



**Professional Examination 3
2001**

27 June

FINANCE AND MANAGEMENT CASE STUDY

Time allowed - ½ hours

From 12.40 p.m. to 1.10 p.m.

Candidates will be allowed five minutes reading time from 12.35 p.m. to 12.40 p.m.

All questions must be answered.

The case study has been prepared on the assumption that candidates will not necessarily have a detailed knowledge of the type of organisation to which it refers. No additional merit will be accorded those candidates displaying such knowledge.

The weightings for each question are indicated in the parentheses at the end of the question.

Candidates will be allowed to submit, as part of their script, work performed in the morning session, but they should distinguish clearly between work supporting their script and that which is to be considered a part of it.

NOTES TO CANDIDATE

- (i) Answers to be prepared as on 27 June 2001 by Sandy Piper, Principal Accountant (Projects).
- (ii) The questions below are intended to test the candidate's understanding of the situation in the case.

QUESTIONS

1. Draft a briefing note for the Director of Resources in response to the letter from the Assembly Member for Pentowse South East in accordance with the attached memorandum. (20%)

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DV DWELLINGTONIA PROVINCIAL COUNCIL

CIL

internal e-mail

From : Robin Jay (Director of Resources)
To : Sandy Piper (Principal Accountant (Projects))
Date : 27 June 2001 - 12.34 pm
Subject : Regeneration Programme

I trust that my secretary has just passed to you a copy of the letter from the Assembly Member for Pentowse South East, a regular critic of the authority. I have now agreed to meet him at 2 p.m. this afternoon, before I set off for the HIPFA Conference.

I should be grateful, therefore, if you would let me have a briefing note on the matters raised by him. I know Mr Driver well and he will be difficult to convince on the points at issue. As he says in his letter, he will looking for "facts, not fancy words". Your analysis, therefore, needs to be succinct, yet thorough. I am relying on you to make my task easy.

Kindly let me have the briefing note by 1.10 pm today.

Robin Jay
Director of Resources



FEDERAL REPUBLIC OF HUTLAND

House of Assembly

Mr P S V Driver AM Assembly Member

Mr Robin Jay
Director of Resources
Dwellingtonia Provincial Council
Council House
Constitution Square
Bungalore BU1 1HQ

26 June 2001

Dear Mr Jay,

I have been forced to write because I am hearing very disturbing news about Dwellingtonia Provincial Council's proposed regeneration programme.

It has come to my attention that your authority is once again secretly planning to ignore the legitimate expectations of my constituents in Pentowse in order to safeguard the prosperity of the leafy suburbs of Bungalore. Social and economic deprivation seems to mean nothing to your authority. As you know very well, after long years of neglect, Pentowse finds itself at the bottom of every league table of social and economic well-being, whilst Bungalore continues to flourish and climb ever upwards. Moreover, all the statistics show that the situation in Pentowse is getting worse. If you have evidence to the contrary, I should like to see it.

Despite promises of a regeneration programme aimed at addressing these problems, I have it from an impeccable source that you are planning to spend no less than £37 million on new facilities for Bungalore, including a fancy new management centre and business park. With only £60 million or so available from the housing stock sale, this is scandalous. What else is in the programme and to what extent does it benefit Pentowse, if at all? I want facts, not fancy words. I am sad more than angry. The DPC housing stock sale represents an opportunity for regeneration that must not be missed. Pentowse bears the physical and emotional scars of its past contributions to the national economy of Hutland. I am, therefore, determined to see that it receives its full and proper share of the regeneration monies, not just a token gesture. The allocation of at least £37 million to Bungalore cannot be fair on any supportable basis.

I am also deeply unimpressed by what I have heard about DPC's ability to manage capital projects. The contractors for the Inglenook Leisure Centre tell me that this comparatively small project has been characterised by an appalling catalogue of management failures. Why then should the public have any confidence in your ability to handle a major capital programme?

Unless you can provide me with speedy assurance on these matters, I shall have no hesitation in asking my party colleague and friend, the Minister for Local Affairs, to intervene.

Yours sincerely

P S V Driver

Assembly Member



**Professional Examination 3
2001**

27 June

FINANCE AND MANAGEMENT CASE STUDY

Time allowed - 3 hours

From 2.00 p.m. to 5.00 p.m.

Candidates will be allowed five minutes reading time from 1.55 p.m. to 2.00 p.m.

All questions must be answered.

The case study has been prepared on the assumption that candidates will not necessarily have a detailed knowledge of the type of organisation to which it refers. No additional merit will be accorded those candidates displaying such knowledge.

The weightings for each question are indicated in the parentheses at the end of the question.

Candidates will be allowed to submit, as part of their script, work performed in the morning session, but they should distinguish clearly between work supporting their script and that which is to be considered a part of it.

NOTES TO CANDIDATE

- (i) Answers to be prepared as on 27 June 2001 by Sandy Piper, Principal Accountant (Projects).
- (ii) The questions below are intended to test the candidate's understanding of the situation in the case.

QUESTIONS

- 2. Draft a report to Cabinet on the financial outcome of the housing stock transfer and related issues, as required by the e-mail of 1 June 2001 from the Director of Resources (page 15). (38%)
- 3. Draft a short report to the Capital Management Group explaining and addressing existing shortcomings in the management of capital schemes, as requested in the e-mail of 18 June 2001 from the Head of Regeneration (page 22). (18%)
- 4. Draft a response, with supporting papers, on the costs, performance and management of the payments operation as requested in the e-mail of 20 June 2001 from the Head of Finance (page 24). (24%)

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