

Don't just survive, thrive. CIMA is supporting members through the downturn

You won't have failed to notice the current economic and financial crisis. Many of you will be impacted by its effects, either at work or in your personal life.

There is much debate about why and how it happened and many opinions on what can be done to manage in it and out of it.

For CIMA, the key issues include the challenges of financial reporting, expected changes to regulation and the state of global economies.

As you and your businesses seek to survive this crisis, CIMA has created a dedicated area of its website to also help you thrive during the downturn. Below is a reminder of the CIMA resources available to you as well as a selection of topical news stories that you may find interesting.

CIMA Resources

At www.cimaglobal.com/downturn, we provide you with valuable resources to help you manage both your business and your career during the downturn. Highlights include:

- "Surviving an economic downturn" This topic gateway discusses the challenges of limited access to cash and describes how financial reporting becomes even more challenging in a volatile environment.
www.cimaglobal.com/downturnsurvival
- "Strategy under stress" A shrinking economy, poor trading conditions, disrupted markets and uncertain supply chains are all major threats to an organisation's survival. This report takes a structured approach to managing these factors – keeping a eye on the long-term strategy of the organisation – is the only way a business can make it through the recession.
www.cimaglobal.com/enterprisegovernance

- Going concern - Guidance for Directors: in response to the challenges of preparing financial reports this year the Financial Reporting Council (FRC) has published two documents:
 - An analysis of some of the challenges for audit committees
 - An update for directors of listed companieswww.cimaglobal.com/goingconcern

Fraud Risk Management : a guide to good practice - This is particularly timely as fraudulent practices can often increase in a downturn with employees feeling a pressure to perform and businesses cutting corners to stay afloat..
<http://www.cimaglobal.com/fraud>

- In the Management Accounting Guideline (MAG) on "Financial Risk Management for Management Accountants" Margaret Woods and Kevin Dowd identify some tools that management accountants can use to help decision makers to manage financial risk more effectively.
www.cimaglobal.com/magfrm
- Over the past few months, a series of articles relating to the crisis have been published in our online monthly magazine Insight. Topics range from the debate over fair value to tips for managing your cash.

Financial reporting news: facing up to the credit crunch
www.cimaglobal.com/insightcrunch

Crunchy questions on credit for accountants
www.cimaglobal.com/insightcredit

Financial reporting news: crisis sparks fair value debate
www.cimaglobal.com/insightfairvalue

Making sense of the credit crunch fair value debate
www.cimaglobal.com/insightfairvalue2

Surviving a liquidity crisis
www.cimaglobal.com/insightliquidity

Surviving the liquidity crisis - managing your cash
www.cimaglobal.com/insightcash

Topics of interest

In the news

- Standard Life Investments has published its “Guidelines for enhanced disclosures to assist directors, audit committees, shareowners and investors”. <http://digbig.com/4ygywb>
- On January 21st Adair Turner, Chairman of the FSA made a speech discussing, “The financial crisis and the future of financial regulation - the root causes of the financial crisis and the implications for the future shape of the financial system”. <http://digbig.com/4ygywc>
- Mervyn King, governor of the Bank of England warns that the UK is “in a deep recession” in 2009 and said that rate cuts may no longer work. <http://www.bankofengland.co.uk/publications/inflationreport/irspnote110209.pdf> and <http://digbig.com/4ygywk>
- Further to its first meeting held in London on January 20th, the Financial Crisis Advisory Group conducted its second meeting on February 13th in New York. Deloitte presented its preliminary and unofficial notes taken at the meeting. <http://digbig.com/4ygywj>
- The Confederation of British Industry recently predicted that the UK economy will contract by 3.3% this year with the number of people unemployed reaching 2.9 million by the end of 2009. <http://digbig.com/4ygywf>

Forthcoming Products

Complexity, relevance and clarity of corporate reporting: the views of CIMA FTSE 350 Directors

Over the past ten years a raft of additional reporting burdens have been placed on businesses and many of the existing requirements have also changed during that period. The Financial Reporting Council (FRC) launched a project to review the complexity and relevance of current corporate reporting requirements and CIMA has taken the opportunity to contribute to the debate. This report will summarise the views of CIMA members who are Directors of FTSE350 companies.

Available soon at: www.cimaglobal.com/resources

Improving cash flow using credit management

Efficient cash flow is a primary indicator of business health, and is vital when access to cash is difficult or expensive. Implementing good credit management policies can improve cash flow even in buoyant economic times. In difficult times it can help deal with the increased risk to businesses of customers defaulting on credit.

The report looks at the cash flow cycle, working capital and credit management, and illustrates why cash flow management is essential for business.

Available soon at: www.cimaglobal.com/resources