, during 2022.

Since the changes forced on our operations by the pandemic in 2020, our activities have settled into digital by default and that is now considered our preferred mode of activity, but not the only one. We are adopting our services to reflect a greater use of remote activity than before the pandemic and we have reflected that in our plans. We do not anticipate an adverse impact on our finances – in fact, greater take up of those services and delivery at a reduced cost have been built into the business plan. We continue to anticipate access to broader markets given this mode of delivery and our operational resilience and lower risk will continue.

We maintain our focus on high quality products and services to our members and customers and continue to seek innovations in the delivery of those services and products.

In addition we have maintained our tight controls over expenditure and investment, only releasing the investment that is included in the business plan when we are comfortable that the underlying business performance warrants that. 2022 anticipates a higher level of investment than we have seen previously, recognising our stronger financial health as well as a need to improve services to remain competitive. 2021 saw a continued improvement in our cash management processes and as a result a far healthier cash position throughout the year, with average balances exceeding our cash target for every day of the year. Such was the strength of our cash position in September we took the decision to make an early repayment of the cash flow loan which was taken out in 2019.

CIPFA continues to face a pension fund deficit which remains subject to the future volatility of the pension scheme's liabilities as a result of changing actuarial variables. Pension scheme considerations and contributions are incorporated into our business plan and considerable work is being undertaken to close the scheme to future accrual. The business plan also considers the terms and conditions of the existing bank facilities.

The CIPFA reserves position is a deficit of £3.673m (2020: £15.905m deficit) complicated by the inclusion of the FRS102 Pensions reserve which stands at a deficit of £30.523m (2020: £38.567m deficit). Within that our designated funds (principally the Mansell St property) have remained stable at £16.461m (2020: £15.350m). However, our charitable funds (free reserves available for investment) have seen a large increase and now stand at £5.121m (2020: £2.484m) surplus as a result of the operating surplus in 2021. This figure exceeds our target of having reserves of two months' average expenditure £3.8m (2021 £3.9m). The Board has indicated it wishes to revisit the existing policy during 2022. Our cash flow forecasting across the period of review indicates that sufficient working capital is available for CIPFA to satisfy all of our commitments as they fall due.

Having regard to the above, the Trustees believe there are no material uncertainties surrounding the decision to adopt the going concern basis of accounting in preparing the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and investment property and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2019.

The functional currency of CIPFA and its subsidiary entity is considered to be GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

Further details of the CIPFA's active subsidiary undertakings are provided in note 2.

The financial statements of CIPFA's branches, regions, and students' societies are incorporated within the charity's financial statements.

Income recognition

Income is credited to the statement of financial activities in the year to which it relates. Income is deferred only when conditions have to be fulfilled before CIPFA becomes entitled to it or where the donor has specified that the income is to be expended in the future period. In the case of membership subscriptions and subscriptions for journals and electronic services any receipt in respect of future years is shown as deferred income.

- Membership subscriptions comprise membership fees from CIPFA professional qualifications.
- Advancing public finance and promoting best practice comprises income from publications, courses and conferences and advisory services.
- Educating and training student members comprises income from training and examining for CIPFA's professional qualifications.
- Regulation and supporting members comprises the income from practice assurance and disciplinary fines.

Government grants

Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received.

Investments

Investment properties are measured at fair value annually with any change recognised in the Statement of Financial Activities. The trustees deem market value to be a fair approximation of fair value for the purpose of obtaining annual valuations. A full valuation is undertaken every three years and interim valuations are performed in intermediate years.

Expenditure recognition

Expenditure, including irrecoverable value added tax, is debited to the Statement of Financial Activities on an accruals basis:

- Expenditure from information, advisory and property services comprises the costs of the trading subsidiaries.
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.
- Governance costs comprise those incurred as a result of constitutional and statutory requirements.
- Support costs, which include central office functions such as finance, information technology and human resources, are allocated across the categories of charitable expenditure. The basis of the cost allocation has been explained in the notes to the accounts.

Pensions

CIPFA operates two pension schemes for its staff. The first is a funded defined benefit pension scheme under the Superannuation Act 1972, which is subject to the Local Government Pension Scheme (Administration) Regulations 2008 and which, from 1 January 2007, staff are only eligible to join under specific circumstances. The second pension scheme introduced from 1 January 2007 is a defined contribution Group Personal Pension Plan via Aegon.

Defined Benefit Pension Scheme

Pension contributions are paid to a local government defined benefit pension scheme in accordance with the recommendations of actuaries. The scheme is funded, with the assets of the scheme held separately from those of CIPFA, in separate trustee-administered funds.

CIPFA has fully adopted Financial Reporting Standard FRS 102 for the accounting treatment of retirement benefits.

Current service costs, past service costs, gains and losses on settlements and curtailments, interest on pension scheme liabilities and the expected return on pension scheme assets are charged to resources expended.

Actuarial gains and losses are recognised immediately as other recognised gains and losses, after net incoming/(outgoing) resources for the year.

As detailed in note 7, pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit pension scheme liability is presented separately after other net assets on the face of the balance sheet.

CIPFA has entered into dialogue with the administrators of the Scheme (Wiltshire Pension Fund) to close the Scheme to future accrual. At the time of signing these accounts those negotiations had not concluded.

Defined Contribution Scheme

Defined contributions are paid to the Group Personal Pension Plan via Aegon in accordance with the group policy. The policy allows for minimum employee contributions of 3%, with the employer contributing double the employee contribution up to a maximum of 10%.

CIPFA C.Co Ltd operates a defined contributions Personal Pension Plan via Royal London, with defined contributions paid in accordance with the company policy.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Work in progress comprises the cost of ongoing projects and work performed on contracts not yet billed to clients. Costs include direct labour, contractual costs and attributable overheads.

Leased assets – lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Leased assets – lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Research and development

Research and development is normally written off as incurred, except for specific projects that are deemed to generate future benefit.

Intangible fixed assets – development expenditure

Intangible fixed assets represent development costs capitalised in accordance with FRS 102. These are stated at historical cost and amortised on a straight-line basis over the period which revenue is expected to be generated (three to five years).

Amortisation is recognised in the statement of financial activities under expenditure on charitable activities.

Tangible fixed assets and depreciation

Freehold property is held at valuation and depreciated over 50 years. Revaluations are undertaken by an independent valuation expert annually. A full valuation is undertaken of freehold property every three years and interim valuations in intermediate years. Included in the fixed asset note is the carrying amount that would have been recognised had the assets been carried under the historical cost model.

Other fixed assets are capitalised and depreciated if the value is greater than £1,000 for an individual asset or greater than £5,000 for a capital project.

Tangible fixed assets are depreciated from the month the assets are first used on a straight-line basis over their estimated economic lives as follows:

	Years
Computer equipment	3
Furniture, fittings and other equipment	5

Assets under construction relate to refurbishment and information technology development and are not depreciated until brought into use.

Deferred taxation

Deferred tax is provided in full in respect of material timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is only recognised where the conditions for recognition in FRS 102 are satisfied and such balances may fall due after more than one year.

Fund accounting

Unrestricted funds held by the charity are:

Designated funds – these are unrestricted funds set aside by the trustees for specific future purposes or projects.

Other charitable funds – these are unrestricted general funds that can be used in accordance with the charitable objects at the discretion of trustees.

Restricted funds are those funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

Critical accounting judgements and key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 7. These estimates were made having taken advice from the Scheme's Actuary.

Valuation of land and buildings and investment property – The charity’s land, buildings and investment property are stated at their estimated fair value based on professional valuations as disclosed in note 9 and 10.

Financial instruments

Financial assets and financial liabilities are recognised when CIPFA becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate.

2 Profits from trading activities of subsidiary

CIPFA has one active wholly-owned trading subsidiary: CIPFA Business Ltd, registration number 2376684. The principal activities of CIPFA Business Ltd are networks, advisory and research. CIPFA Business Ltd remits a proportion of its profits to CIPFA by means of gift aid. Audited accounts are filed with the Registrar of Companies.

CIPFA additionally owns a 88% (2020 75%) interest in the trading subsidiary CIPFA C.Co Ltd, registration number 10212053 that commenced trading in July 2016. The principal activities of CIPFA C.Co Ltd are strategy, transformation and improvement advisory services. A summary of the trading results of both subsidiaries are shown below.

	2021	2020
	£000	£000
Profit and loss account – CIPFA Business Ltd		
Turnover	13,385	13,187
External charges	(2,464)	(1,581)
Staff costs	(5,080)	(5,884)
Depreciation	(116)	(89)
Other operating charges	(973)	(2,545)
Operating profit	4,752	3,088
Interest receivable	-	8
Interest payable	(34)	(71)
Profit on ordinary activities before taxation	4,718	3,025
Tax on profit on ordinary activities	-	-
Profit after taxation	4,718	3,025
Retained profit	(115)	(1,878)
Gift aid to CIPFA	(4,721)	(1,262)
Retained in subsidiary	(118)	(115)
Net assets	282	285

	2021	2020
	£000	£000
Profit and loss account – CIPFA C.Co Ltd		
Turnover	798	904
Staff costs	(554)	(604)
Other operating charges	(284)	(320)
Operating profit	(40)	(20)
Profit on ordinary activities before taxation	(40)	(20)
Tax on profit on ordinary activities	-1	-
Retained in subsidiary	(41)	(20)
Net assets	178	218

3 Property income

	2021	2020
	£000	£000
Rent and dilapidations from tenants	221	227
	221	227

Property income is the income from tenants occupying parts of the Mansell Street property during the year.

5 Governance costs

	2021	2020
Group	£000	£000
Audit fees	56	55
Internal audit fees	41	18
Council, committees and boards	82	62
Management and governance support	280	220
Apportionment of costs supporting governance activities	65	77
	524	432

6 Employees

	2021	2020
Group	£000	£000
Salaries and wages (including temporary staff)	9,756	10,065
National insurance	1,061	1,120
Pension costs	1,784	1,650
Other staff costs	874	574
Redundancy and termination costs	137	404
	13,612	13,813

Redundancy and termination payments of £137,000 (2020: £404,000) were paid during the period and are recognised in the statement of financial activities. These costs include £0 one off pension costs (2020: £0).

Ex-gratia payments of £Nil (2020: £31,000) were paid during the period and are recognised in the Statement of Financial Activities.

The average number of employees in the Group in 2021 was 214 (2020: 219).

	2021	2020
Group	No	No
Advancing public finance and promoting best practice	24	22
Educating and training student members	38	34
Regulation and supporting members	4	5
Governance	2	3
Support services	94	90
CIPFA Business Ltd	45	59
CIPFA C.Co Ltd	7	6
	214	219

Senior employees received remuneration falling within the following ranges:

	CIPFA 2021	CIPFA Business 2021	CIPFA C. Co Ltd 2021	CIPFA 2020	CIPFA Business 2020	CIPFA C. Co Ltd 2020
£230,000 – £239,999	-	-	-	1	-	-
£210,000 – £219,999	1	-	-	1	-	-
£150,000 – £159,999	-	1	-	-	1	-
£130,000 – £139,999	1	-	-	1	-	-
£120,000 – £129,999	1	-	-	1	-	-
£110,000 – £119,999	-	-	-	2	-	-
£100,000 – £109,999	1	-	1	1	-	-
£90,000 – £99,999	4	-	-	2	-	1
£80,000 – £89,999	5	1	1	3	3	-
£70,000 – £79,999	5	1	2	7	2	1
£60,000 – £69,999	14	6	-	11	8	4

Of the senior employees 30 CIPFA (2020: 28), 9 CIPFA Business Ltd (2020: 14) and 4 CIPFA C.Co Ltd (2020: 6) are members of the pension schemes. Employer pension contributions made on behalf of senior employees in 2021 was £756,000 (2020: £827,000).

Remuneration of key management personnel

Key management is made up of the chief executive and the executive directors. CIPFA's total cost, including pension and national insurance, for key management personnel for 2021 was £1,122,000 (2020: £1,215,331). The total cost for the chief executive, including pension and national insurance, was £246,000 (2020: £241,444).

Volunteers

CIPFA is supported by a strong network of volunteers who play a vital role advancing our objectives of advancing public finance, promoting best practice, educating and training student members and regulating and supporting members.

Volunteers sit on our Council, boards, committees and policy panels; they also undertake regional engagement and are involved in organising regional events.

7 Pensions

CIPFA operates two pension schemes for its staff:

The Local Government Pension Scheme – this is a statutory, defined benefit pension scheme. Pension benefits in the scheme are determined by reference to an individual's pensionable pay at retirement and their length of scheme membership. The Local Government Pension Scheme is administered through 100 funds across the UK. CIPFA is an admitted body in the Wiltshire Pension Fund, which is administered by Wiltshire County Council.

On 1 January 2007, CIPFA took the decision to largely close the scheme to new members, with membership only offered where business need dictates and approved by the Remuneration Committee.

The scheme is contributory for both employer and employees. Total contributions recognised in the statement of financial activities during 2021 were £1,175,138 (2020: £1,072,000). During 2021 dialogue commenced with Wiltshire Pension Fund to close the Scheme to future accrual. At the date of signing these accounts those discussions had not concluded.

The CIPFA Personal Pension Plan – this is a defined contribution, money purchase scheme, operated on behalf of CIPFA by Aegon. Pension benefits payable under the scheme are dependent upon contributions made and fund growth over the life of the scheme.

This scheme replaced the Local Government Pension Scheme as the default scheme for CIPFA employees joining on or after 1 January 2007.

The scheme is contributory for both employer and employees. The scheme allows for minimum employee contributions of 3%, with the employer contributing double the employee contribution up to a maximum of 10%.

The total pension cost to the group for the financial year, in respect of the pension schemes, for 2021 were £1,784,000 (2020: £1,654,000).

The Local Government Pension Scheme

The assets and liabilities of the Wiltshire Pension Fund of the Local Government Pension Scheme are subject to a full actuarial valuation every three years in accordance with the requirements of the Local Government Pension Scheme (Administration) Regulations 2008. The latest valuation of the scheme was carried out as at 31 March 2019.

With effect from 1 April 2017 the “employer’s” contributions are made up of two elements – a fixed sum annual payment for past service and an employer’s contribution rate of 26.0% of pensionable earnings for future service until the next triennial valuation. At the March 2019 valuation CIPFA had a pension deficit of £4,567,000.

The assumptions used in the actuarial valuation as at 31 March 2019, together with the market value of assets and funding level were:

Rate of return on investments	3.3%
Rate of increase in salaries	2.7%
Retail price inflation	2.3%
Funding level for CIPFA staff	95.0%
Deficit for CIPFA staff	£4.567m

The actuary has valued the pension scheme in accordance with FRS 102 for the purpose of the statutory financial statements. FRS 102 methodology differs from that used in the triennial funding valuation, particularly in the determination of the discount rate.

The FRS 102 disclosures are shown below.

The amounts recognised in the balance sheet are as follows:

	2021 £000	2020 £000
Fair value of employer assets	113,290	107,410
Present value of funded obligations	(143,778)	(145,940)
Present value of unfunded liabilities	(35)	(37)
Net (underfunding) in funded plans	(30,523)	(38,567)
Net (liability)	(30,523)	(38,567)
Amount in balance sheet:		
Liabilities	(30,523)	(38,567)
Assets	-	-
Net (liability)	(30,523)	(38,567)

	2021 £000	2020 £000
Reconciliation of defined benefit obligation		
Opening defined benefit obligation	145,977	127,224
Current service cost	638	787
Past service cost	-	-
Interest cost	2,018	2,524
Contribution by members	125	150
Actuarial (gains)/losses	(745)	18,252
Past service losses	-	-
Losses on curtailments	-	-
Benefits paid	(4,200)	(2,960)
Closing defined benefit obligation	143,813	145,977

	2021 £000	2020 £000
Reconciliation of fair value of employer assets		
Opening fair value of employer assets	107,410	100,072
Expected return on assets	1,482	1,985
Contributions by members	125	150
Contributions by the employer	1,126	1,177
Actuarial (loss)/gain	7,347	6,986
Estimated benefits paid	(4,200)	(2,960)
Closing fair value of employer assets	113,290	107,410

	2021 £000	2020 £000
Recognition within the statement of financial activities		
Current service cost	(638)	(787)
Past service cost	-	-
Interest cost	(2,018)	(2,524)
Expected return on employer assets	1,482	1,985
Past service loss	-	-
Contributions by employer	1,126	1,177
Losses on curtailments and settlements	-	-
Total amount (charged)/credited within net incoming resources	(48)	(149)
Actuarial gain/(loss)	8,092	(11,266)
Total amount (debited)/credited to statement of financial activities	8,044	(11,415)

The major categories of plan assets as a percentage of total plan assets	2021	2020
Equities	54%	52%
Bonds	34%	37%
Property	12%	11%
Cash	0	0

Principal assumptions at the balance sheet date	2021	2020
Pension increase rate	2.9%	2.4%
Salary increase rate	2.8%	2.0%
Discount rate	1.9%	1.4%
Assumes life expectations on retirement age 65:		
Current pensioners – males	21.9	21.7
Current pensioners – females	24.4	24.0
Future pensioners – males	22.9	22.5
Future pensioners – females	26.2	25.5

The amounts for the current and previous periods are as follows:

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Defined benefit obligation	(143,813)	(145,977)	(127,224)	(110,654)	(117,881)
Scheme assets	113,290	107,410	100,072	89,177	92,056
(Deficit)	(30,523)	(38,567)	(27,152)	(21,477)	(25,825)

8 Intangible assets

	Other £000	Assets under construction £000	Total £000
A Group			
Development at cost			
At 1 January 2021	816	177	993
Additions	-	128	128
Transfers	91	(91)	-
Impairment	-	(63)	(63)
At 31 December 2021	907	151	1,058

Amortisation

At 1 January 2021	441	-	441
Charge for year	97	-	97
At 31 December 2021	538	-	538
Net Book Value 31 December 2021	369	151	520
Net Book Value 31 December 2020	375	177	552

	Other £000	Assets under construction £000	Total £000
B CIPFA			
Development at cost			
At 1 January 2021	355	177	532
Aquisition during year	-	128	128
Transfers	91	(91)	-
Impairment	-	(63)	(63)
At 31 December 2021	446	151	597

Amortisation

At 1 January 2021	269	-	269
Charge for year	36	-	36
At 31 December 2020	305	-	305
Net book value 31 December 2021	141	151	292
Net book value 31 December 2020	86	177	263

Intangible assets relate to product software, delivery and supports software, the costs of learning material to support students training for the professional qualification and migration of our servers to Amazon Web Service. The assets under construction relate to the periodic refresh of the learning materials, and an interface to assist recognition of our apprenticeship income streams.

9 Tangible fixed assets

	Freehold land & buildings £000	Furniture & Fittings £000	Computers £000	Total £000
A Group				
Cost or valuation				
At 1 January 2021	13,550	1,396	2,615	17,561
Revaluations	250	-	-	250
Additions	-	-	108	108
At 31 December 2021	13,800	1,396	2,723	17,919
Depreciation				
At 1 January 2021	-	1,332	2,519	3,851
Charge for year	191	55	66	312
Revaluations	(191)	-	-	(191)
At 31 December 2021	-	1,387	2,585	3,972
Net Book Value 31 December 2021	13,800	9	138	13,947
Net Book Value 31 December 2020	13,550	64	96	13,710
B CIPFA				
Cost or valuation				
At 1 January 2021	13,550	1,172	2,178	16,900
Revaluations	250	-	-	250
Additions	-	-	107	107
At 31 December 2021	13,800	1,172	2,285	17,257
Depreciation				
At 1 January 2021	-	1,154	2,108	3,262
Charge for year	191	16	49	256
Revaluations	(191)	-	-	(191)
At 31 December 2021	-	1,170	2,157	3,327
Net Book Value 31 December 2021	13,800	2	128	13,930
Net Book Value 31 December 2020	13,550	18	70	13,638

The tangible fixed assets are held for charitable use.

Cushman & Wakefield, Property Consultants, completed a desktop valuation of the Mansell Street property as at 31 December 2021. The basis used for the valuations was open market value. The historical cost of the freehold land and buildings is £13,572,000.

10 Investment property

	2021	2020
Group and CIPFA	£000	£000
Cost		
At 1 January	6,975	7,100
Revaluation	225	(125)
At 31 December	7,200	6,975

The investment property relates to the third and fifth floors of the Mansell Street property.

11 Investments in subsidiary company

	2021	2020
	£000	£000
400,100 £1 ordinary shares in CIPFA Business Ltd	400	400
75 £1 ordinary shares in CIPFA C. Co Ltd	-	-
	400	400

12 Other investments

	2021	2020
Group and CIPFA	£000	£000
At 1 January	9	9
Movement in year	-	-
At 31 December	9	9

As one of five major accountancy bodies, the Institute holds 70 £1 shares in CCAB Ltd at a cost of £70 (7% of the issued equity capital). Other investments comprise a number of funds that have been established either by way of donations in memory of eminent accountants within public finance or from various organisations.

13 Deferred tax

A deferred asset of £22,000 (2020: £12,000) exists at 31 December 2020 in respect of timing differences. However, the asset has not been recognised in the balance sheet as it is not deemed likely to crystallise given CIPFA Business Ltd's policy and practice of remitting all taxable profits to CIPFA under gift aid.

14 Stocks and work in progress

	Group		CIPFA	
	2021	2020	2021	2020
	£000	£000	£000	£000
Finished goods	-	4	-	1
Work in progress	476	295	391	156
	476	299	391	157

15 Debtors

	Group		CIPFA	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade Debtors	2,942	2,314	1,200	1,213
Amounts due from subsidiary undertakings	-	-	822	464
Other debtors	134	225	57	70
Prepayments	293	323	256	215
	3,369	2,862	2,335	1,962

16 Creditors: amounts falling due within one year

	Group		CIPFA	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade creditors	1,107	1,084	628	574
Amounts due to subsidiary undertakings	-	-	1	6
Other tax and social security	951	2,107	451	356
Other creditors	141	100	68	47
Receipts in advance	3,502	3,305	1,319	1,103
Property provision	1	4	1	4
Commercial loan	-	505	-	-
	5,702	7,105	2,468	2,090

Receipts in advance of £3,502,000 (2020: £3,305,000) relate to professional membership and commercial services that will be delivered in the next financial year.

17 Commercial loan

	2021	2020
	£000	£000
Balance at 1 January	1,156	1,640
Repayments	(1,156)	(484)
Balance at 31 December	-	1,156

	2021	2020
	£000	£000
Analysis of commercial loan		
Within one year	-	505
Within two to five years	-	651
	-	1,156

CIPFA Business Limited had a commercial loan of £2,000,000 which was secured on the Mansell Street, London property. The loan was repaid in September 2021.

18 Group funds

	Balance at 1 Jan 2021 £000	Transfers £000	Income £000	Expenditure £000	Other recognised gains/losses £000	Balance at 31 Dec 2021 £000
Unrestricted funds						
Designated (property)	14,638	1,156	-	-	-	15,794
Designated (other fixed assets)	712	236	-	(281)	-	667
Revaluation reserve	4,731	-	-	(191)	666	5,206
Other charitable	2,484	(1,363)	26,507	(22,507)	-	5,121
Pension reserve	(38,567)	-	-	(48)	8,092	(30,523)
	(16,002)	29	26,507	(23,027)	8,758	(3,735)
Restricted funds						
Trust funds	9	-	-	-	-	9
Regional funds	33	-	-	(1)	-	32
Minority interest	55	(29)	96	(101)	-	21
Total funds	(15,905)	-	26,603	(23,129)	8,758	(3,673)

	Balance at 1 Jan 2020 £000	Transfers £000	Income £000	Expenditure £000	Other recognised gains/losses £000	Balance at 31 Dec 2020 £000
Unrestricted funds						
Designated (property)	14,154	484	-	-	-	14,638
Designated (other fixed assets)	611	402	-	(301)	-	712
Designated (contractual dispute)	500	(500)	-	-	-	-
Revaluation reserve	4,906	-	-	(192)	17	4,731
Other charitable	(619)	(386)	26,191	(22,702)	-	2,484
Pension reserve	(27,152)	-	-	(149)	(11,266)	(38,567)
	(7,600)	-	26,191	(23,344)	(11,249)	(16,002)
Restricted funds						
Trust funds	9	-	-	-	-	9
Regional funds	33	-	-	-	-	33
Minority interest	60	-	226	(231)	-	55
Total funds	(7,498)	-	26,417	(23,575)	(11,249)	(15,905)

Designated fund (property) – The Council has classified as designated funds the element of its reserves which represents the cost of the freehold buildings and investment properties as at 31 December 2015.

Designated fund (other fixed assets) – The Council has classified as designated funds the intangible assets and other non-property fixed assets.

Designated Fund (contractual dispute) – The Council has removed the previously designated £500,000 for future legal costs in relation to the contract dispute relating to the London Counter Fraud Hub contract.

Revaluation reserves (property) – This relates to the revaluation of the freehold and investment properties.

Trust funds – A number of funds have been established either by way of donations in memory of eminent accountants within public finance or from various organisations. The income from the investments is used for prizes in each year's examinations, either for the best subject or the best student in a particular field. A proportion of the funds (£9,000) are administered through a separate charity, Charity Commission Registration 313981.

Regional funds – A number of funds have been established by way of donations in memory of eminent accountants within public finance. The funds are used to support students or further the work of the region.

Minority interest – This represents CIPFA's non-controlling interest in CIPFA C.Co Ltd, of which it owns 88% (2020 75%) of issued shares in the company.

19 Analysis of group net assets between funds

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Fund balances at 31 December						
2021 are represented:						
Intangible assets	520	-	-	-	-	520
Tangible fixed assets	8,741	-	-	5,206	-	13,947
Investment property	7,200	-	-	-	-	7,200
Investments	-	-	-	-	9	9
Current assets	-	10,844	-	-	32	10,876
Current liabilities	-	(5,723)	-	-	21	(5,702)
Long-term liabilities	-	-	-	-	-	-
	16,461	5,121	-	5,206	62	26,850
Pension liability	-	-	(30,523)	-	-	(30,523)
Group net assets/(liabilities)	16,461	5,121	(30,523)	5,206	62	(3,673)

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Fund balances at 31 December						
2020 are represented:						
Intangible assets	552	-	-	-	-	552
Tangible fixed assets	8,979	-	-	4,731	-	13,710
Investment property	6,975	-	-	-	-	6,975
Investments	-	-	-	-	9	9
Current assets	-	9,139	-	-	33	9,172
Current liabilities	(505)	(6,655)	-	-	55	(7,105)
Long-term liabilities	(651)	-	-	-	-	(651)
	15,350	2,484	-	4,731	97	22,662
Pension liability	-	-	(38,567)	-	-	(38,567)
Group net assets/(liabilities)	15,350	2,484	(38,567)	4,731	97	(15,905)

20 Leasing commitments

At 31 December 2021 the future minimum lease payments under non-cancellable operating leases were as follows:

	Land & buildings 2021 £000	Other 2021 £000	Land & buildings 2020 £000	Other 2020 £000
A Group				
Leases that expire:				
within one year	145	15	153	19
within 2 to 5 years	314	1	377	18
in over 5 years	-	-	36	-
	459	16	566	37

	Land & buildings 2021 £000	Other 2021 £000	Land & buildings 2020 £000	Other 2020 £000
B CIPFA				
Leases that expire:				
within one year	96	15	104	15
within 2 to 5 years	133	1	183	16
in over 5 years	-	-	-	-
	229	16	287	31

21 Leased assets

At 31 December 2021 the future minimum lease receipts due to CIPFA under non-cancellable operating leases were as follows:

	Land & buildings 2021 £000	Land & buildings 2020 £000
Group and CIPFA		
Leases which expire:		
within one year	169	175
within 2 to 5 years	138	303
in over 5 years	-	-
	307	478

22 Transactions with trustees

The trustees received no remuneration in relation to fulfilling their role as trustees (2020: Nil).

Seven trustees were reimbursed £1,275 for actual travel and subsistence costs necessarily incurred on Institute business (2020: four trustees were reimbursed £2,239). No additional payments were made to trustees.

23 Transactions with related parties

In 2021, the following transactions were incurred between CIPFA and its subsidiaries, CIPFA Business Ltd and CIPFA C.Co Ltd. There are no other related transactions or balances for disclosure in this report.

	2021	2020
	£000	£000
Management fees/recharges charged by CIPFA to CIPFA Business Ltd	2,079	2,311
Sales to CIPFA from CIPFA Business Ltd	-	(1)
Sales to CIPFA Business Ltd from CIPFA	3	10
Sales to CIPFA C.Co Ltd from CIPFA Business Ltd	58	1
Amounts due to CIPFA from CIPFA Business Ltd	765	254
Amounts due to CIPFA Business Ltd from CIPFA	-	6
Amounts due to CIPFA from CIPFA C.Co Ltd	51	211
Loan interest charged by CIPFA to CIPFA C.Co Ltd	2	6
Gift Aid paid to CIPFA by CIPFA Business Ltd	4,362	1,000

Independent auditor's report to the trustees of the Chartered Institute of Public Finance and Accountancy

We have audited the financial statements of the Chartered Institute of Public Finance and Accountancy ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2021 which comprise the Statements of Financial Activities, the Group and charity balance sheets, the Consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2018. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were taxation legislation, employment legislation and General Data Protection Regulation (GDPR).

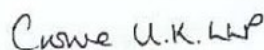
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing surrounding recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor
London

15 June 2022

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

An aerial photograph of a lush green valley at sunset. A river flows through the left side of the valley, and a road with a stone bridge crosses it. The sun is low on the horizon, casting a warm glow over the landscape. A large blue triangle is overlaid on the right side of the image.

CIPFA\

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The Chartered Institute of Public Finance and Accountancy.
Registered with the Charity Commissioners of England and Wales No 231060
Registered with the Office of the Scottish Charity Regulator No SC037963.

cipfa.org

Accounts

Annual report and accounts 2020

A review of the year



Contents

1

President's introduction
and CEO overview

6

2

About CIPFA

12

3

Our purpose and strategy

14

4

Performance and achievements 18

5

Staff and environment

28

6

Independent Review:
London Counter Fraud Hub

30

7

How we are governed

34

8

Opportunities and risks

42

9

Financial summary

46

10

Our future plans

56

11

Administrative information

60

12

Financial report

62



01

President's
introduction
and CEO
overview



This time last year, my predecessor wrote in these pages “little did we realise then the scale of the seismic shock that was to come with the arrival of COVID-19”. She could not have been more right. The challenges that have faced the public sector over the course of 2020 have been unlike any we have ever known. The word ‘unprecedented’ has been used so many times it has almost lost all meaning, but it is also true: it was an unprecedented year in every sense of the word, and thus my term as CIPFA President has been unique. However, despite the obstacles of 2020, it has been an excellent year, both for CIPFA’s students and members, and the organisation corporately.

The public sector has of course been on the frontline of the pandemic, not least my own sector of the NHS. Across the public services we saw inspiring examples of public servants going above and beyond to support citizens and communities. Services and functions were also digitised at a pace previously unheard of.

CIPFA joined this effort, with all face-to-face events and teaching moved online by 18 March 2020. Understanding what we can achieve remotely has been a revelation.

Many organisations do not see themselves ever returning to a full time, 9 to 5, ‘in the office’ model, and at CIPFA, while we look forward to the day we can get together with our members and stakeholders in face-to-face environments, the last year has certainly accelerated our ‘digital first’ approach in the UK and around the world.

In the UK, we were able to provide a bedrock of support to our members. Throughout the pandemic, we have worked closely with the Ministry of Housing, Communities and Local Government (MHCLG) to shape their planned funding package to the sector. We amended our guidance on Section 114 notices to reflect higher demand for services and increased costs. And in addition to the stellar support provide by CIPFA’s Networks and other commercial subscription services, we were also quick to offer a broad range of free-to-air services, including webinars, podcasts and a new weekly bulletin to CFOs that sorted the wheat from the chaff of government announcements.

These successes have also been realised around the world. With strong restrictions on travel, delivering projects internationally was a challenge, but CIPFA was still able to complete all planned projects for the year as well as continue to expand our reach and influence. We continued our capacity-building work in Somalia, Somaliland and Bangladesh and kicked off new World Bank-funded projects in Bangladesh and Albania. We also established our new International Advisory Panel, featuring experts from around the world, to enhance our expertise and influence the development of public financial management globally.

Even though this has, in many ways, been one of the most challenging years of my career, I’m coming away from it with a sense of optimism. Over the course of the last year, I’ve shared in your challenges, but I’ve also shared in your successes. In 2020, I have been a witness to resilience, determination and compassion in the public sector like at no other time in my professional life. It has been an honour to share this time with you.

A handwritten signature in blue ink, appearing to read 'Andy Hardy', with a horizontal line underneath.

Professor Andy Hardy
President



During 2020, services and functions were also digitised at a pace previously unheard of. CIPFA joined this effort, with all face-to-face events and teaching moved online. Understanding what we can achieve remotely has been a revelation.

Professor Andy Hardy
President

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Rob Whiteman, CBE
CEO

The scale of the disruption that came in the wake of the COVID-19 was both unpredicted and unprecedented. At CIPFA, while we were not expecting the crisis as we went into 2020, from the outset we moved quickly to stay ahead of the curve, controlling costs, deferring planned investment and adapting our operations to support members, students and customers remotely. I am pleased to report that in spite of these challenges we accelerated the trend of increased better trading over recent years to the degree that we achieved the most financially successful performance for many decades, delivering a £3m trading surplus and £2.8m improvement on budget. We also took the opportunity to review our business model, refresh our senior leadership team and middle management capabilities, and craft a five-year business plan that we are confident will spur us on to future success.

In last year's foreword, I addressed our difficult decision to improve our balance sheet and write down the problematic London Counter Fraud Centre costs borne before July 2019 so that we had no baggage going forward in the challenging context of COVID-19. In retrospect we are all the more confident that we made the right decision, albeit an uncomfortable one. Elsewhere in this annual report you will see that we have very much continued to learn lessons and made good progress with implementing Martin Sinclair's recommendations following his independent review.

Like the organisations we are proud to support, 2020 challenged us to think differently about our business as usual and we rose to the occasion. It's a source of great pride that we moved quickly to adopt online invigilation for our professional exams, meaning we did not cancel a single exam for our students, the only UK professional accountancy body to do so. In parallel to online exam delivery, we shifted rapidly from face-to-face to online delivery of our education programme, with no pause in learning.

CIPFA is, uniquely among UK-based professional accountancy bodies, a standard-setter as well as an educator, and we take a specific role in the statutory framework underpinning local government financial reporting. We worked collaboratively and at pace to reframe our guidance to local government CFOs to reflect the added pressures of the COVID-19 pandemic on local authorities.

We also continued close and productive dialogue with MHCLG to help shape and inform central government's support for the local government sector. As chief executive, I was pleased to be asked to give evidence to both the Commons' Public Accounts Committee and the Housing, Communities and Local Government Select Committee into various inquiries focused on local government.

In the fast-moving, uncertain context of 2020, CIPFA aimed to be a trusted anchor, providing reassurance and stability. We signposted members to the resources they needed to make sense of the new operating context. We introduced a weekly CFO bulletin complemented by monthly CEO bulletins, directing senior leaders in local government to the resources that really mattered. We also introduced more regular podcasts and a programme of free-to-air webinars, attracting high-profile and influential contributors to discuss and explore the professional and personal challenges of the pandemic. Our annual conference went digital and was postponed from July to October, but still offered a rich programme of content with speakers including former chancellor Lord Hammond, Welsh finance minister Rebecca Evans and BBC Newsnight's Nick Watt. We devised a creative delegate offer, extending the reach of the conference in a way that offered good value to our members and employer organisations. Alongside this, our regular programme of smaller events continued successfully, albeit online.

There was particularly strong performance from our Networks, the Achieving Finance Excellence in Policing programme, our training services and our international advisory offer, aided in large part by our shift to online delivery. Agility is vital for organisations such as CIPFA and where we performed less strongly, for example our professional education and training service, in research and analytics and property, we offset the impact by reducing the cost base and in some cases restructuring to address longer-term challenges.

The COVID-19 pandemic has also had a profound impact on us as an employer, and our staff have been largely working remotely since before the first lockdown. Our in-house IT team moved quickly to support the shift to remote working for our staff, HR policies were flexed and updated and our internal communications increased in frequency to ensure staff were kept informed. While retaining a focus on business and customer needs, we took care to ensure staff were supported, offering them access to wellbeing resources throughout what was an uncertain and at times stressful period, which saw some staff placed on furlough. As we move out of the pandemic, we have started consultation on our new operating model in a world where remote working is the norm rather than the exception, with consequent impacts on our estate and people strategies.

These changes strengthen our ability to be an attractive and competitive employer to recruit and retain the very best talent and all the more thrive in our competitive markets.

In the latter part of the year, much of my attention as CEO was focused on the development of our five-year business plan, accompanied by a digital transformation programme to overhaul and update our business processes and systems. We plan to invest £10.5m, with £1.5m earmarked for year 1 (2021) and student and membership pathways are the first milestone on our transformation roadmap.

In summary, we have emerged from the crucible of 2020 a fitter organisation and imbued with the knowledge that we can do things we would never have thought possible, reaching our members and markets in new and exciting ways. We face the future with optimism and confidence. I would like to commend to our members the commitment and energy of managers and staff to achieve this.



Rob Whiteman, CBE
CEO

“

In the fast-moving, uncertain context of 2020, CIPFA aimed to be a trusted anchor, providing reassurance and stability.

“ Our digital transformation programme will invest £10.5m, with £1.5m earmarked for year 1 (2021), and student and membership pathways are the first milestone on our roadmap.

Rob Whiteman, CBE
CEO



02

About
CIPFA

CIPFA, the **Chartered Institute of Public Finance and Accountancy**, is the professional body for finance experts in the public sector.

Our members work across all public services. They manage the largest budgets under the greatest scrutiny – that’s why the CPFA designation is widely recognised as the benchmark qualification for public service finance.

Founded in Manchester in 1885 as the Corporate Treasurers and Accountants Institute, CIPFA has helped shape public financial management in the UK, and increasingly globally.



CIPFA is the world’s only professional accountancy body to specialise in public services. Our suite of training and qualifications is sought after and highly respected around the world.

We champion high performance with information and guidance, courses and conferences, property and asset management solutions, advisory and recruitment services for a range of public sector clients.



03

Our purpose
and strategy

CIPFA's Purpose

Building trust and delivering excellence in public financial management.

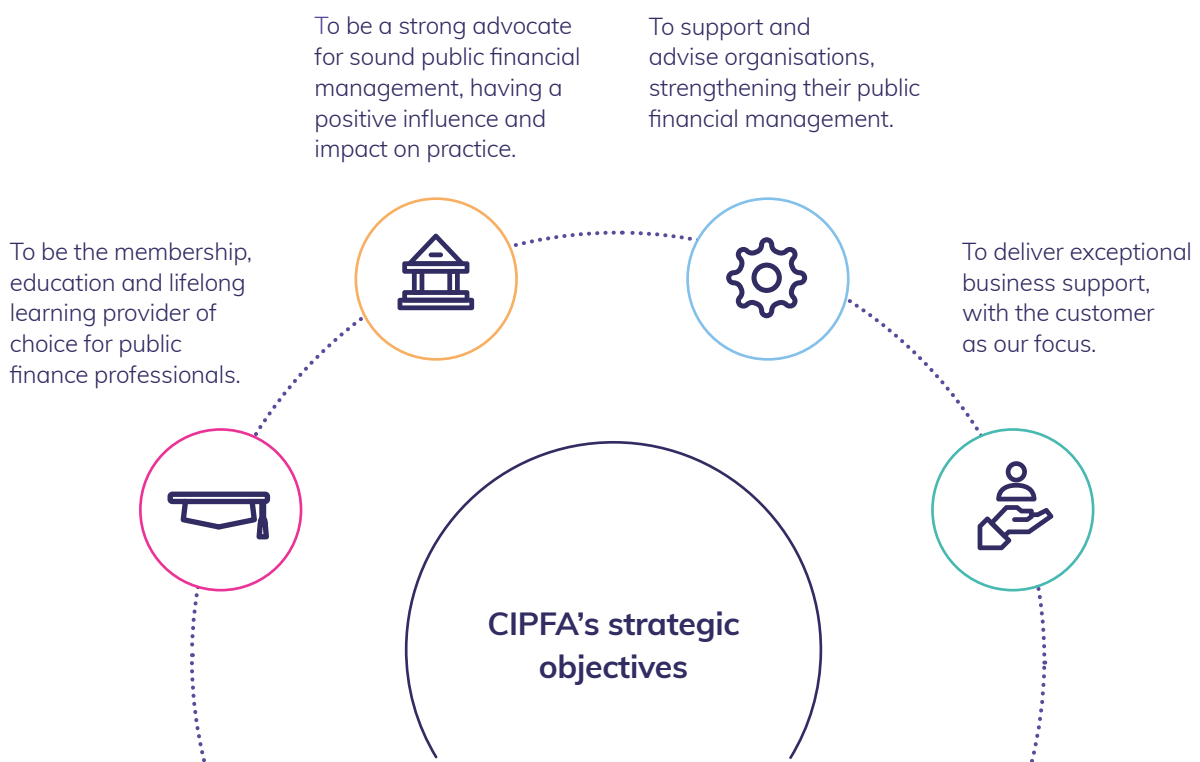
CIPFA believes that improving public services is the key to changing lives for the better. We aim to be the global leader in public financial management and to make a real difference to the world we live in.

CIPFA is a charity that sets the standards that UK local government and organisations worldwide adopt. Good public financial management is central to achieving and building trust across communities. Through resilient finances we can ensure public money is raised and spent with the highest degree of openness and efficiency and that critically important services are provided efficiently and effectively.

CIPFA is a membership body that supports its members and students, ensuring we equip them with the tools to deliver best-in-class public financial management across the whole of their career. We deliver qualifications that are relevant to the public sector and we offer lifelong learning materials to support career development in line with our public finance professional competency framework.

CIPFA's aim is to lead the domestic and global debate on good public financial management and governance.

Our business works with the organisations that employ our students and members, and other key public finance stakeholders, to ensure – at the organisational level – public finance is at its strongest, contributing to effective and efficient public services.



CIPFA's values



CIPFA provides
unique specialist
expertise

CIPFA is
responsive
and customer
oriented

CIPFA is
people-focused,
supportive and
collaborative

CIPFA is
committed to
innovation and
digital delivery

CIPFA is **trusted**
as independent
and ethically
driven



04

Performance and
achievements

CIPFA is a charity. Our charitable objectives are to promote public benefit and create public value by:



1 Advancing public finance and promoting best practice

Supporting the public sector's COVID-19 response

The world public bodies operate in changed in March 2020 with the outbreak of the COVID-19 pandemic. Public bodies had to find a way to deliver their core services and ensuring good financial management continued, while adapting and responding to the impacts of lockdown, processing additional government grants and reliefs.

CIPFA's work in 2020 was integral to these efforts. Expert CIPFA staff worked closely with MHCLG to provide advice on business rates collection fund and accounting, all of which enabled the department to shape its planned funding package to local government.

Recognising that regular and trusted communication was essential in the fast-moving environment created by the pandemic, early on CIPFA introduced a weekly email bulletin for chief financial officers (CFOs) in local government. The first edition was produced in March 2020 and continued throughout the year, receiving very positive feedback.

Supporting finance professionals in local government

The financial challenges that could be faced by local authorities in England and Wales are recognised in a statutory mechanism. The requirement to issue a Section 114 notice (a term referencing Section 114 of the Local Government Act 1988) emerges when a chief financial officer has to make public a local authority's inability to balance its budget.

During 2020 higher demand for services resulted in increased costs for local authorities, while lockdown restrictions resulted in lower income from fees and charges. Given this content, the immediate issue of Section 114 notices was considered not to be the most appropriate response. CIPFA acted quickly to modify guidance to enable CFOs to more readily navigate the financial issues emerging from the pandemic.

Although these modifications were small, they created space for CFOs to explore other avenues for financial support. They also enabled more finance directors to meet their statutory responsibilities, while avoiding a Section 114 notice and the resulting freeze on local spending that inevitably follows – an essential outcome in the pandemic.

The pandemic required CIPFA, as well as the organisations we support, to work differently. In what was a major success story, CIPFA's team of Network advisors transferred nearly 300 planned face-to-face events into webinar delivery. The shift to a virtual environment ensured a seamless service was provided to customers in finance, governance, procurement, revenues, police and fire, social care, insurance and treasury management, and facilitated international outreach via some training for Unicef staff in New York.

Policy focus beyond COVID-19

Working with HM Treasury and the Public Works Loan Board (PWLB)

The Prudential Code for Capital Finance in Local Authorities was developed by CIPFA and is a professional code of practice that supports decision making on capital investment. It sits at the heart of the wider prudential framework for local authorities, which includes the legislative frameworks within the UK.

During 2020 HM Treasury and the Public Works Loan Board (PWLB) made modifications to the way local authorities access borrowing for capital investment. CIPFA was consulted by the Treasury in advance of what was a significant change to PWLB lending terms.

CIPFA also submitted a response to the consultation and gave notice that a fundamental review of the Prudential Code was being planned.

The Redmond Review

Former CIPFA president Sir Tony Redmond completed his much-awaited review into the Oversight of Local Audit and Transparency of Local Authority Financial Reporting (the Redmond Review) in September 2020. This called on CIPFA's expertise to assist in the design of a summary financial statement (later to be referred to as a standardised statement). We developed a series of pilot statements consistent with Redmond's vision that summary accounts would be a vehicle to increase transparency.

CIPFA has created a small team to address the consequences of the Redmond Review. It is working on training materials for auditors as well as taking forward the proposals for summary statements to make them a reality and add to local authority accountability.

Advising organisations on the front line

The CIPFA Advisory team built on its 2019 success and 2020 saw a growth in revenue of 9.2% to £1.74m. This is a significant achievement given the impact of COVID-19 on the consulting market. The Advisory team also responded to the challenges of delivery through a digital medium, which has been welcomed by clients.

In 2020 Advisory worked with 56 different clients to deliver almost 90 wide-ranging projects. A significant number of client engagements (18%) realised revenue between £50,000 and £320,000, which signals that our advice and guidance are valued and continually sought.

The range of support provided to local government and the police sector continues to develop. 2020 saw an increased focus on supporting organisations' understanding and their response to commercial activities, financial stability and resilience as well as understanding their balance sheet structure and messages around performance. Advisory also continued to deliver financial management and financial governance reviews, finance function and finance environment transformation as a contribution to organisational improvement and progression.

Achieving Finance Excellence in Policing

The Achieving Finance Excellence in Policing (AFEP) programme continued successfully following its April 2019 launch, despite the disruptions presented by COVID-19.

Achievements in 2020 included the production of a comprehensive and unique assessment on the statement of financial management in policing – the National Report. This report shone a light on areas of best practice to shape a national roadmap and inform local improvement plans, enabling forces to stay in control of their financial strategy.

AFEP also delivered 12 specific police data dashboards, which collectively created a unique police database, the first of its kind.

Additionally, leadership support academies were convened, attended by 75 delegates and totalling 3,790 CPD hours across the stream. A successful virtual conference was also held in September, attracting 57 delegates and a range of well-placed speakers from across the police sector and other public services.

Work began on two publications focused on the role of the CFO in policing and a guide to police force collaborations.

Preparation also got underway for the second iteration of the programme – AFEP II. This places learning and development as well as talent progression at its heart. The programme will deliver a highly flexible approach to people development, supporting the next generation of police finance leaders. This comprehensive programme includes areas of training that are also available to non-finance team members.

Supporting the profession internationally

2020 saw a strong start for CIPFA's international work, with a broad portfolio of advisory and capacity building assignments drawing on our experience to strengthen public financial management (PFM) across Africa, South and Central Asia and the Caribbean.

The imposition of travel restrictions that aimed to curb the spread of COVID-19 across the globe immediately impacted many of our projects, where our staff and consultants were delivering face-to-face support in country. After ensuring the safety of our people, our immediate priority was to work with our clients to develop new ways of collaborating to ensure that our projects could continue to be delivered on time and to the quality required. Our responsiveness and flexibility meant we were able to successfully complete all of our planned activities in 2020 as well as expanding our technical breadth and geographical reach through the commencement of new projects.

We continued our ongoing World Bank-funded capacity building work in Somalia, Somaliland and Bangladesh, supporting the professionalisation of civil servants working in the field of PFM through delivery of CIPFA's IPFM qualification. We continued to support the Government of Tajikistan in the organisational and capacity development of the Chamber of Accounts, the country's state audit institution, including practical support for the implementation of performance audits. We also completed a scoping study considering the migration to accrual accounting in the Botswana Unified Revenue Service and provided recommendations on next steps for implementation.

More broadly, 2020 saw the development of important new relationships with key international stakeholders, including central and local governments and state audit institutions, donors, academic institutions and regional bodies. Through these relationships, we seek to influence the development of PFM globally, as well as building capacity to implement such developments.

Keeping the profession connected through conferences and events

Due to the restrictions imposed by the pandemic, CIPFA's annual conference took place later than usual and was an entirely digital event. Held over four days in October, speakers included former chancellor Lord Hammond, Welsh finance minister Rebecca Evans, Sir Tony Redmond and organisational psychologist John Amaechi. The event attracted 1,064 paying delegates, with 850 attending across the four days. The vast majority of content was available on demand for nine months after the event.

Winners of the annual Public Finance Awards were also announced as part of the conference programme. Awards were given across 17 categories including a Grand Prix, which went to Manchester City Council for its social value through procurement programme.

The annual Northern Ireland conference – Public Finance Live Northern Ireland – was held in December, two months later than its normal scheduled date, but enjoyed its highest turnout ever. Members in Northern Ireland supported the event in numbers with more than 100 attending what was the last policy and technical event of the year.

Alongside these paid-for events, we launched a programme of free-to-air webinars to provide helpful information and support to public finance professionals as they grappled with the personal and professional challenges of COVID-19. Speakers appearing as part of this webinar programme included Sir Michael Barber, Lord Deben (Chair of the Committee on Climate Change), Dame Margaret Hodge MP and the Institute for Fiscal Studies. The webinars broadcast to a total 1,075 delegates live from launch in May. All content is archived on CIPFA's YouTube channel and the channel had received a total of 18,395 views by the end of 2020.

We also increased frequency of the production of the CIPFA podcast, CIPFA Speaks!, covering topics from climate change to inclusion in the accountancy profession and featuring insights from a range of members, policy experts and commentators. Across the year, the podcast received 2,224 listens.

A new look and feel for CIPFA

Working with design agency PS London, CIPFA conducted a project to refresh our brand and visual identity and began rollout in Q4. The updated look and feel introduced new fonts, a broader colour palette with more tones and depth and a shift to photographic imagery. The website homepage, and some associated landing pages, were also restructured and adopted this refreshed brand identity.

Public Finance International Advisory Panel (IAP)

In 2020, CIPFA established the Public Finance International Advisory Panel, convening a global panel of more than 35 experts to generate fresh insights into public sector finance issues worldwide.

IAP members include professionals from academia, international bodies and professional accounting organisations. The IAP aims to facilitate professional and academic discussion and thought leadership on pan-public sector finance issues, including anti-corruption, internal control, budgetary management, accounting, auditing and performance reporting.

International Financial Reporting for Non-Profit Organisations (IFR4NPO)

The International Financial Reporting for Non-Profit Organisations initiative is a five-year project led jointly by Humentum and CIPFA to develop the first ever international financial reporting guidance for non-profit organisations (NPOs).

Project efforts in 2020 were largely focused on increasing awareness of both the project and future guidance, ahead of the IFR4NPO consultation paper launch in January 2021. CIPFA dedicated a significant amount of time in 2020 to developing content for the consultation phase and engaged national standard setters from around the world to better inform efforts. The project team recruited country champions globally to showcase and promote the project, regional awareness sessions were organised and both the Technical Advisory Group (TAG) and Practitioner Advisory Group (PAG) held meetings to better understand and analyse the specific needs of potential users of the guidance.

2 Regulating and supporting members

Supporting members through COVID-19

From day one of the COVID-19 challenge, CIPFA's priority was the health and wellbeing of our 17,000 members and student members and we mobilised quickly and efficiently to support them.

CIPFA consistently remained ahead of the curve of COVID-19 in the support we provided to members. Working across teams, we identified five major stakeholder groups to target in the first instance: students, member volunteers, employers, subscribers and event delegates. Each of these groups received targeted communications outlining the priority of our stakeholders' health and wellbeing and plans for how services would be proceeding.

From 17 March, our full customer services operation was up and running remotely, and all subsequent events were reworked for online delivery. By ensuring all events were recorded, we were able to create additional value for members, as they would be able to participate even if unavailable on the day and view the content on demand.

With a largely public sector membership base for whom the mass shift to remote and online working was going to be unfamiliar, on 20 March we circulated comprehensive 'how to' documents for our major digital platforms, including MS Teams and GoToWebinar.

From early to mid-April, with immediate crisis communications and activities well embedded, efforts were turned to providing resources to members and students to support them in their day-to-day roles. On 8 April we launched a new COVID hub on the website, with sections dedicated to students, events and updates from government segmented by sector. This also included a free guide on leadership in times of crisis. The hub has received over 15,000 hits since launch.

Professional ethics – supporting our members and students

A major project to assist members and students with professional ethics began in 2020. The majority of public finance professionals will likely face an ethical dilemma at some point in their career and this prompted CIPFA's Public Finance Management Board to commission the development of an e-learning tool.

The development was largely completed in 2020 and final testing revealed a modernised means whereby members and students can benchmark their professional knowledge against the requirements of CIPFA's Statement of Professional Practice on Ethics.

The e-learning addresses the five ethical principles of objectivity, integrity, professional behaviour, professional competence and due care and confidentiality. Users can self-test against a bank of short practical case studies and will be provided with a certificate of completion that will count towards their continuing professional development. The e-learning module will be made available to members and students on a complimentary basis and at a low cost to non-CIPFA members.

Disciplinary

Protecting the public interest and maintaining public confidence in the integrity and reputation of our membership is paramount. We investigate allegations of malpractice and apply disciplinary sanctions where necessary.

In 2020, six cases were drawn to a conclusion with two resulting in expulsion, one in an entry on record, two in no further action being taken and one case being closed for other reasons. The appeal period for two cases heard in late 2020 will elapse in 2021.

3 Educating and training student members

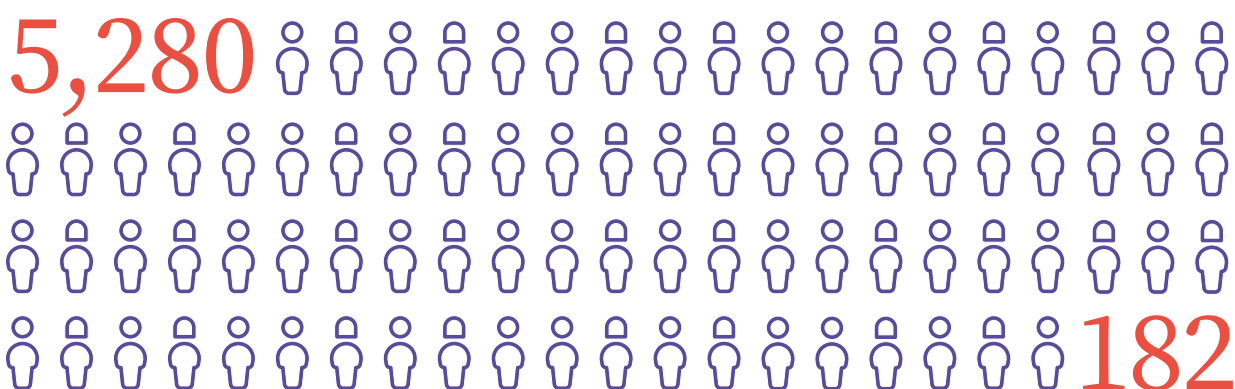
CIPFA provides world-class education and training for student members. We teach the next generation of public sector finance professionals best practice in key areas, including commercial skills, governance and audit, leadership and management, technical accounting and financial reporting.

March saw a successful and very rapid move from face-to-face classes to online delivery. This required significant operational changes but was implemented with no pause in learning.

CIPFA was the only UK professional accountancy body to offer exams throughout the first lockdown thanks to early adoption of online invigilation.

In such an uncertain and unusual time, we felt it was important to offer students support beyond the core requirements of the syllabus and so hosted a series of webinars focused on strategies to maintain wellbeing and good mental health. The student response was particularly positive, with students thanking CIPFA for supporting mental wellbeing, citing the facilitator of the sessions as a calming influence with helpful tips, and welcoming the sense of community gained from the programme.

Total students



Students to members

The views of regulators and assessors

Apprenticeships

The Office for Students report on Level 7 apprenticeship provision, presented in March 2020, describes CIPFA's 'high quality provision' of Level 7 apprenticeship qualifications.

Its full summary paragraph was as follows:

The review team finds that as the training provider, CIPFA has sound governance and management arrangements for its higher apprenticeships; has strong relations with employers that help to enhance the on-the-job and off-the-job training experience that apprentices receive; shows sound institutional judgement in its assessment of the strengths of its programme design as confirmed by employers and the review team; demonstrates competence in how it is identifying and managing risks associated with the way in which Work-Based Learning Coaches (WBLCs) manage and support apprenticeships; in how it is managing the work of the WBLCs overall; and in how it has openly acknowledged to apprentices and to the review team weaknesses in its current online portfolio recording tool and is taking steps to improve matters for apprentices and employers; and operates admissions arrangements that ensure that applicants for its higher apprenticeships are evaluated systematically and fairly, with due regard to their personal circumstances.

In 2020 changes to regulatory arrangements were announced, bringing all apprenticeship provision under the scope of Ofsted and its Education Inspection Framework in 2021. Work begun to ensure evidence of operational and process compliance and continuous improvement in relation to the Ofsted framework.

AAT training

CETC had its regular external assessment as a registered Association of Accounting Technicians' Training Provider in November 2020 and received positive feedback from the external verifier (EV) who was particularly impressed with the flexibility shown by CETC to adapt training plans to meet the needs of our learners who were facing challenges at work and home due to COVID-19.

After meeting students and trainers, the EV concluded that moving to online delivery ensured that there was no break in learning for the students and they completed all training successfully. The EV highlighted the continuity provided to learners during a difficult year and confirmed students were happy with the service and standard of teaching.

Development of the new Counter Fraud Investigator Apprenticeship started in 2020 ready for its launch in 2021.

Student responses to our wellbeing webinars were particularly positive, with students thanking the organisation for supporting mental wellbeing, citing the facilitator of the sessions as a calming influence with fabulous tips, and welcoming the sense of community gained from the programme.

Non-PQ training

Trainers adapted quickly to enable a shift to training delivery via virtual classroom at the start of the pandemic and this mode has been well-received by employers and delegates. We continue to review materials and delivery methods to ensure continuous improvement in relation to content and learning outcomes.

The pandemic did impact the delivery of some programmes, particularly those being delivered outside the UK, with some clients choosing to delay programme delivery.

A range of new public-sector focused e-learning modules were developed covering Governance and Accountability, Fraud Awareness, Budget Management and Control, and Introduction to Finance Business Partnering.

Supporting students internationally

We continued to develop our expertise in PFM professionalisation starting new World Bank-funded assignments in Bangladesh and Albania. In Bangladesh, we are supporting the development of a Competency Framework, a training needs analysis and a Code of Conduct for PFM professionals, with the aim of working towards a future-ready PFM workforce. In Albania, we are assisting the Ministry of Finance and Economy in developing and delivering a comprehensive capacity development programme to ensure technical accounting capability and capacity is increased across all tiers of government, starting with central government entities ahead of roll out to local government units.

Training at the International Fund for Agricultural Development

In 2020 CIPFA was awarded a contract to develop and deliver a global financial management training programme over three years. The client is the International Fund for Agricultural Development (IFAD), a UN Agency. IFAD provides low-interest loans and grants to finance agricultural and rural development projects that support the eradication of poverty and hunger in rural areas of developing countries. The fund commissioned the programme to strengthen the financial management practice of the projects they fund and in turn, improve the project outcomes.

The original plan was for classroom training to be held in four languages in hub locations across Africa, Asia and South America. However, following the start of the pandemic a new delivery format was agreed to incorporate e-learning and web-delivered training. CIPFA quickly geared up to increase e-learning development capacity and by the end of 2020 had completed most of the development work. 2021 sees the roll-out of the programme to delegates.

250+ delegates

coming from three continents will complete the training.

24 e-learning courses

have been created.

The training will be delivered in

4 different languages.



05

Staff and
environment

Staff

We recognise the importance of our staff in helping make CIPFA a stand-out organisation in the way we behave and the quality of the work we deliver for the public, members, customers, each other and everyone with a stake in our work.

We want our people to share our commitment to CIPFA's values and have fulfilling and challenging careers where they contribute to our success. Our shared behaviours form part of a new online staff performance process and are designed to foster and grow how we work.

We have enabled staff to play a key role in the development of CIPFA's vision, strategy and direction and provided opportunities for communication and feedback at open forum engagement sessions that all staff attend and through our leadership development programme, which is creating a cohesive senior management team for the organisation.

Linked to our strategic ambitions, business plan and our aim to transform CIPFA we have implemented a new organisation structure. This will provide greater clarity on accountabilities and responsibilities and facilitate more effective collaboration across the organisation. Our senior structure is based around our four directorates, all led by a director and reporting to the Chief Executive. CIPFA Council and Board delegate to the Chief Executive day-to-day operational control of CIPFA's business and operations.

Our staff forum, a representative group of employees from across the organisation, provides a mechanism for staff to meet with senior management, discuss important business issues and provide feedback on matters that concern or interest our people.

In 2020 we established a staff representative group to provide input and feedback on our plans to implement our diversity and strategy, which along with employee development and wellbeing forms an important part of our people plans for 2021.

Our staff remain committed and engaged with our mission and have performed admirably during what has been exceptional year. As we emerge from the pandemic we will push on with plans for our refocused people agenda and aim to ensure CIPFA remains a great place to work.

Quality, Health, Safety and the Environment

The COVID-19 pandemic has led to the mothballing of the Birmingham and Edinburgh sites since March 2020 and the partial mothballing of the London office. Areas within the London office and the Chester site have been supported by a very small group of volunteer staff.

The COVID-19 situation has skewed all health, safety and environmental data and targets and detailed figures are therefore unfortunately not available. Wherever possible across all CIPFA sites we recycle paper and all other materials such as food waste and batteries in order to reduce our use of resources and lessen our impact on the environment.

November 2020 saw the successful three yearly re-certification of the ISO 14001-2015 (Environment) and ISO 9001-2015 (Quality) systems held by CIPFA as well as the transition from OHSAS 18001 to ISO 45001:2018 (Health & Safety) covering all four CIPFA office locations. These are run as two management systems, one covering Quality and the other covering Health, Safety & the Environment, with all staff having full access to each.

A landscape photograph at sunset or sunrise. In the foreground, a multi-lane highway bridge with a metal railing spans across the frame. The background shows rolling hills and a distant town with lights. A large, semi-transparent purple triangle is overlaid on the right side of the image, containing the number '06' in white. The overall color palette is dominated by the warm tones of the sunset and the cool purple of the overlay.

06

Independent
Review: London
Counter Fraud
Hub

In October 2020, Martin Sinclair, former CIPFA Council Member and prior to retirement Deputy Auditor General at NAO, presented the findings of his independent review looking at the lessons learned from the London Counter Fraud Hub project. The review assessed CIPFA's governance, including risk management and procedures in relation to the project.

Martin Sinclair concurred with the lessons learned and actions put in place by CIPFA and commented on the progress already made to improve capabilities and governance.

As requested by Council, the Sinclair Review also set out a range of recommendations to further improve the processes, culture and maturity of governance and delivery. The advice and action plan in response was welcomed and approved by Council at its meeting in December 2020.

The recommendations and approved action plan fall under eight themes:

1

Improve the clarity of delegated authority and where decisions are made.

2

Improve the corporate and board culture to encourage constructive challenge and balance the perspectives of trustees, non-executive directors and executive directors.

3

Develop an overarching mandate setting out the commercial parameters and risk appetite for Commercial Board to supplement financial and decision making delegations.

4

Improve the opportunities for Council to oversee the work of CIPFA Board.

5

Improve internal governance processes to bed in the new structure and ensure good information flow.

6

Guard against optimism bias with robust business planning.

7

Ensure the revenue and capital implications of programmes and projects are well understood within the governance system.

8

Strengthen risk management.

Governance responsibilities have been brought together into the new role of Company Secretary & Head of Governance with a remit to bring clarity to the system and ensure compliance with the charitable objectives, the Charter and bye-laws, and the scheme of delegation.

The initial stages of implementation have focused on bringing clarity to the governance system with improved information flow. The next phase will be to review risk management and develop the 'mandate' from Council to CIPFA Board and the Commercial Board. This will set out the Council's risk appetite and the parameters for commercial activity.

A new advisory board, the Portfolio Board, is supporting management through introducing rigour to business case development and review for projects and programmes. The Board's membership is designed to provide sufficient breadth of expertise for programme review and monitoring and includes a CIPFA Business Ltd non-executive director.

Culture change was another key area of the recommendations. From the executive side, a leadership training programme for senior executives is designed to support this culture change. The two away-days arranged for the Commercial Board and CIPFA Board will also incorporate facilitated sessions to help develop the right culture.

CIPFA is committed to achieving excellence in its governance and continues to review its practice against the Charity Governance Code annually. To provide an independent check, Martin Sinclair will be invited to assess the progress made after a full year.

CIPFA's year in numbers

186

scheduled face-to-face classes



moved
online

11 conferences
attracting

1,468



delegates

17

consultation
responses



including submissions to
5 parliamentary inquiries

An aerial photograph of a city at sunset, with a large teal graphic overlay on the right side. The sky is a mix of blue and orange, and the city below is densely packed with buildings. The teal shape is a large, downward-pointing triangle that contains the number '07' and the text 'How we are governed'.

07

How we
are governed

Name and nature of the charity

The full name of the charity is The Chartered Institute of Public Finance and Accountancy (CIPFA). It is governed by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales, number 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

CIPFA is managed and regulated in accordance with its Charter and Bye-laws.



Charitable objectives

- To **promote** and to **publish** the results of **studies and research** work therein and in related subjects.
- To **advance** and **promote co-operation** between accountancy bodies in any way.
- To **advance the science of public finance** and of **accountancy** and cognate subjects as applied to all or any of the duties imposed upon and functions undertaken by public service bodies, and to promote public education therein.
- To **advance** and **promote any scheme or schemes** (howsoever constituted), having as one or more of their objects the review or regulation in the public interest of the **establishment of standards** by, and the training, regulatory and disciplinary activities and procedures of, any one or more accountancy bodies.

Public benefit

CIPFA's work building trust and delivering excellence in public financial management aims to ensure public money and services are managed effectively, efficiently and securely for the benefit of all.

The Council confirms that it has complied with the duty under the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit. The work of CIPFA in pursuit of its objectives is detailed in Performance and Achievements.

Within the charity is a network of branches and regions. They work alongside CIPFA helping to deliver the charitable objects, principally through the provision of support and information to members and students locally.

CIPFA has one active wholly-owned subsidiary company: CIPFA Business Ltd, Companies House registration number 2376684, and a majority holding in CIPFA C.Co Ltd, registration number 10212053.

CIPFA Business Ltd is the management support services company of CIPFA and has a separately constituted board of directors. It specialises in providing financial advice and governance, property and asset management solutions, and the supply of information and expertise.

The charity (including regional groups) and the subsidiary company are reported on a consolidated basis. Membership of CIPFA is open to all who can demonstrate the required academic achievement. Fees are kept to a minimum through subsidy supplied by profits generated through the subsidiary company.

The Institute Council

The President chairs the Institute Council. In addition to four honorary officers, the Council is constituted of no less than 21 elected members of CIPFA and up to 16 co-opted individuals.

The Council approves the co-options, taking into consideration the skills, experience and knowledge required. It evaluates these against an agreed set of criteria and aims to ensure a balanced council reflecting the sectors, geographical coverage and general make-up of the Institute membership.

All Council members play a non-executive role.

A programme of induction is provided for new Council members and mentors arranged from the cohort of more experienced council members.

Council appoints the members of the CIPFA Board, which deals with the oversight of operational matters, and includes the six trustees, who are Council members, to deal with reserved matters.

The role of the Institute Council

Council is responsible for the strategic direction of CIPFA and approving major developments. It also approves the terms of reference and delegated powers of its committees and boards. Through delegation to the CIPFA Board, it is responsible for the effective oversight of the operations of CIPFA and its subsidiary company. The Council normally meets four times a year.

Statement of Council responsibilities

The trustees must ensure that the annual report and financial statements are made in accordance with applicable law and regulations. They are also responsible for the integrity of the corporate and financial information included on the charity's website.

Charity law requires the trustees to prepare financial statements for each financial year. Statements must give a true and fair view of the charity and the group and their financial activities in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards).

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- follow applicable UK accounting standards and the Charities SORP, disclosing and explaining any departures in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and group will continue to operate.

The trustees must disclose with reasonable accuracy at any time the financial position of the charity and the group, and ensure that the financial statements comply with the Charities Act 2011.

Trustees are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application in accordance with charity law. This includes taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees have adopted the Charity Governance Code. While CIPFA complies with the seven principles of the code, the trustees acknowledge the need to maintain compliance with the code and to strive for excellence. Therefore, we continuously review compliance and take actions where necessary. The trustees are aware that the code was updated in December 2020 and will continue to monitor its application of principles against the revised code in the year ahead.

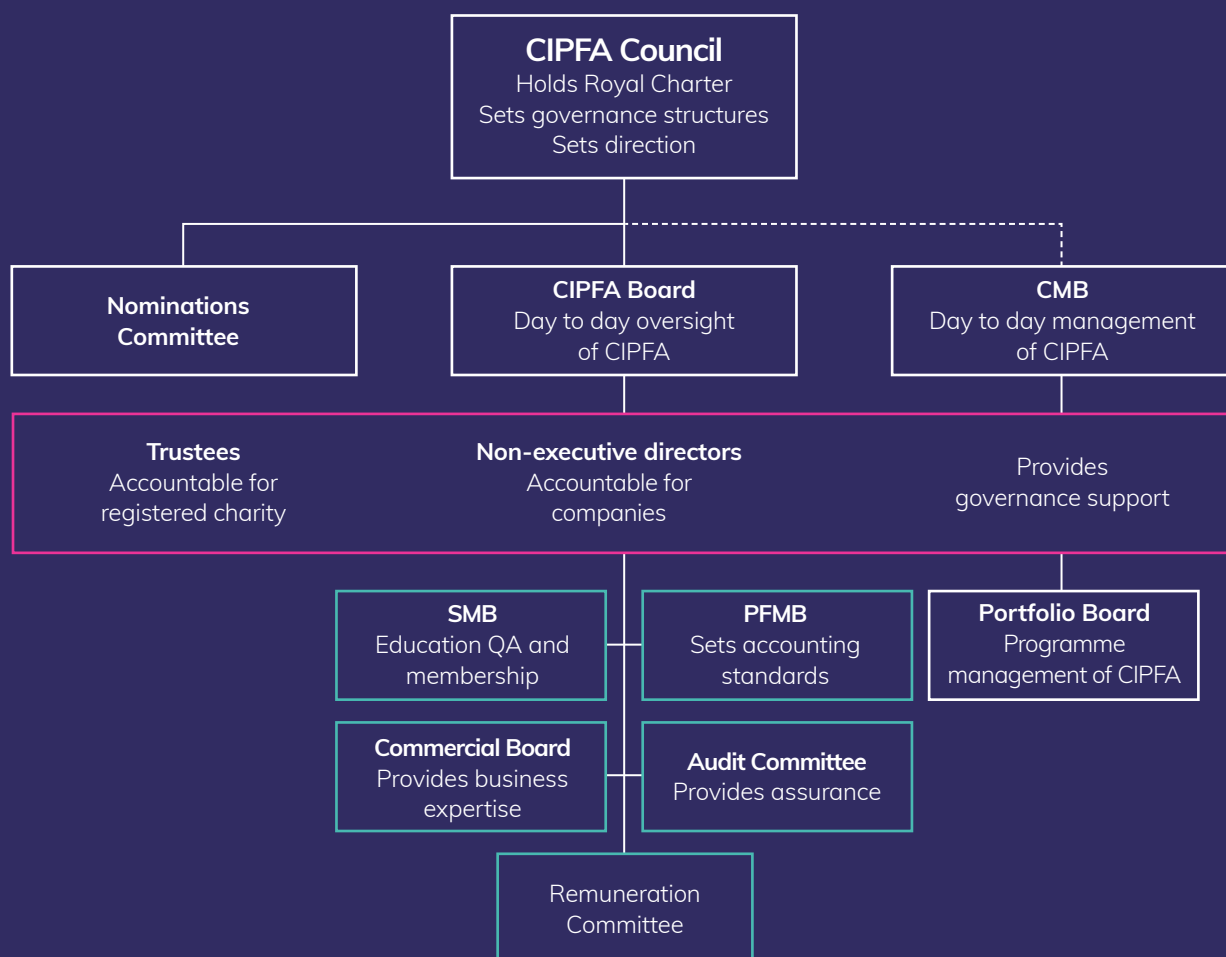
The governance structure

Having set the strategy for the organisation, Council delegates oversight of CIPFA's business to the CIPFA Board, which implements the approach through other boards and committees.

The CIPFA Board comprises six trustees of CIPFA (which include the four honorary officers of the Institute), two non-executive directors, the Chief Executive and the Director of Finance.

The CIPFA Business Ltd Board, which also acts as the Commercial Board, comprises the President, Vice President, three non-executive directors, the Chief Executive, the Director of Finance and the Chief Operating Officer.

All boards and committees are formally constituted with terms of reference. The Council acts on advice and information provided by the executive. Members of Council are able, where appropriate, to take independent professional advice at no personal expense so that they are able to fulfil their role.



Key: Governance roles Regional and advisory boards and panels

Key individuals

A summary of the key individuals with responsibility for the boards and committees at the core of the Institute is given below.

	Audit Committee	CIPFA Board	Students and Members Board	Public Financial Management Board	Remuneration Committee	Commercial Board	Nominations Committee
Chair	Lyn Davies	Andy Hardy	Caroline Russell	Mohammed Sajid	Joe Sealy	Joe Sealy	Carolyn Williamson
Vice Chair	Suresh Patel	Joe Sealy	Leslie Milne	Rosanne Nulty	Jane Cuthbertson	Roger Alderson	Jane Cuthbertson

CIPFA Business Ltd: CIPFA Business Ltd is the professional services business of the Chartered Institute of Public Finance and Accountancy (CIPFA). During 2020, we continued to provide cutting-edge advice and services to help public bodies improve financial management and efficiency in the face of contracting budgets.

The directors of CIPFA Business Ltd are all experienced in business or the markets that it serves. Brief details of their background and experience are included below.

- **Roger Alderson:** Roger has spent a significant portion of his career working internationally, as a consultant (with the McKenna Group), a strategist (with Perot Systems) and a marketing director (with EDS, HP and Logica). Roger has proven experience working with a range of organisations from start-ups to multi-nationals and has operated from both headquarters and the field.

- **Mike Driver CB (Vice President):** Mike moved into government finance in 1999 and held a number of senior roles from 2012 including Chief Financial Officer at the Department for Work and Pensions and Ministry of Justice. In 2017 Mike was appointed to Head of the Government Finance Function, HM Treasury, a position he held for over three years to drive the agenda to substantially strengthen the finance function's critical role at the heart of government, ensuring better political and business outcomes. Mike has a plethora of additional roles including as a non-executive board member of Shared Services Connect Limited.

- **Professor Andrew Hardy (President):** Andy is Chief Executive Officer of University Hospitals Coventry and Warwickshire NHS Trust (UHCW), one of the largest tertiary acute trusts in the country, with an annual turnover in excess of £650m. In addition, Andy is currently Chair of Coventry and Warwickshire Local Workforce Action Board (LWAB), a member of Midlands and East Local Education and Training Board, Chair of the West Midlands Academic Health Science Network South Membership Innovation Council and a member of Warwick Medical School Faculty Advisory Board. Andy is also Professor of Industry at the University of Warwick and has been appointed as Chair of the Coventry and Warwickshire STP Footprint.

- **Mark Lovell:** Mark is a Principal of TSAP advising clients in policy making, horizon scanning, strategic planning, new market development and competitive differentiation. His advisory work spans central and local government, as well as social sector organisations and private companies working with the public sector both in the UK and internationally. He spent over 20 years in the private sector leading businesses to pioneer and innovate in public service delivery. He is a Fellow of Practice at the Blavatnik School of Government at the University of Oxford.

- **Joe Sealy:** Founding Partner at Greater Pacific Capital, Joe was previously a managing director in the Investment Banking division at Goldman Sachs. Joe has been a specialist in providing strategic advice to clients covering communications, media, entertainment, advertising and security. He is an experienced strategic advisor to corporations, investors and government institutions across multiple regions and industries.

He was a partner at KPMG in strategy consulting and implementation and has also held positions as an advisor in the public sector, specialising in privatisation and outsourcing.

- **Mark Thomson:** Mark Thomson is an experienced business leader, having held high-profile senior positions in both the private and public sector. As Director General for UK Visas and Immigration and Her Majesty's Passport Office, Mark led teams responsible for managing around 10 million visa and passport applications a year and advised the Home Secretary on immigration strategy and policy.

Rob Whiteman, CBE: Rob is CIPFA's Chief Executive. He formerly held a senior civil servant role as the Chief Executive of the UK Border Agency and led the Improvement & Development Agency. Rob has also worked in local government as Chief Executive of the London Borough of Barking and Dagenham and Director of Resources at the London Borough of Lewisham.

Gareth Moss: A CIPFA qualified accountant, Gareth is a former Director of Resources of two local authorities and before becoming Finance Director he worked in CIPFA's Consultancy arm, advising public sector bodies on issues as wide as financial management, governance and senior staff recruitment. Gareth's past employment includes roles at Serco, where he was responsible for their local government contracts, Price Waterhouse and several local authorities.

Gareth is a non-executive director at Worcestershire Children First and Chairs the John Taylor Multi Academy Trust (based in Staffordshire and Derbyshire).

-
- Key:**
- Non-executive director
 - Member of the CIPFA Group Remuneration Committee
 - CIPFA Trustee

Key management personnel remuneration

The trustees consider the CIPFA management board, which includes the chief executive, as comprising the key management personnel of the charity.

The CIPFA management board is made up of the executive directors of CIPFA and CIPFA Business Ltd. It is responsible for directing and controlling, and running and operating, the charity on a day-to-day basis.

All trustees give of their time freely and no trustee remuneration was paid in the year.

The remuneration committee has full delegated responsibility for decision making in relation to the pay and conditions of senior management including the chief executive in relation to remuneration, including:

- remuneration
- terms and conditions upon appointment
- changes to base salary
- bonus arrangements and payments thereunder
- honoraria and ex-gratia payments
- severance payments
- pensions.

The pay of the CIPFA management board is reviewed annually and is informed by any general pay award within the Institute. In the case of the chief executive, any changes to current salary, terms and conditions, bonus awards, etc are considered on advice from the honorary officers, and on receipt of recommendations from the chair of the remuneration committee.

The Institute provides a single discretionary group bonus scheme applicable to all eligible staff including the CIPFA management board, which has clear trigger points and also allows for investment in the organisation's future growth.

The trigger point and target surplus is reviewed and agreed as part of the annual business planning process by the trustees. The trigger and the split between bonus scheme pot and investment may vary. The bonus scheme is triggered when CIPFA generates a trading surplus above the approved business plan. All bonus awards are subject to the overall value of the bonus pot and based on assessment of individual in-year performance.

In the case of the CIPFA management board, the chief executive recommends any bonus awards to the remuneration committee. In the case of the chief executive, any bonus award is considered on advice from the honorary officers, and on receipt of recommendations from the chair of the remuneration committee.

The committee obtains independent professional advice as required including to compare and benchmark CIPFA's practices against those of other organisations. Executive remuneration is also benchmarked periodically with organisations of a similar size within the sector and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. Such advisers may attend meetings as necessary.

Equal opportunities

CIPFA is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer.

Our employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, pregnancy and maternity, sexual orientation, race, religion or belief, age, disability, gender reassignment or any other grounds that are unjustifiable in terms of equality of opportunities for all.

The nominations committee embraces CIPFA's commitment to equal opportunities. Its role includes identifying candidates to stand for CIPFA Council from a wide variety of backgrounds. It also recommends to council candidates for co-option as well as chair and vice chair roles on major boards and committees. Again, diversity is a major factor in its considerations.

Council members and attendance chart

	Council 19/20	Council 20/21	Council	Audit Committee	Co-opted member
David Aldous	●	●	3/3	●	●
Danny Batten	●	●	2/3		
John Bloomer	●	●	2/3		
Michael Brodie	●	●	3/3		●
James Charlton	●	●	1/3		●
Carol Culley	●	●	3/3		●
Mike Driver	●	●	1/3		
Tony Era	●	●	2/3	●	
Kathryn Goodall	●	●	2/3		
Claire Gravil	●		0/3		
Shaer Halewood	●	●	0/3		
Richard Harbord	●	●	3/3		
Andrew Hardy	●	●	3/3		
Elizabeth Honer	●	●	3/3		●
Sarah Howard	●		0/3		
Vanessa Howlison	●	●	3/3		●
Milt Isaacs	●	●	3/3		
Toshihiko Ishihara	●	●	3/3		
Hari Iyer		●	2/3		●
Dr Peter Kane	●	●	3/3		
Catherine Little	●	●	1/3		●
Muhammad Maqbool	●	●	3/3		●
Mark McBride	●	●	3/3		
Lynda McMullan	●	●	1/3		●
Leslie Milne	●	●	3/3		
Rosanne Nulty	●	●	3/3		
Lee Outhwaite	●	●	3/2		●
Jayne Owen	●	●	3/3		
Suresh Patel	●	●	3/3	●	
Caroline Russell	●	●	3/3		
Mohammed Sajid	●	●	3/3		
Renaud Seligmann	●	●	2/3		●
Kelly Watson	●	●	3/3	●	
Mark White	●	●	2/3	●	
Jon Williams	●	●	3/3		
Carolyn Williamson	●	●	3/3		
Derek Yule	●	●	3/3		



08

Opportunities
and risks

Opportunities

Reduced spending across the public sector in the UK and internationally brings many challenges, but it also presents opportunities for CIPFA, through training, consultancy activity, leadership and support.

The Institute's reputation has been established over years of promoting best practice in public finance and guiding public bodies through the toughest challenges. 2020 was no exception to that and saw CIPFA (internally) respond well to the global pandemic but it also provided opportunities for our services to support customers and members during difficult times. CIPFA continues to see these as its central roles, which makes it the first choice for public sector finance professionals looking for advice and help when the pressure is on. We are dedicated to public service, we understand how public sector organisations work and we provide bespoke support. Our UK and International Advisory work continues to support organisations deal with funding and COVID-19 related challenges.

As the world's only public sector accountancy body there is strong demand for our expertise around the globe. Internationally, demand for public services is growing. By investing in our overseas capability, CIPFA is able to help governments across the world establish sound financial management and train the professionals needed to deliver high-quality services. Our strategy reflects these opportunities.

CIPFA invests significant time and resources into ensuring new finance professionals are fully prepared for their future careers and will operate to the highest standards. During 2020, the CIPFA Education and Training Centre has continued to focus efforts on ensuring its professional qualification and its apprenticeship offers are cutting edge, engaging and fit for purpose, to encourage new and talented individuals choose a career in public finance.

Fraud is a recognised and growing problem for the public sector, which is why CIPFA's Counter Fraud Centre (CCFC) works to ensure public bodies have the training and support to stamp out the crime wherever it appears.

Risk management and internal control

Risks are monitored and reported on a quarterly basis at all levels of the Institute including the CIPFA Management Board, CIPFA Board and the audit committee. Risks are addressed as part of the business planning process and placed under the management of a senior member of staff and the appropriate board or committee. The Council and its audit committee are satisfied that all reasonable steps are being taken to manage exposure to major risks.

The advice received following the London Counter Fraud Hub was that the CIPFA Council mandate levels of risk that the Institute should take on different aspects of activity. This has been incorporated into our already established risk management process.

We operate a comprehensive business planning process, with an annual business plan and budget set by the CIPFA Board and approved by the Council. The CIPFA management board review key performance indicators monthly and revise forecasts as a minimum on a quarterly basis, and performance is reported to every CIPFA Board meeting.

CIPFA maintains a comprehensive set of delegations of authority and financial regulations. The financial controls and procedures are reviewed regularly and compliance with them verified by the work of the internal and external auditors.

We maintain a comprehensive set of policies and procedures, including: whistle-blowing, data protection, health and safety, complaints handling, code of conduct and register of interests for council members, non-executive directors and senior staff.

The audit committee reviews, on behalf of the Council, CIPFA's accounting and financial reporting practices. Internal audit reviews are prioritised using a risk-based approach. Recommendations are followed up.

Following the external review by Martin Sinclair into events surrounding the London Counter Fraud Hub, CIPFA management board has developed a Risk Mandate and Appetite for Council to consider. We will further develop our approach to evaluating, mitigating and managing risks at strategic and operational levels.

Risks

CIPFA remains alert to both the immediate and longer term risks that our core market faces. CIPFA recognises the risk caused by COVID-19 and takes seriously the health and safety of staff and customers, as well as the potential impact on income streams. The Institute has moved to digital delivery of services wherever practical to ensure the high level of service expected from us continues to be provided and to safeguard our stakeholders' health and safety. This mode of delivery has been popular with customers, members and students and as we emerge from the pandemic we will look to retain the best and most appropriate facets of digital as well as face to face activity (although we anticipate we will continue to deliver the majority of our activity digitally). 2021 has seen the retention of a sizeable contingency to enable us to manage unforeseen situations.

Following the experience of the London Counter Fraud Hub CIPFA has revised its approach to programme and project management. A non-executive director now sits on the Programme Management Board where a rigorous approach is taken to reviewing the risks and opportunities as well as the delivery of our programmes and projects.

We continue to diversify our products and services as well as review the markets within which we operate, both within the UK and Internationally.

We continue to look to market our Professional Qualification as a relevant and attractive career path and demonstrate the opportunities to build successful and rewarding careers in public sector financial management.

Principal risks for CIPFA	What the risks mean	How we manage the risks
Sustained reductions in public spending by the government lead to a significant reduction in our commercial income	Impact on the delivery of our objectives, including our charitable aims	Diversification of products, services, markets and sectors to maintain our income base.
Employers seeing less value in CPFA leads to reduction in PQ student numbers	Reduced student numbers lead to a reduction in members and a smaller Institute, which in turn impacts our ability to support existing members and customers	CIPFA Futures, key account management to ensure we retain our focus, attention on new apprenticeship scheme, focus on quality submissions to ESFA and OFQUAL. Joint working with customers and stakeholders to ensure the relevance of the qualification.
COVID-19 leads to a significant reduction in our income and a failure to achieve the 2020 and 2021 business plan and budget	Inability to invest in CIPFA activities and consequential impact on our attractiveness as a training and membership organisation	Immediate reaction to home working and digital delivery as well as management action on recruitment and expenditure. Focus on emerging from the pandemic and on developing a balanced approach to our operations that continues to deliver services at optimum cost without compromising the health and safety of our employees.
Loss of a major training provider	Loss of an employer would result in a loss of income, impact on reputation and reduction in student (and hence future member) numbers	Continued attention given to ensuring our offer remains relevant and appropriate for all of those customers.
The level and volatility of the Wiltshire pension fund deficit damages the confidence of members, staff, customers, partners and stakeholders in the long-term future of CIPFA	Although the going concern is not an issue (because of the Mansell St asset on the balance sheet) the volatility of the valuation compromises our long-term planning	Monitor performance of scheme. Close scheme to new employees. Review potential options to address the deficit in line with Council instruction (June 2015). Ensure revenue contributions to the scheme are appropriate to cover the risk.
Failure to comply with the regulatory requirements relating to CPD and the subsequent reputational and brand damage	Adverse FRC monitoring would impact significantly on our reputation	Launch of CPD policy in January 2020 and sampling of member compliance will identify non-compliance and mitigate the risk.
Loss of right to deliver apprenticeship training or end point assessments	Significant financial and reputational impact on CIPFA	OFQUAL application process has enabled us to mitigate many of the risks identified.



09

Financial
summary

CIPFA ended the year with a negative balance sheet of £15.9m and the statement of financial activities shows a negative net movement of £8.4m for the year.

The deterioration in the CIPFA balance sheet is due to movements in the FRS 102 Pension valuation. CIPFA operates two pension schemes: a funded defined benefit pension scheme and a defined contribution group personal pension plan that has been offered to new members of staff since 1 January 2007.

The assets and liabilities of the Wiltshire Pension Fund of the Local Government Pension Scheme are subject to a full actuarial valuation every three years in accordance with the requirements of the Local Government Pension Scheme (Administration) Regulations 2008. The latest valuation of the scheme was carried out as at 31 March 2019.

With effect from 1 April 2017 the employer's contributions are made up of two elements – a fixed sum annual payment for past service and an employer's contribution rate of 26.0% of pensionable earnings for future service until the next triennial valuation. At the March 2019 valuation CIPFA had a pension deficit of £4,567,000.

The assumptions used in the actuarial valuation as at 31 March 2019, together with the market value of assets and funding level were:

Rate of return on investments

3.3%

Rate of increase in salaries

2.7%

Retail price inflation

2.3%

However, FRS 102 rules require inclusion of the year-end valuation calculated on the basis defined in that standard. The scheme actuary has valued the pension scheme in accordance with FRS 102 for the purpose of the statutory financial statements. FRS 102 methodology differs from that used in the triennial funding valuation, particularly in the determination of the discount rate.

The valuation uses the projected unit credit method of valuation, projecting the valuation results of the latest formal valuation date (31.03.2019). This allows for changes in financial assumption among other factors. Similarly liabilities are rolled forward, any changes in pensionable payroll and asset values are also taken into account but it is important to stress that FRS 102 is not a formal valuation and that the pensions reserve valuation under FRS 102 is only a snapshot in time and will fluctuate.

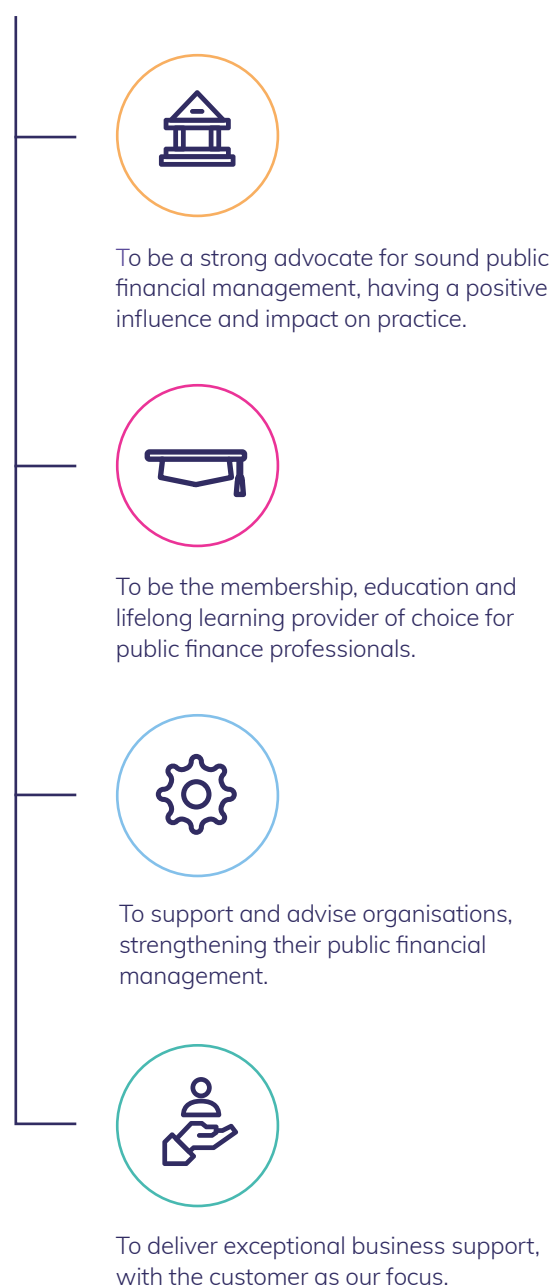
The costs of a pension arrangement require estimates regarding future experience. These assumptions are largely prescribed at any point and reflect market conditions at the reporting date. Changes in market conditions that result in changes in the net discount rate (essentially the difference between the discount rate and the assumed rates of increase of salaries, deferred pension revaluation or pensions in payment), can have a significant effect on the value of the liabilities reported. The assumptions used have been discussed with the scheme actuary.

The variability inherent in FRS 102 valuations can be demonstrated by CIPFA's recent history:

Year	Year-end pension valuation (£000)	Year-end balance sheet position (£000)	Actuarial gain/(loss) (£000)
TRIENNIAL (@ 31.03.XX)	FRS 102 (@ 31.12.XX)		
2016	(13,000)	(34,471)	(11,389)
2017		(28,825)	(4,492)
2018		(21,477)	981
2019	(4,600)	(27,152)	(7,498)
2020		(38,567)	(15,905)

Although the pension fund deficit poses a long-term issue for CIPFA, CIPFA's governing Council recognises that FRS 102 does not, of itself, affect cash flows because CIPFA makes employer contributions to the pension fund on the basis of advice from the scheme actuary as part of their report on the triennial valuation. Following the 2019 triennial revaluation the primary employer contribution rate (costs of new benefits accruing) will increase over the three-year valuation period from April 2020 by 3.2%, and the secondary employer rate (deficit repayment) decreased by 30.0% over the same period. The objective is to fund the deficit over a total of 14 years. We acknowledge our pension fund obligations and have a clear strategy to manage the deficit, which includes a deficit reduction plan that is designed to get the scheme to self-sufficiency by 2033 subject to continued discussion and agreement with the pension scheme trustee board. The scheme is not open to new members of staff and the cost implications have been built into our business plans. The Council will continue to closely monitor any further upward pressure on the contribution rate and it is included in the CIPFA risk register. The resulting defined benefit pension scheme liability is presented separately after other net assets on the face of the balance sheet.

Reductions in public spending and a concentration of activity in responding to the pandemic and its consequences saw a reduction in our trading activity of 5.8%. However, with a very tight control on expenditure, a freeze on recruitment and deferral of investment we made an operating surplus on our trading activity of £3.026m in 2020. This retained profit will enable CIPFA to invest in our strategic priorities:



CIPFA returned an operating profit, for the third successive year, of £3.065m for the year (before non-cash FRS 102 pension and property adjustments), as a consequence of the improvement in areas of our business.

	2020	2019
CIPFA group operating statement	£000	£000
Income	26,417	26,889
Costs (excluding restructuring costs)	(22,948)	(26,240)
	3,469	649
Restructuring costs	(404)	(174)
Operating profit/(loss)	3,065	475
Intangible impairment	(74)	(3,736)
FRS 102 pension credit	(149)	515
Net income/(expenditure)	2,842	(2,746)
Gain on property valuations	17	457
Actuarial gain on pension scheme	(11,266)	(6,190)
Net movement in funds	(8,407)	(8,479)

Financial review and related policies

The total income for the CIPFA Group was £26.4m (2019: £26.9m) a small decrease of £0.5m (1.9%).

The net movement in funds shows a deterioration of £8.4m (2019: £8.5m deterioration), the actuarial loss on the defined benefit pension scheme offset by a modest gain in property assets and a substantial operating profit.

Detailed analysis of group operating income and expenditure shows some variations between 2019 and 2020. We had a strong performance from our Advisory, Networks and Education & Training teams who adapted immediately and successfully to the challenges of the year; our customers responded positively to these adaptations. CIPFA's education and training student members' incomes were impacted by the pandemic as employers deferred decisions given the uncertainties, although expenditure also dropped given the reduced costs of delivering this reduction in programmes. A restructuring of the Analytics and Research portfolio also led to a below budget outturn although this will turn around in 2021.

In 2020 the turnover reduced by 5.8% but tight control of our cost base resulted in an operating surplus of £3.026m. The prior year loss was impacted by the impairment of the London Counter Fraud Hub of £3.7m.

The business continues to respond to the needs of the changing market; as the impact of the government's policies, most notably the reduction in public services spend, continue. Despite the continued challenging and highly competitive trading conditions, this is primarily the result of continued strong demand for our advisory, statistical, benchmarking, publishing, networks and property services.

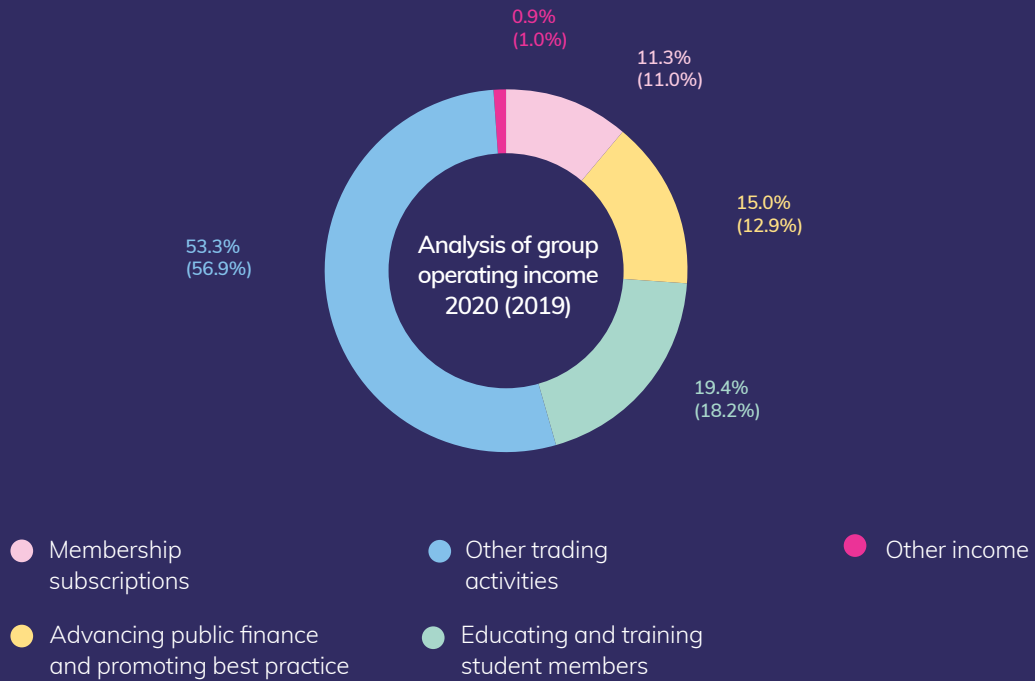
The very strong underlying performance in 2020, allied with the continued development of our portfolio and keeping the cost base under review, will enable us to continue to respond effectively to the demand for performance improvement and transformation support in public services.

CIPFA C.Co Ltd commenced trading in July 2016 when former directors and senior managers from local government who had successfully supported the transformation of public services formed a partnership with the Chartered Institute of Public Finance and Accountancy (CIPFA). CIPFA C.Co Ltd has been established to support public sector organisations deliver the levels of transformation required to deliver public services against the backdrop of budget reductions. The aim of the company is to work with organisations that deliver public services to help them improve the advancement and wellbeing of society.

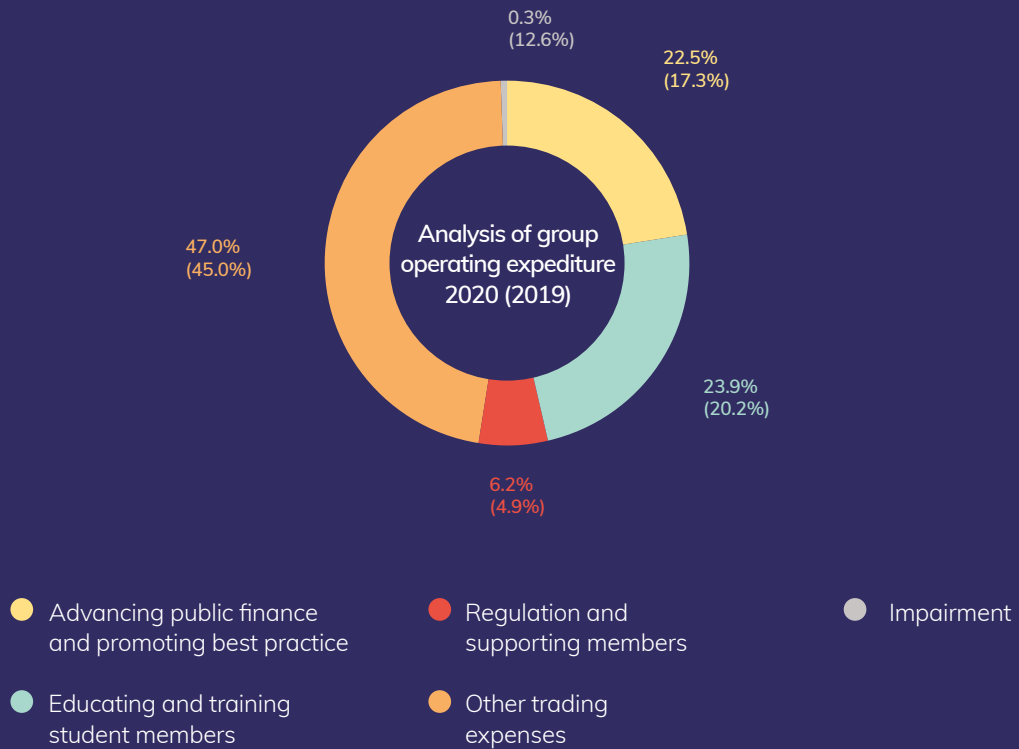
Total income for the CIPFA Group



Income by source



Expenditure by source



Reserves policy

At 31 December 2020 CIPFA had total funds excluding the pension liability of £22.5m (2019: £19.75m). Overall CIPFA had negative total funds, including the pension liability, of £15.9m with total negative unrestricted funds of £16m.

At 31 December 2020 there were total designated funds of £15.4m (2019: £15.3m) and a revaluation reserve of £4.7m (2019: £4.9m). The designated funds are represented by the property fund that represents the element of reserves that represents the cost of the freehold buildings and investment properties as at 31 December 2015, the designated fund for other fixed assets. In 2020 we released a provision of £0.5m previously designated for future legal costs given that legal action will not now be pursued against the London Borough of Ealing in relation to the legality of London Counter Fraud Hub contract. The revaluation reserve relates to the revaluation of freehold and investment property.

At 31 December 2020 there were restricted funds of £97,000 (2019: £102,000) comprising trust funds and regional funds that have been established either by way of donations in memory of eminent accountants within public finance or from various organisations.

The CIPFA Board, on behalf of Council, reviews its reserves annually. The CIPFA Board view of CIPFA's overall position remains cautious despite the improved performance in recent years. It recognises that CIPFA remains vulnerable to economic downturns given its heavy dependence on commercial income and the public sector market.

It considers that CIPFA needs to hold reserves to protect core activities (which means being able to fund obligations, including employer pension contributions, but ideally not at the cost of charitable activities) in the event of income shortfall and to enable balanced long-term strategic planning. The approved reserves policy recognises that measuring total unrestricted funds is only one indicator and includes fixed assets that could not easily be converted to cash. Hence CIPFA Council focuses much of its effort on monitoring the group cash and current asset/liability position, including management of the pension deficit described above.

In recognition of this focus the Board defined two key financial targets.

1. The group should have available cash or cash equivalent resources of in excess of £2m, being broadly one month's cash requirement.
2. The group should hold a level of other charitable funds equivalent to two months of CIPFA Group expenditure. Other charitable funds exclude CIPFA's property assets which are treated as designated funds, revaluation and pension reserves.

During 2020, the CIPFA group operated for 21 working days (74 working days in 2019 and 73 working days in 2018) with less than its target cash availability. In relation to its reserves target, while CIPFA's total funds excluding the pension reserves at the year-end stood at £22.7m, this includes property assets of £20.5m (2019: £20.7m) that could only be realised on the sale of the property. The other charitable funds at the year-end were £2.5m representing a £1.4m (36%) shortfall against the reserves target of £3.9m. Cash balances have held up particularly well relative to previous years as a result of the underlying business performing well and returning an operating profit of £3.1m for the year, and tighter cash management. Despite that the balance sheet shows a net current liability position at the end of 2021.

The continued emphasis on cash management and improving the current asset position will therefore be a feature for 2020 and beyond.

Going concern

The CIPFA Board, on behalf of Council, has assessed the ability of CIPFA to continue as a going concern and has considered several factors when forming its conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included the revised budget for 2021 and forecast for 2021–25 contained in the business plan, cash flow forecasts to 31 December 2023 and a consideration of the key risks, including the ongoing impact of COVID-19 on the continued operation of CIPFA's activities as well as the impact on our customers. In addition during the preparation of the budgets we incorporated some sensitivity analysis per service area around income and expenditure assumptions included in the final submission to the Board.

Since the changes forced on our operations by the pandemic in 2020 our activities have settled into 'digital by default' and that is now considered our preferred mode of activity. Ahead of a full move out of lockdown we are planning how we will operate our services with a greater use of remote activity than before the pandemic and we have reflected that in our plans. We do not anticipate an adverse impact on our finances; in fact, greater take up of those services and delivery at a reduced cost have been built into the business plan. We continue to anticipate access to broader markets given this mode of delivery and our operational resilience and lower risk will continue.

We maintain our focus on high quality products and services for our members and customers and seeking innovations in the delivery of those services and products.

In addition we have maintained our tight controls over expenditure and investment, only releasing the investment that is included in the business plan when we are comfortable that the underlying business performance warrants that.

CIPFA continues to face a pension fund deficit that remains subject to the future volatility of the pension scheme's liabilities as a result of changing actuarial variables. Pension scheme considerations and contributions are incorporated into our business plan. The business plan also considers the terms and conditions of the existing bank facilities. During 2020 CIPFA took steps to make use of the various support mechanisms instigated by the UK government and that has continued into 2021 at a much reduced level.

The CIPFA reserves position is a deficit of £15.905m (2019: £7.948m deficit) complicated by the inclusion of the FRS 102 Pensions reserve, which stands at a deficit of £38.567m (2019: £27.152m deficit). Within that our designated funds (principally the Mansell St property) have remained stable (£15.350m (2019: £15.265m)). However our charitable funds (free reserves available for investment) have seen a large increase and now stand at £2.484m (2019: £0.619m deficit) as a result of the operating surplus in 2020. This figure is still short of our target of having reserves of two months' average expenditure (2020: £3.9m) but the planned surpluses for 2021 (£256k) and our contingency (£1.5m) if not utilised will see us hit that target. Our cash flow forecasting across the period of review indicates that sufficient working capital is available for CIPFA to satisfy all of our commitments as they fall due.

Having regard to the above, the trustees believe there are no material uncertainties surrounding the decision to adopt the going concern basis of accounting in preparing the financial statements.

Investment policy

Byelaw 59 details the extensive investment powers that are bestowed upon the Council. Given the annual cycle of fluctuation in cash balances held, the current investment policy is limited to depositing surplus funds with a range of approved institutions in tranches with a range of maturity dates. The policy focuses on low risk and readily realisable investment forms. Within these confines, we seek to obtain the best interest rates possible.

Fundraising

CIPFA had no fundraising activities requiring disclosure under section 162A of the Charities Act 2011.

CIPFA's year in numbers

56

clients
advised across



90

projects



18,395

views of CIPFA's
YouTube channel and

2,224

listens to



CIPFA's
podcast

22,000 

customer email enquiries
were responded to alongside
over

9,000

web chats across
the UK and
internationally



53 

press releases and
comments issued

A sunset over a beach with a large red diagonal graphic element. The sky is a gradient of orange and yellow, and the water is calm. The beach is visible in the foreground. A large red diagonal shape is overlaid on the right side of the image.

10

Our future
plans

CIPFA is unique. Unique in our reputation and brand strength, unique in the commitment and passion of our team and unique in our focus. No other Institute does what we do, focusing purely on public finance. Now is the time to capitalise on the opportunity presented by governments and their public sectors, which are facing very real challenges and risks, ensuring CIPFA is a responsive organisation that is vibrant, energetic and focused. This ambition is reflected in our growth plans contained in the 2021–2025 business plan.

As an organisation we will be responding to some major global challenges: emerging from the disruption caused by the COVID-19 pandemic, climate change, the advent of globalisation and the need for sustainability reporting. We will need to ride the waves of data and disruptive technology and accommodate their impact on the accountancy, audit and public finance profession. We will be leading on prevention and fighting the rising tide of corruption and fraud. We will complement governments as they seek to professionalise the public sector with tailored training and development.

CIPFA is a membership body that supports our members and students, ensuring we equip them with the tools to deliver best-in-class public financial management across the whole of their career. CIPFA is a charity, promoting best practice in public finance. CIPFA sets the standards that UK local government and organisations worldwide adopt. CIPFA is a trainer, delivering accountancy and other qualifications that are relevant to the public sector, and preparing students for the future and lifelong learning materials available to support career development in line with a clearly defined competency framework for public finance professionals. In 2021 we will launch our benchmark chartered professional accountancy qualification, grow our capacity to meet rapidly rising demand for accountancy apprenticeships in the UK and extend our accredited training programmes in finance, governance and counter fraud globally.

To support CIPFA's aims, our business teams work with the organisations that employ our students and members, and other key public finance stakeholders, to ensure – at the organisational level – public finance is working at its strongest, contributing to effective and efficient public services. In 2021 CIPFA will continue to build on its recent strong performance in the advisory field, supporting public sector financial resilience improving organisational capacity and good governance. 2020 saw the delivery of the next generation of CIPFA data analytics solutions as we aim to meet the growing demand for accessible, portable, flexible and customised products and services, and in 2021 we will grow our use and availability of that.

In 2020 we were forced by the pandemic to delay the launch of 'CIPFA and me', our new people strategy, which sets out what we offer staff and what we expect from them. This will roll out in 2021. We will create an environment where people want to work and can perform at their best. We will create a culture where our people are supported, engaged and empowered to fulfil their potential and deliver results. We will also initiate the plans set out in our new diversity and inclusion strategy supporting staff, members and the wider profession to improve access and opportunity for progression in their careers regardless of background as well as developing our approach to sustainability and sustainability reporting.

Through our new business plan and strategy CIPFA will focus on the key account sectors – local government, central government, health and social care, international, police and property – while also remaining responsive to the wider market. We will continue to collaborate with other professional accounting organisations, ministries of finance and supreme audit institutions across the globe, growing our student and member base.

2020 was a particularly strong year for CIPFA in terms of our business performance and financial position; we will look to consolidate this success and invest in services, digital delivery and key new capabilities evolving CIPFA's policy, research and evidence base, investing in product development and digitising our services.

Notwithstanding recent growth, there remains significant uncertainty arising from COVID-19 and a sluggish global economic outlook and these are still challenging times, so we will continue to balance investment with a cautious approach, building a stronger balance sheet and reducing our long-term liabilities.

The trustees' annual report was approved on 29 April and signed on their behalf by Professor Andy Hardy, CIPFA President.

A handwritten signature in black ink, appearing to read 'Andy Hardy', with a horizontal line underneath.

Professor Andy Hardy
President

CIPFA's year in numbers

24
e-learning
courses



developed for
IFAD students

207 
new apprentices
enrolled











1,128
media
mentions



200

open training events

(4,826 delegates),        

of which 28 were provided at
no charge



to participants
(1,565 delegates)





11

Administrative
information

The full name of the charity is The Chartered Institute of Public Finance and Accountancy (CIPFA). It is a charity by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales, number is 231060.

CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963.

CIPFA Management Board

Chief Executive: Rob Whiteman, CBE

Director of Finance and Performance: Peter Woodman (retired December 2020)

Director of Finance: Gareth Moss (joined January 2021)

Chief Operating Officer: Dan Worsley

Director of Policy and Membership: Drew Cullen

Director of Public Financial Management: Karen Sanderson

Director of International: Khalid Hamid

Interim Director of Transformation: Ravi Dhindsa (joined November 2020)

Head of HR: Darren Parris

Interim Head of Governance: Nicola Hannam (joined November 2020)

Principal Office

77 Mansell Street
London E1 8AN

Principal Advisers

Bankers

Lloyds Bank Plc
Villiers House
48-49 Villiers Street
London WC2N 5LL

Insurers

Bartlett and Company
Ltd
Broadway Hall
Horsforth
Leeds LS18 4RS

Solicitors (disciplinary)

DAC Beachcroft
100 Fetter Lane
London EC4A 1BN

Solicitors (corporate)

Steeles Law Solicitors
Limited
154 Bishopsgate
London EC2M 4LN

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London EC4M 7JW



12

Financial
report

Consolidated statement of financial activities for the group

Year ended 31 December 2020

	Note	2020 £000	2019 £000
Income			
<i>Income from charitable activities:</i>			
Membership subscriptions		2,995	2,956
Advancing public finance and promoting best practice		3,967	3,472
Educating and training student members		5,138	4,884
Regulation and supporting members		0	5
		12,100	11,317
<i>Other trading activities:</i>			
Income from information, advisory and property services	2	14,081	15,296
Investments: Interest received		9	16
<i>Other income:</i>			
Property sales and rentals	3	227	260
Total income		26,417	26,889
Expenditure			
<i>Expenditure on charitable activities:</i>			
Advancing public finance and promoting best practice		5,314	5,138
Educating and training student members		5,644	5,985
Regulation and supporting member		1,466	1,445
		12,423	12,568
<i>Other expenditure:</i>			
Expenditure from information, advisory and property services	2	11,078	13,331
Impairment of intangible asset	8	74	3,736
Total expenditure	4	23,575	29,635
Net income (expenditure)		2,842	(2,746)
<i>Other recognised gains/losses:</i>			
Gain on revaluation of fixed assets	18	17	457
Actuarial gain on defined benefit pension scheme	7	(11,266)	(6,190)
Net movement in funds		(8,407)	(8,479)
Reconciliation of funds			
Fund balances brought forward at 1 January		(7,498)	981
Fund balances carried forward at 31 December		(15,905)	(7,498)

The results set out in the above statement of financial activities all relate to continuing operations and include the net restricted expenditure attributable to the non-controlling interest in CIPFA C.Co Ltd of £5k net expenditure (2019: £25k net income).

There are no other gains or losses other than those recognised above and therefore no separate statement of total recognised gains and losses has been presented. Further analysis can be found in note 19.

The notes on pages 66 to 84 form part of these financial statements.

Consolidated balance sheets

As at 31 December 2020

	Note	Group 2020 £000	2019 £000	CIPFA 2020 £000	2019 £000
Fixed assets					
Intangible assets	8	552	346	263	141
Tangible assets	9	13,710	13,865	13,638	13,770
Investment property	10	6,975	7,100	6,975	7,100
Investments	11,12	9	9	409	409
		21,246	21,320	21,285	21,420
Current assets					
Stocks and work in progress	14	299	110	157	2
Debtors	15	2,862	3,740	1,962	2,439
Cash at bank and in hand		6,011	2,574	1,244	1,346
		9,172	6,424	3,363	3,787
Creditors: amounts falling due within one year	16	(7,105)	(6,934)	(2,090)	(3,914)
Net current (liabilities)/asset		2,067	(510)	1,273	(127)
Total assets less current liabilities		23,313	20,810	22,558	21,293
Long-term liabilities					
Creditors: amounts falling due after more than one year:					
Loan	17	(651)	(1,156)	–	–
Net assets excluding pension liability		22,662	19,654	22,558	21,293
Defined benefit pension scheme liability	7	(38,567)	(27,152)	(38,567)	(27,152)
Net assets/(liabilities) including pension liability		(15,905)	(7,498)	(16,009)	(5,859)
Funds					
Restricted funds	19	42	42	42	42
Minority interest		55	60	–	–
Unrestricted funds					
Designated funds		15,350	15,265	15,350	15,265
Revaluation reserve		4,731	4,906	4,731	4,906
Other charitable funds		2,484	(619)	2,435	1,080
Total funds excluding pension liability		22,662	19,654	22,558	21,293
Pension reserve	7	(38,567)	(27,152)	(38,567)	(27,152)
Total funds including pension liability		(15,905)	(7,498)	(16,009)	(5,859)

The financial statements of CIPFA's branches, regions, and students' societies are incorporated within the Charity's financial statements. Before consolidation into the group financial statements, the charity made a surplus of £1,083,000 in 2020 (2019: a deficit of £754,000) The surplus for this year is before other recognised losses of £11,249,000 (2019 £5,733,000).

Approved and authorised for issue by the Council on 29 April 2021 and signed on its behalf by:



President



Chief Executive

The notes on pages 66 to 84 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Net cash provided by operating activities			4,577		1,800
Cash flows from investing activities					
Interest received		8		16	
Purchase of intangible fixed assets		(381)		(281)	
Purchase of tangible fixed assets		(215)		(160)	
Net cash (used in) investing activities			(588)		(425)
Cash flows from financing activities					
Commercial loan	17	(484)		(360)	
Interest paid	2	(69)		(91)	
Net cash provided by financing activities			(553)		(451)
Net increase in cash and cash equivalents			3,437		924
b/fwd Cash at bank			2,574		1,650
c/fwd Cash at bank			6,011		2,574

Notes to the cash flow statement

		2020 £000	2019 £000
A. Net cash (used in) operating activities			
Net income/(expenditure)		2,842	(2,746)
Current year pension (credit)	7	149	(515)
Interest receivable		(8)	(16)
Interest payable	2	69	91
Commercial loan	17	484	360
Depreciation and amortisation charges	8 & 9	420	600
Impairment of intangible asset	8	74	3,736
Loss on disposal of fixed assets		–	56
Decrease/(increase) in stocks and work in progress		(189)	251
Decrease/(increase) in debtors		879	(73)
(Decrease)/increase in creditors		(142)	56
		4,577	1,800

	At 1 Jan 2020 £000	Cashflows £000	At 31 Dec 2020 £000
B. Analysis of changes in net debt			
Cash in hand	2,574	3,437	6,011
Commercial Loan	(1,640)	484	(1,156)
Total	934	3,921	4,855

Notes to the financial statements

1. Accounting policies

Company information

The full name of the charity is the Chartered Institute of Public Finance and Accountancy (CIPFA). It is a public benefit entity set up by Royal Charter granted in 1959 and is registered with the Charity Commission for England and Wales. The charity registration number is 231060. CIPFA is also registered with the Office of the Scottish Charity Regulator. The registration number is SC037963. CIPFA is a Public Benefit Entity and its registered office is 77 Mansell Street, London, E1 8AN.

Accounting conventions

The consolidated financial statements comprise the financial statements of CIPFA and its subsidiary undertakings, CIPFA Business Ltd, registration number 2376684 and CIPFA C.Co Ltd, registration number 10212053, on a line by line basis and adjusted for the elimination of inter-group transactions and balances.

Going concern

The CIPFA Board, on behalf of Council, has assessed the ability of CIPFA to continue as a going concern and has considered several factors when forming its conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included the revised budget for 2021 and forecast for 2021–25 contained in the business plan, cash flow forecasts to 31 December 2023 and a consideration of the key risks, including the ongoing impact of COVID-19 on the continued operation of CIPFA's activities as well as the impact on our customers. In addition during the preparation of the budgets we incorporated some sensitivity analysis per service area around income and expenditure assumptions included in the final submission to the Board.

Since the changes forced on our operations by the pandemic in 2020 our activities have settled into 'digital by default' and that is now considered our preferred mode of activity. Ahead of a full move out of lockdown we are planning how we will operate our services with a greater use of remote activity than before the pandemic and we have reflected that in our plans. We do not anticipate an adverse impact on our finances; in fact, greater take up of those services and delivery at a reduced cost have been built into the business plan. We continue to anticipate access to broader markets given this mode of delivery and our operational resilience and lower risk will continue.

We maintain our focus on high quality products and services for our members and customers and seeking innovations in the delivery of those services and products.

In addition we have maintained our tight controls over expenditure and investment, only releasing the investment that is included in the business plan when we are comfortable that the underlying business performance warrants that.

CIPFA continues to face a pension fund deficit that remains subject to the future volatility of the pension scheme's liabilities as a result of changing actuarial variables. Pension scheme considerations and contributions are incorporated into our business plan. The business plan also considers the terms and conditions of the existing bank facilities. During 2020 CIPFA took steps to make use of the various support mechanisms instigated by the UK government and that has continued into 2021 at a much reduced level.

The CIPFA reserves position is a deficit of £15.905m (2019: £7.948m deficit) complicated by the inclusion of the FRS 102 Pensions reserve, which stands at a deficit of £38.567m (2019: £27.152m deficit). Within that our designated funds (principally the Mansell St property) have remained stable (£15.350m (2019: £15.265m)). However our charitable funds (free reserves available for investment) have seen a large increase and now stand at £2.484m (2019: £0.619m deficit) as a result of the operating surplus in 2020. This figure is still short of our target of having reserves of two months' average expenditure (2020: £3.9m) but the planned surpluses for 2021 (£256k) and our contingency (£1.5m) if not utilised will see us hit that target. Our cash flow forecasting across the period of review indicates that sufficient working capital is available for CIPFA to satisfy all of our commitments as they fall due.

Having regard to the above, the trustees believe there are no material uncertainties surrounding the decision to adopt the going concern basis of accounting in preparing the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and investment property and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. The departure has arisen because charities are now required to prepare their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The functional currency of CIPFA and its subsidiary entity is considered to be GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

Further details of the CIPFA's active subsidiary undertakings are provided in note 2.

The financial statements of CIPFA's branches, regions, and students' societies are incorporated within the Charity's financial statements.

Income recognition

Income is credited to the statement of financial activities in the year to which it relates. Income is deferred only when conditions have to be fulfilled before CIPFA becomes entitled to it or where the donor has specified that the income is to be expended in the future period. In the case of membership subscriptions and subscriptions for journals and electronic services any receipt in respect of future years is shown as deferred income.

- Membership subscriptions comprise membership fees from CIPFA professional qualifications.
- Advancing public finance and promoting best practice comprises income from publications, courses and conferences and advisory services.
- Educating and training student members comprises income from training and examining for CIPFA's professional qualifications.

- Regulation and supporting members comprises the income from practice assurance and disciplinary fines.

Government grants

Government grants are recognised on the performance model, when the charity has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to. Included in income is an amount of £292,702 in respect of the Coronavirus Job Retention Scheme.

Investments

Listed investments are stated at mid-market value at the year-end, with realised and unrealised gains and losses being shown in the statement of financial activities. Other investments where there is no identifiable market price are valued having regard to the cost of the investment, the underlying net assets of the entities invested in and a potential market valuation.

Investment properties are measured at fair value annually with any change recognised in the statement of financial activities. The trustees deem market value to be a fair approximation of fair value for the purpose of obtaining annual valuations. A full valuation is undertaken every three years and interim valuations are performed in intermediate years.

Expenditure recognition

Expenditure, including irrecoverable value added tax, is debited to the statement of financial activities on an accruals basis:

- Expenditure from information, advisory and property services comprises the costs of the trading subsidiaries.
- Charitable expenditure comprises direct expenditure including direct staff costs attributable to the activities. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.
- Governance costs comprise those incurred as a result of constitutional and statutory requirements.
- Support costs, which include central office functions such as finance, information technology and human resources, are allocated across the categories of charitable expenditure. The basis of the cost allocation has been explained in the notes to the accounts.

Pensions

CIPFA operates two pension schemes for its staff. The first is a funded defined benefit pension scheme under the Superannuation Act 1972, which is subject to the Local Government Pension Scheme (Administration) Regulations 2008 and which, from 1 January 2007, staff are only eligible to join under specific circumstances. The second pension scheme introduced from 1 January 2007 is a defined contribution group personal pension plan via Aegon.

Defined benefit pension scheme

Pension contributions are paid to a local government defined benefit pension scheme in accordance with the recommendations of actuaries. The scheme is funded, with the assets of the scheme held separately from those of CIPFA, in separate trustee-administered funds.

CIPFA has fully adopted Financial Reporting Standard FRS 102 for the accounting treatment of retirement benefits.

Current service costs, past service costs, gains and losses on settlements and curtailments, interest on pension scheme liabilities and the expected return on pension scheme assets are charged to resources expended.

Actuarial gains and losses are recognised immediately as other recognised gains and losses, after net incoming/(outgoing) resources for the year.

As detailed in note 7, pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit pension scheme liability is presented separately after other net assets on the face of the balance sheet.

Defined contribution scheme

Defined contributions are paid to the group personal pension plan via Aegon in accordance with the group policy. The policy allows for minimum employee contributions of 3%, with the employer contributing double the employee contribution up to a maximum of 10%.

CIPFA C.Co Ltd operates a defined contributions personal pension plan via Royal London, with defined contributions paid in accordance with the company policy.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Work in progress comprises the cost of ongoing projects and work performed on contracts not yet billed to clients. Costs include direct labour, contractual costs and attributable overheads.

Leased assets – lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Leased assets – lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Research and development

Research and development is normally written off as incurred, except for specific projects that are deemed to generate future benefit.

Intangible fixed assets – development expenditure

Intangible fixed assets represent development costs capitalised in accordance with FRS 102. These are stated at historical cost and amortised on a straight-line basis over the period which revenue is expected to be generated (three to five years).

Amortisation is recognised in the statement of financial activities under expenditure on charitable activities.

Tangible fixed assets and depreciation

Freehold property is held at valuation and depreciated over 50 years. Revaluations are undertaken by an independent valuation expert annually. A full valuation is undertaken of freehold property every three years and interim valuations in intermediate years. Included in the fixed asset note is the carrying amount that would have been recognised had the assets been carried under the historical cost model.

Other fixed assets are capitalised and depreciated if the value is greater than £1,000 for an individual asset or greater than £5,000 for a capital project.

Tangible fixed assets are depreciated from the month the assets are first used on a straight-line basis over their estimated economic lives as follows:

	Years
Computer equipment	3
Furniture, fittings and other equipment	5

Assets under construction relate to refurbishment and information technology development and are not depreciated until brought into use.

Deferred taxation

Deferred tax is provided in full in respect of material timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is only recognised where the conditions for recognition in FRS 102 are satisfied and such balances may fall due after more than one year.

Fund accounting

Unrestricted funds held by the charity are:

Designated funds – these are unrestricted funds set aside by the trustees for specific future purposes or projects.

Other charitable funds – these are unrestricted general funds that can be used in accordance with the charitable objects at the discretion of trustees.

Restricted funds – those funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

Critical accounting judgements and key sources of estimation uncertainty

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Pension liabilities – The charity recognises its liability to its defined benefit pension scheme, which involves a number of estimations as disclosed in note 7. These estimates were made having taken advice from the scheme actuary.

Valuation of land and buildings and investment property – The charity's land, buildings and investment property are stated at their estimated fair value based on professional valuations as disclosed in note 9 and 10.

Financial instruments

Financial assets and financial liabilities are recognised when CIPFA becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year-end exchange rate.

2. Profits from trading activities of subsidiary

CIPFA has one active wholly-owned trading subsidiary: CIPFA Business Ltd, registration number 2376684. The principal activities of CIPFA Business Ltd are networks, advisory and research. CIPFA Business Ltd remits a proportion of its profits to CIPFA by means of gift aid. Audited accounts are filed with the Registrar of Companies.

CIPFA additionally owns a 75% interest in the trading subsidiary CIPFA C.Co Ltd, registration number 10212053, which commenced trading in July 2016. The principal activities of CIPFA C.Co Ltd are strategy, transformation and improvement advisory services. A summary of the trading results of both subsidiaries are shown below.

	2020	2019
	£000	£000
Profit and loss account – CIPFA Business Ltd		
Turnover	13,187	14,002
External charges	(1,581)	(2,706)
Staff costs	(5,884)	(6,248)
Depreciation	(89)	(134)
Impairment of intangible asset	–	(3,736)
Other operating charges	(2,545)	(2,970)
Operating profit	3,088	(1,792)
Interest receivable	8	5
Interest payable	(71)	(91)
Profit on ordinary activities before taxation	3,025	(1,878)
Tax on profit on ordinary activities	–	–
Profit after taxation	3,025	(1,878)
Funds brought forward	(1,478)	230
Gift aid to CIPFA	(1,262)	(230)
Retained in subsidiary	(2,740)	(1,878)
Net assets	285	(1,478)

	2020	2019
	£000	£000
Profit and loss account – CIPFA C.Co Ltd		
Turnover	904	1,318
External charges	–	–
Staff costs	(604)	(801)
Other operating charges	(320)	(393)
Operating profit	(20)	124
Interest receivable	–	–
Profit on ordinary activities before taxation	(20)	124
Tax on profit on ordinary activities	–	(24)
Retained in subsidiary	(20)	100
Net assets	218	239

3. Property income

	2020 £000	2019 £000
Rent and dilapidations from tenants	227	260
	227	260

Property income is the income from tenants occupying parts of the Mansell Street property during the year.

4. Total resources expended

Group	Support costs							2020 Total £000
	Activities direct costs £000	Human resources £000	ICT £000	Finance & admin support £000	Marketing & public relations £000	Govern £000	Defined benefit pension costs £000	
<i>Charitable expenditure:</i>								
Advancing public finance and promoting best practice	3,390	122	349	213	1,008	149	83	5,314
Educating and training students	3,713	181	539	298	774	160	52	5,717
Regulation and supporting members	853	30	85	120	323	41	14	1,466
Total charitable costs	7,956	333	973	631	2,105	350	149	12,497
<i>Other expenditure:</i>								
Expenditure from information, advisory and property services	8,026	178	516	635	1,641	82	–	11,078
	15,982	511	1,489	1,266	3,746	432	149	23,575
Total 2019	22,963	372	1,329	1,150	3,840	496	(515)	29,635

Basis of allocation:

– Charitable costs	Headcount	Work	Income	Estimated	Income	Headcount
– Information, advisory and property services	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost	Actual cost

	2020 £000	2019 £000
Net income for the year is stated after charging		
FRS 102 pension	149	(515)
Depreciation and amortisation	419	600
Impairment	74	3,736
Operating lease rentals	163	163
One-off costs of restructuring	–	91

	2020 £000	2019 £000
Auditor fees – group		
Statutory audit – Crowe	49	46
Statutory audit – Other	6	6
Tax advisory services	12	7
	67	59

5. Governance costs

Group	2020 £000	2019 £000
Audit fees	55	52
Internal audit fees	18	27
Annual report and accounts	–	1
Council, committees and boards	62	107
Management and governance support	220	237
Apportionment of costs supporting governance activities	77	77
	432	501

6. Employees

Group	2020 £000	2019 £000
Salaries and wages (including temporary staff)	10,065	9,951
National insurance	1,120	1,072
Pension costs	1,650	2,427
Other staff costs	574	439
Redundancy and termination costs	404	174
	13,813	14,063

Redundancy and termination payments of £404,000 (2019: £174,000) were paid during the period and are recognised in the statement of financial activities. These costs include £0 one-off pension costs (2019: £91,000).

Ex-gratia payments of £31,000 (2019: £40,000) were paid during the period and are recognised in the statement of financial activities.

The average number of employees in the Group in 2020 was 219 (2019: 221).

Group	2020 No	2019 No
Advancing public finance and promoting best practice	22	19
Educating and training student members	34	35
Regulation and supporting members	5	5
Governance	3	3
Support services	90	85
CIPFA Business Ltd	59	64
CIPFA C.Co Ltd	6	10
	219	221

Senior employees received remuneration falling within the following ranges:

	CIPFA 2020	CIPFA Business 2020	CIPFA C. Co Ltd 2020	CIPFA 2019	CIPFA Business 2019	CIPFA C. Co Ltd 2019
£230,000 – £239,999	1	–	–	–	–	–
£210,000 – £219,999	1	–	–	–	–	–
£200,000 – £209,999	–	–	–	1	–	–
£150,000 – £159,999	–	1	–	–	1	–
£130,000 – £139,999	1	–	–	2	–	–
£120,000 – £129,999	1	–	–	–	–	–
£110,000 – £119,999	2	–	–	1	–	–
£100,000 – £109,999	1	–	–	1	–	–
£90,000 – £99,999	2	–	1	–	–	1
£80,000 – £89,999	3	3	–	2	2	–
£70,000 – £79,999	7	2	1	8	5	1
£60,000 – £69,999	11	8	4	9	4	4

Of the senior employees 30 CIPFA (2019: 22), 14 CIPFA Business Ltd (2019: 10) and six CIPFA C.Co Ltd (2018: six) are members of the pension schemes. Employer pension contributions made on behalf of senior employees in 2020 was £827,000 (2019: £1,065,000).

Remuneration of key management personnel

Key management is made up of the Chief Executive and the executive directors. CIPFA's total cost, including pension and national insurance, for key management personnel for 2020 was £1,215,331 (2019: £956,000). The total cost for the Chief Executive, including pension and national insurance, was £241,444 (2019: £236,710).

Volunteers

CIPFA is supported by a strong network of volunteers who play a vital role advancing our objectives of advancing public finance, promoting best practice, educating and training student members and regulating and supporting members.

Volunteers sit on our Council, boards, committees and policy panels; they also undertake regional engagement and are involved in organising regional events.

7. Pensions

CIPFA operates two pension schemes for its staff:

The Local Government Pension Scheme – this is a statutory, defined benefit pension scheme. Pension benefits in the scheme are determined by reference to an individual's pensionable pay at retirement and their length of scheme membership. The Local Government Pension Scheme is administered through 100 funds across the UK. CIPFA is an admitted body in the Wiltshire Pension Fund, which is administered by Wiltshire County Council. On 1 January 2007, CIPFA took the decision to largely close the scheme to new members, with membership only offered where business need dictates and it is approved by the Remuneration Committee.

The scheme is contributory for both employer and employees. Total contributions recognised in the statement of financial activities during 2020 were £1,072,000 (2019: £1,880,000).

The CIPFA Personal Pension Plan – this is a defined contribution, money purchase scheme, operated on behalf of CIPFA by Aegon. Pension benefits payable under the scheme are dependent upon contributions made and fund growth over the life of the scheme.

This scheme replaced the Local Government Pension Scheme as the default scheme for CIPFA employees joining on or after 1 January 2007.

The scheme is contributory for both employer and employees. CIPFA matches employee contributions up to 10% of salary.

The total pension cost to the group for the financial year, in respect of the pension schemes, for 2020 were £1,654,000 (2019: £2,427,000).

The Local Government Pension Scheme

The assets and liabilities of the Wiltshire Pension Fund of the Local Government Pension Scheme are subject to a full actuarial valuation every three years in accordance with the requirements of the Local Government Pension Scheme (Administration) Regulations 2008. The latest valuation of the scheme was carried out as at 31 March 2019.

With effect from 1 April 2017 the employer's contributions are made up of two elements – a fixed sum annual payment for past service and an employer's contribution rate of 26.0% of pensionable earnings for future service until the next triennial valuation. At the March 2019 valuation CIPFA had a pension deficit of £4,567,000.

The assumptions used in the actuarial valuation as at 31 March 2019, together with the market value of assets and funding level were:

Rate of return on investments	3.3%
Rate of increase in salaries	2.7%
Retail price inflation	2.3%
Funding level for CIPFA staff	95.0%
Deficit for CIPFA staff	£4.567m

The actuary has valued the pension scheme in accordance with FRS 102 for the purpose of the statutory financial statements. FRS 102 methodology differs from that used in the triennial funding valuation, particularly in the determination of the discount rate.

The FRS 102 disclosures are shown below.

The amounts recognised in the balance sheet are as follows:

	2020	2019
	£000	£000
Fair value of employer assets	107,410	100,072
Present value of funded obligations	(145,940)	(127,176)
Present value of unfunded liabilities	(37)	(48)
Net (underfunding) in funded plans	(38,567)	(27,152)
Net (liability)	(38,567)	(27,152)
Amount in balance sheet:		
Liabilities	38,567	(27,152)
Assets	–	–
Net (liability)	38,567	(27,152)

	2020	2019
	£000	£000
Reconciliation of defined benefit obligation		
Opening defined benefit obligation	127,224	110,654
Current service cost	787	723
Past service cost	–	43
Interest cost	2,524	3,175
Contribution by members	150	164
Actuarial (gains)/losses	18,252	15,744
Past service losses	–	–
Losses on curtailments	–	–
Benefits paid	(2,960)	(3,279)
Closing defined benefit obligation	145,977	127,224

	2020	2019
	£000	£000
Reconciliation of fair value of employer assets		
Opening fair value of employer assets	100,072	89,177
Expected return on assets	1,985	2,568
Contributions by members	150	164
Contributions by the employer	1,177	1,888
Actuarial (loss)/gain	6,986	9,554
Estimated benefits paid	(2,960)	(3,279)
Closing fair value of employer assets	107,410	100,072

	2020	2019
	£000	£000
Recognition within the statement of financial activities		
Current service cost	(787)	(766)
Past service cost	–	–
Interest cost	(2,524)	(3,175)
Expected return on employer assets	1,985	2,568
Past service loss	–	–
Contributions by employer	1,177	1,888
Losses on curtailments and settlements	–	–
Total amount (charged)/credited within net incoming resources	(149)	515
Actuarial (loss)	(11,266)	(6,190)
Total amount (debited)/credited to statement of financial activities	(11,415)	(5,675)

CIPFA's estimated employer's contribution for the year to 31 December 2020 will be approximately £1,072,000.

	2020	2019
	£000	£000
The major categories of plan assets as a percentage of total plan assets		
Equities	52%	56%
Bonds	37%	29%
Property	11%	12%
Cash	0%	3%

	2020	2019
Principal assumptions at the balance sheet date	£000	£000
Pension increase rate	2.4%	2.2%
Salary increase rate	2.0%	2.2%
Discount rate	1.4%	2.0%
Assumes life expectations on retirement age 65:		
Current pensioners – males	21.7	21.7
Current pensioners – females	24.0	24.0
Future pensioners – males	22.5	22.5
Future pensioners – females	25.5	25.5

The amounts for the current and previous periods are as follows:

	2020	2019	2018	2017	2016
	£000	£000	£000	£000	£000
Defined benefit obligation	(145,977)	(127,224)	(110,654)	(117,881)	(113,347)
Scheme assets	107,410	100,072	89,177	92,056	78,876
(Deficit)	(38,567)	(27,152)	(21,477)	(25,825)	(34,471)

8. Intangible assets

	Other	Assets under	Total
A Group	£000	£000	£000
Development at cost			
At 1 January 2020	719	251	970
Additions	124	202	326
Transfers	202	(202)	–
Impairment	–	(74)	(74)
Disposals	(229)	–	(229)
At 31 December 2020	816	177	993
Amortisation			
At 1 January 2020	624	–	624
Charge for year	46	–	46
Eliminated on disposal	(229)	–	(229)
At 31 December 2020	441	–	441
Net book value 31 December 2020	375	177	552
Net book value 31 December 2019	95	251	346

B CIPFA	Other	Assets under	Total
	£000	construction	£000
	£000	£000	£000
Development at cost			
At 1 January 2020	561	55	616
Additions	17	202	219
Transfers	6	(6)	–
Impairment	–	(74)	(74)
Disposals	(229)	–	(229)
At 31 December 2020	355	177	532
Amortisation			
At 1 January 2020	475	–	475
Charge for year	23	–	23
Disposals	(229)	–	(229)
At 31 December 2020	269	–	269
Net book value 31 December 2020	86	177	263
Net book value 31 December 2019	86	55	141

Intangible assets relate to product software, delivery and supports software, and the costs of learning materials to support students training for the professional qualification. The assets under construction relate to the periodic refresh of the learning materials, migration of our servers to Amazon Web Service and an interface to assist recognition of our apprenticeship income streams.

9. Tangible fixed assets

A Group	Freehold land & buildings	Furniture & Fittings	Computers	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 January 2020	13,600	1,396	2,548	17,544
Revaluations	(50)	–	–	(50)
Additions	–	–	76	76
Disposals	–	–	(9)	(9)
At 31 December 2020	13,550	1,396	2,615	17,561
Depreciation				
At 1 January 2020	–	1,233	2,446	3,679
Charge for year	192	99	82	373
Revaluations	(192)	–	–	(192)
Eliminated on disposal	–	–	(9)	(9)
At 31 December 2020	–	1,332	2,519	3,851
Net book value 31 December 2020	13,550	64	96	13,710
Net book value 31 December 2019	13,600	163	102	13,865

B CIPFA	Freehold land & buildings £000	Furniture & Fittings £000	Computers £000	Total £000
Cost or valuation				
Revaluations	13,600	1,172	2,156	16,928
Additions	(50)	–	–	(50)
Transfer/reclassifications	–	–	57	57
Disposals	–	–	(35)	(35)
At 31 December 2020	13,550	1,172	2,178	16,900
Depreciation				
At 1 January 2020	–	1,095	2,063	3,158
Charge for year	192	59	54	305
Revaluations	(192)	–	–	(192)
Eliminated on disposal	–	–	(9)	(9)
At 31 December 2020	–	1,154	2,108	3,262
Net book value 31 December 2020	13,550	18	70	13,638
Net book value 31 December 2019	13,600	77	93	13,770

The tangible fixed assets are held for charitable use.

Cushman & Wakefield, Property Consultants, completed a desktop valuation of the Mansell Street property as at 31 December 2020. The basis used for the valuations was open market value. The historical cost of the freehold land and buildings is £13,572,000.

10. Investment property

Group and CIPFA	2020 £000	2019 £000
Cost		
At 1 January	7,100	3,300
Additions	–	3,800
Revaluation	(125)	–
At 31 December	6,975	7,100

The investment property relates to the third and fifth floors of the Mansell Street property.

11. Investments in subsidiary company

	2020 £000	2019 £000
400,000 £1 ordinary shares in CIPFA Business Ltd	400	400
75 £1 ordinary shares in CIPFA C.Co Ltd	–	–
	400	400

12. Other investments

Group and CIPFA	2020 £000	2019 £000
Balance at 1 January	9	9
Movement in year	–	–
Balance at 31 December	9	9

As one of five major accountancy bodies the Institute holds 70 £1 shares in CCAB Ltd at a cost of £70 (7% of the issued equity capital). Other investments comprise a number of funds that have been established either by way of donations in memory of eminent accountants within public finance or from various organisations.

13. Deferred tax

A deferred asset of £12,000 (2019: £363,000) exists at 31 December 2019 in respect of timing differences. However, the asset has not been recognised in the balance sheet as it is not deemed likely to crystallise given CIPFA Business Ltd's policy and practice of remitting all taxable profits to CIPFA under gift aid.

14. Stocks and work in progress

	Group 2020 £000	2019 £000	CIPFA 2020 £000	2019 £000
Finished goods	4	6	1	2
Work in progress	295	104	156	–
	299	110	157	2

15. Debtors

	Group 2020 £000	2019 £000	CIPFA 2020 £000	2019 £000
Trade debtors	1,688	2,085	813	1,019
Amounts due from subsidiary undertakings	–	–	254	538
Other tax and social security	–	13	–	13
Other debtors	851	1,275	680	618
Prepayments	323	367	215	251
	2,862	3,740	1,962	2,439

16. Creditors: amounts falling due within one year

	Group 2020 £000	2019 £000	CIPFA 2020 £000	2019 £000
Trade creditors	565	1,120	55	334
Amounts due to subsidiary undertakings	–	–	6	1,076
Other tax and social security	2,107	920	356	431
Other creditors	618	876	565	731
Receipts in advance	3,305	3,527	1,103	1,335
Property provision	4	7	4	7
Commercial loan	505	484	–	–
	7,105	6,934	2,090	3,914

Receipts in advance of £3,305,000 (2019: £3,527,000) relate to professional membership and commercial services that will be delivered in the next financial year.

17. Commercial loan

	2020 £000	2019 £000
Balance at 1 January	1,640	2,000
Repayments	(484)	(360)
Balance at 31 December	1,156	1,640

Analysis of commercial loan	2020 £000	2019 £000
Within one year	505	484
Within two to five years	651	1,156
	1,156	1,640

CIPFA Business Limited has a commercial loan of £2,000,000 which is secured on the Mansell Street, London property. The loan has an interest rate of 4.82% with principal repayment over years two to five of the loan, which matures in February 2023.

18. Group funds

	Balance at 1 Jan 2020 £000	Transfers £000	Income £000	Expenditure £000	Other recognised gains/losses £000	Balance at 31 Dec 2020 £000
Unrestricted funds						
Designated (property)	14,154	484	–	–	–	14,638
Designated (other fixed assets)	611	402	–	(301)	–	712
Designated (contractual dispute)	500	(500)	–	–	–	–
Revaluation reserve	4,906	–	–	(192)	17	4,731
Other charitable	(619)	(386)	26,191	(22,702)	–	2,484
Pension reserve	(27,152)	–	–	(149)	(11,266)	(38,567)
	(7,600)	–	26,191	(23,344)	(11,249)	(16,002)
Restricted funds						
Trust funds	9	–	–	–	–	9
Regional funds	33	–	–	–	–	33
Minority interest	60	–	226	(231)	–	55
Total funds	(7,498)	–	26,417	(23,575)	(11,249)	(15,905)

	Balance at 1 Jan 2019 £000	Transfers £000	Income £000	Expenditure £000	Other recognised gains/losses £000	Balance at 31 Dec 2019 £000
Unrestricted funds						
Designated (property)	15,667	(1,513)	–	–	–	14,154
Designated (other fixed assets)	–	4,763	–	(4,152)	–	611
Designated (contractual dispute)	–	500	–	–	–	500
Revaluation reserve	4,633	–	–	(184)	457	4,906
Other charitable	2,101	(3,770)	26,560	(25,510)	–	(619)
Pension reserve	(21,477)	–	–	515	(6,190)	(27,152)
	924	(20)	26,560	(29,331)	(5,733)	(7,600)
Restricted funds						
Trust funds	9	–	–	–	–	9
Regional funds	13	20	–	–	–	33
Minority interest	35	–	329	(304)	–	60
Total funds	981	–	26,889	(29,635)	(5,733)	(7,498)

Designated fund (property) – The Council has classified as designated funds the element of its reserves that represents the cost of the freehold buildings and investment properties as at 31 December 2015.

Designated fund (other fixed assets) – The Council has classified as designated funds the intangible assets and other non-property fixed assets.

Designated fund (contractual dispute) – The Council has removed the previously designated £500,000 for future legal costs in relation to the contract dispute relating to the London Counter Fraud Hub contract.

Revaluation reserves (property) – This relates to the revaluation of the freehold and investment properties.

Trust funds – A number of funds have been established either by way of donations in memory of eminent accountants within public finance or from various organisations. The income from the investments is used for prizes in each year's examinations, either for the best subject or the best student in a particular field. A proportion of the funds (£9,000) are administered through a separate charity, Charity Commission Registration 313981.

Regional funds – A number of funds have been established by way of donations in memory of eminent accountants within public finance. The funds are used to support students or further the work of the region.

Minority interest – This represents CIPFA's non-controlling interest in CIPFA C.Co Ltd, of which it owns 75% of issued shares in the company.

19. Analysis of group net assets between funds

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Fund balances at 31 December 2020 are represented:						
Intangible assets	552	–	–	–	–	552
Tangible fixed assets	8,979	–	–	4,731	–	13,710
Investment property	6,975	–	–	–	–	6,975
Investments	–	–	–	–	9	9
Current assets	–	9,139	–	–	33	9,172
Current liabilities	(505)	(6,655)	–	–	55	(7,105)
Long-term liabilities	(651)	–	–	–	–	(651)
	15,350	2,484	–	4,731	97	22,662
Pension liability	–	–	(38,567)	–	–	(38,567)
Group net assets/(liabilities)	15,350	2,484	(38,567)	4,731	97	(15,905)

	Designated £000	Other charitable £000	Pension reserve £000	Revaluation reserve £000	Restricted £000	Total £000
Fund balances at 31 December 2019 are represented:						
Intangible assets	346	–	–	–	–	346
Tangible fixed assets	8,959	–	–	4,906	–	13,865
Investment property	7,100	–	–	–	–	7,100
Investments	–	–	–	–	9	9
Current assets	500	5,891	–	–	33	6,424
Current liabilities	(484)	(6,510)	–	–	60	(6,934)
Long-term liabilities	(1,156)	–	–	–	–	(1,156)
	15,265	(619)	–	4,906	102	19,654
Pension liability	–	–	(27,152)	–	–	(27,152)
Group net assets/(liabilities)	15,265	(619)	(27,152)	4,906	102	(7,498)

20. Leasing commitments

At 31 December 2020 the future minimum lease payments under non-cancellable operating leases were as follows:

	Land & buildings 2020 £000	Other 2020 £000	Land & buildings 2019 £000	Other 2019 £000
A Group				
Leases that expire:				
within one year	153	19	153	23
within 2 to 5 years	377	18	480	42
in over 5 years	36	–	89	–
	566	37	722	65

	Land & buildings 2020 £000	Other 2020 £000	Land & buildings 2019 £000	Other 2019 £000
B CIPFA				
Leases that expire:				
within one year	104	15	104	19
within 2 to 5 years	183	16	286	35
in over 5 years	–	–	–	–
	287	31	390	54

21. Leased assets

At 31 December 2020 the future minimum lease receipts due to CIPFA under non-cancellable operating leases were as follows:

	Land & buildings 2020 £000	Land & buildings 2019 £000
Group and CIPFA		
Leases that expire:		
within one year	175	190
within 2 to 5 years	303	15
in over 5 years	–	–
	478	205

22. Transactions with trustees

The trustees received no remuneration in relation to fulfilling their role as trustees (2019: Nil).

Four trustees were reimbursed £2,239 for actual travel and subsistence costs necessarily incurred on institute business (2019: four trustees were reimbursed £21,902). No additional payments were made to trustees.

23. Transactions with related parties

In 2020, the following transactions were incurred between CIPFA and its subsidiaries, CIPFA Business Ltd and CIPFA C.Co Ltd. There are no other related transactions or balances for disclosure in this report.

	2020	2019
	£000	£000
Management fees/recharges charged by CIPFA to CIPFA Business Ltd	2,311	2,142
Sales to CIPFA from CIPFA Business Ltd	(1)	17
Sales to CIPFA Business Ltd from CIPFA	10	17
Sales to CIPFA C.Co Ltd from CIPFA Business Ltd	1	3
Amounts due to CIPFA from CIPFA Business Ltd	254	226
Amounts due to CIPFA Business Ltd from CIPFA	6	1,076
Amounts due to CIPFA from CIPFA C.Co Ltd	211	312
Loan interest charged by CIPFA to CIPFA C.Co Ltd	6	9
Gift aid paid to CIPFA by CIPFA Business Ltd	1,000	230

Independent auditor's report to the trustees of the Chartered Institute of Public Finance and Accountancy

We have audited the financial statements of the Chartered Institute of Public Finance and Accountancy ('the charity') and its subsidiaries ('the group') for the year ended 31 December 2020, which comprise the statements of financial activities, the group and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 151 of the Charities Act 2011, and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were taxation legislation, employment legislation and General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing surrounding recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the audit committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Date: 9th June 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under Section 1212 of the Companies Act 2006.



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