

Professional Accountancy Organisations

EXTENDING ACTIVITIES INTO THE PUBLIC SECTOR



About CAPA

The Confederation of Asian and Pacific Accountants (CAPA) is recognised by the global accountancy profession, represented by the International Federation of Accountants, as a regional organisation representing national Professional Accountancy Organisations (PAOs) operating in, or with an interest in, the Asia-Pacific region. The national PAOs, collectively referred to as CAPA's members, represent close to 2 million accountants across the world.

The mission of CAPA is to enhance the value of the accountancy profession in Asia Pacific by:

- contributing to the development of PAOs;
 - promoting ethical values and the benefits of high-quality accounting, reporting and assurance; and
 - speaking out as a voice of the accountancy profession.
-

About PSFMC

The Public Sector Financial Management Committee (PSFMC) of CAPA is focused on the development of high-quality financial management in the public sector through the identification, development and dissemination of relevant knowledge and guidance. Importantly, this includes the promotion of high-quality financial and performance management reporting and assurance involving relevant international standards on accounting and auditing.

This publication has been prepared by the PSFMC to further these objectives. It may be downloaded from the CAPA website at: www.capa.com.my. Any comments on this publication should be directed to the CAPA Secretariat: admin@capa.com.my.

Endorsement



The International Federation of Accountants (IFAC) is the global organisation for the accountancy profession. With its member organisations, IFAC serves the public interest by enhancing the relevance, reputation, and value of the global accountancy profession. IFAC's vision is for the global accountancy profession to be essential to strong, sustainable organisations, financial markets, and economies.

A key strategic action for IFAC is to support its member organisations to promote quality accrual-based financial reporting and use of International Public Sector Accounting Standards as the cornerstone for sound public financial management. IFAC endorses this publication and recommends to all professional accountancy organisations around the world to interact with relevant stakeholders to achieve the desired outcomes.

Contents

Preface	1
----------------	---

Why?

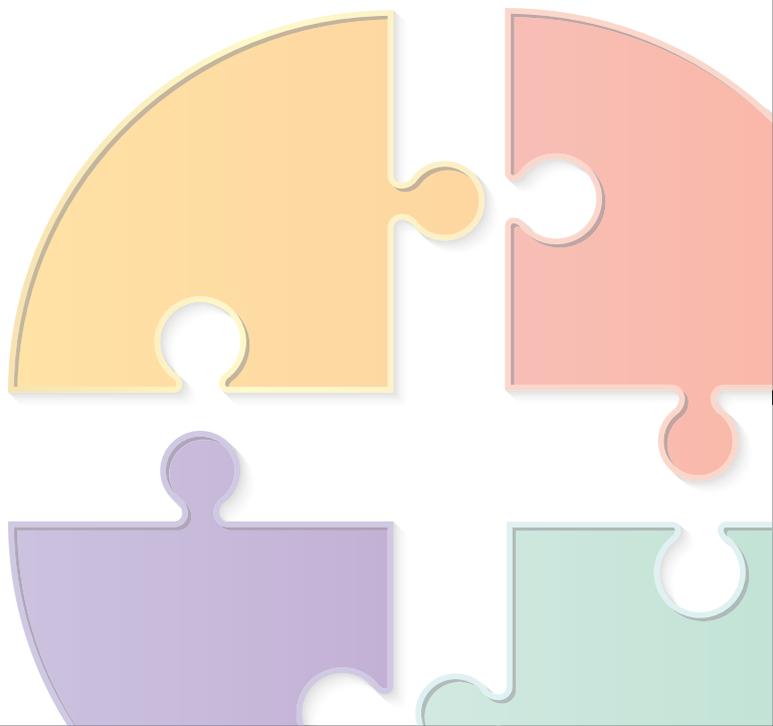
Trust and Confidence in Public Finances – A Matter of Public Interest	3
PAOs Can Deliver Skilled Finance Personnel to the Public Sector	4
Benefits to a PAO	4

What?

Developing a Strategy	6
The Range of Activities	9

How?

1. Informing the strategy decision	21
2. Involving the public sector in PAO governance	23
3. Resourcing models and skills employed	24
4. Accessing funding from donor and development organisations	25
5. Qualification programs specific to the public sector	26
6. Continuing Professional Development with a public sector focus	27
7. Public sector committees or similar	28
8. Member resources	29
9. Public sector awards	30
10. Government resources	31
11. Roundtables and forums	32
12. Thought leadership – approaches and publications	33





“The accountancy profession is committed to protecting the public interest and encouraging accountability and transparency from governments around the world. The involvement of professional accountancy organisations is vital to the implementation of the eight key elements of PFM success”

Improving Financial Management in the Public Sector – the Eight Key Elements of PFM Success™, CAPA 2014



In 2019, CAPA issued *Professional Accountancy Organisations – Engaging with the Public Sector*. It aimed to identify the extent and nature of PAO engagement in the public sector, and to encourage PAOs to consider increased engagement. Based on survey findings, key messages included:

- most PAOs focus on the private sector, and engagement with the public sector is limited;
- PAOs in developing and emerging economies are uncertain how to engage with the public sector; and
- global and regional accountancy bodies can help PAOs engage with government.

This publication *Professional Accountancy Organisations - Extending Activities into the Public Sector* responds to these messages by providing the reasons why a PAO may wish to focus more on the public sector, highlighting the benefits and opportunities, and the types of activities a PAO can pursue. Where PAOs already have a focus on the public sector, it aims to provide ideas for extending or strengthening the forms of engagement and activities. The publication concentrates on the development of the PAO. Other CAPA publications highlight benefits to government of working with the PAO and the profession.

Consistent with CAPA's Guidance Series for the development of PAOs, this publication follows the why, what, and how format:

- **WHY?** – Why a PAO should consider extending its activities into the public sector, including attracting and supporting accountants working in the public sector
- **WHAT?** – What activities could a PAO undertake to successfully focus on the public sector
- **HOW?** – Specific examples and guidance information as to how some PAOs are delivering certain activities

Public sector activities of many CAPA members are provided by way of example throughout this publication. Further detail may often be obtained on their websites or otherwise by contacting the organisations directly (links are available on the CAPA website).

The examples relate to CAPA member PAOs or organisations that CAPA or its members are involved with. Many PAOs outside the CAPA region also extend their activities into the public sector. However, capturing examples of their activities is beyond the scope of this publication.

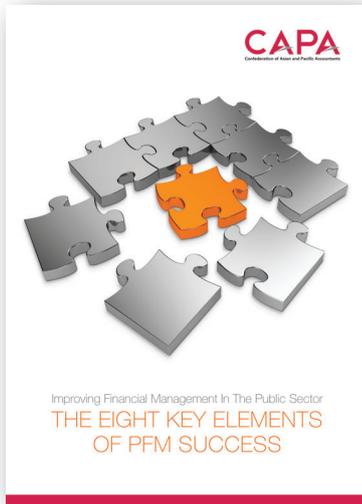


“Significant specific improvements in PFM are possible in many jurisdictions, improvements that the accountancy profession could greatly assist with, yet the profession’s engagement with the public sector is often limited.”

PAOs – Engaging with the Public Sector, CAPA 2019



The Linkage to Other Public Sector Publications Issued by CAPA



“

“In some jurisdictions PAOs are not sufficiently engaged with the public sector to either provide leadership or to play the role expected of them.”

Attracting and Retaining Finance Personnel in the Public Sector, CAPA 2016

”

For several years now CAPA, through its public sector committee, has emphasised the importance of ensuring high quality public financial management (PFM). CAPA’s publication *Improving Financial Management in The Public Sector - The Eight Key Elements of PFM Success*[™] (hereinafter referred to as ‘Eight Key Elements’) describes what is necessary to create a comprehensive and coherent system of PFM in a country. Whilst the primary focus is on what needs to be done by government, the accountancy profession is seen as having an important role to play.

The *Eight Key Elements* draws attention to a number of specific roles a PAO could consider:

- The focus on, and support for, the public sector;
- The extent to which PFM skills are incorporated into examination and training programs;
- The provision of, or assistance in, the training of professional accountants for the public sector; and
- Educating and communicating with politicians about PFM.

One of the *Eight Key Elements* was framed as ‘capacity and capability’ and CAPA took a view that a lack of skilled people would be a significant deterrent on improving PFM. Accordingly, CAPA’s subsequent publication, *Attracting and Retaining Finance Personnel in the Public Sector - The role of professional accountancy organisations and other stakeholders*, (hereafter referred to as ‘*Attracting and Retaining*’) aimed to address that challenge.

Attracting and Retaining identified nine (9) stakeholders and the roles they can play to address the challenge. As one of the stakeholders, PAOs have a major role to play, and dependent on circumstances may take a lead in coordinating efforts.

The key roles for PAOs are described in the publication as:

- To establish and maintain appropriate governance, management and member arrangements that contribute to developing and implementing strategies and initiatives to encourage, develop and support PFM; and
- Advocating, in the public interest, the benefits of high-quality PFM and the consequent need for highly skilled finance personnel in the public sector.

Professional Accountancy Organisations - Extending Activities into the Public Sector delves deeper into the roles highlighted by both of these publications, and how PAOs may approach their design and implementation.

Defining “Public Sector”

Attracting and Retaining explores the definition of the public sector, noting it ‘can be a reasonably complex exercise, particularly when providing a publication to be used across many different jurisdictions’. PAOs considering extending their activities into the public sector may wish to define the public sector as it applies to their circumstances within their jurisdiction, and adapt the use of this publication accordingly.

Why?

This section highlights why a PAO should consider extending its activities into the public sector, including attracting and supporting accountants working in the public sector.

Every country has unique and distinct economic and government characteristics and challenges. Government activities account for nearly half of the global economy, and strong PFM is a pre-requisite to delivering public services, attracting donor funds or investment to a country, and to ensuring the growth and development of an economy. Many aspects of public lives are dependent on the public sector, therefore how governments manage public finances and how public services are delivered is important. In more recent times, governments in many countries have supported citizens and businesses with monetary compensation because of the COVID-19 pandemic.

But why should a PAO consider whether to get involved in the public sector? Here are three (3) reasons.



“Governments are responsible to their citizens and taxpayers for implementing effective systems of public financial management and for utilising those systems to safeguard, and ultimately enhance, a country’s economic sovereignty.”

Improving Financial Management in the Public Sector – the Eight Key Elements of PFM Success™, CAPA 2014



Trust and Confidence in Public Finances – A Matter of Public Interest

Governments are responsible for implementing and maintaining PFM systems and processes and ensuring that public money is utilised in an effective, economical, and efficient way.

Transparency, accountability, trust, and confidence in the way public funds are used by governments are important. There has been, for a long time, a growing awareness of the need to improve the quality and effectiveness of public sector financial management. The public need to have:

- access to, and trust in, the governments reported financial information; and
- confidence that public money has been well managed and used properly, to successfully achieve the intended purposes.

For some countries, where donor funds or foreign investment is required for the country’s continued growth and development, potential donor agencies and investors need to be able to access credible information, and be able to trust the accuracy of that information, to enable them to make decisions on whether or not to donate or invest in a country.

The accountancy profession can be central to implementing, maintaining and strengthening effective PFM, with activities ranging from advocating for its need (such as matters of transparency, accountability, trust and confidence) and demonstrating the benefits, through to partnering in reform programs, and supplying the highly skilled accountants and auditors that provide the required information for decision-making, based on internationally recognised principles and standards.

Whilst involvement in these ways is understandable due to the skills that accountants possess, the key reason for the accountancy profession and PAOs to be active around the public sector is that **it is a matter of public interest**. The private sector is expected to exhibit very high standards of governance and performance and is highly regulated in respect to accounting and financial reporting that must withstand scrutiny. It therefore stands to reason that the public sector should also be seen to operate in the same way, especially when the sums of public money going through the accounts of many public sector organisations can be equally as high as that of many private sector companies.



“.....it is part of a PAO’s role, part of its duties, to engage with the public sector and take a leading role to develop the professional skills of accountants working in the public sector”

Abu Sayed Md. Shaykhul Islam, Institute of Cost & Management Accountants of Bangladesh



PAOs Can Deliver Skilled Finance Personnel to the Public Sector

Appropriately resourced government finance functions and supreme audit institutions are essential to ensuring that accurate financial information is produced and understood, such that government officials can undertake effective management of public finances and fiscal decision-making, and be held accountable.

In many countries however, there are limited or no qualified professional accountants embedded across government. This makes it hard to implement public sector reforms or improve PFM.

To achieve significant reforms or to continually improve in the provision of high-quality financial information, governments need to attract and retain a sufficient quantity of professionally qualified accountants and highly skilled finance personnel. **PAOs are fundamental to providing the necessary supply**, as the skills required are the same in the private and public sectors.

It is important that governments recognise the benefits of having appropriately resourced and skilled finance functions and the role that the PAO can play in

- helping to identify the skills gap;
- facilitating the transfer of the necessary skills from the private sector to meet the needs of the public sector; and
- supporting the governments' upskilling and training of existing staff.

“

“The accountancy profession should increasingly partner with government to build capable and effective public sector institutions which would increase trust in government and support enhanced service delivery to citizens”

Patrick Kabuya, Senior Governance Specialist, World Bank

”

Benefits to a PAO

The private and public sectors are dependent on each other. Neither can exist without the other and both must work together to grow and develop the economy.

It is clear that there is a concerted trend around the world towards the introduction of accrual accounting in the public sector. The International Public Sector Financial Accountability Index, jointly published by the International Federation of Accountants (IFAC) and the Chartered Institute of Public Finance & Accountancy (CIPFA), which is periodically updated, confirms this. The professionalisation of the public sector is heading in one direction, and PAOs have an opportunity to lead.

Where PAOs have traditionally only focused on the private sector, the public sector can be a potential area of opportunity, specifically to:

- **raise the profile and reputation of the PAO** and the accountancy profession generally;
- **extend its membership base**, thus acquiring the benefits of size and scale;
- **assist existing members with access to wider opportunities**, including employment, consulting, or audit opportunities; and
- **create a stream of new members** and provide the on-going support and services they will require.

A PAO, with its expertise and knowledge of the principles of good financial management, can be a trusted advisor to governments on many matters. In several countries, PAOs have become important influencers and advisors to governments. Further, in many countries, state owned enterprises (SOEs) or similar operate comparable to the private sector, and PAOs are likely supporting members working for such entities. To this extent, PAOs are already involved, though the total public sector is much broader than just SOEs.

To the extent few accountants are employed in the broader public sector, there is an opportunity to create more job opportunities for accountants.

The combination of all **these opportunities will benefit the long-term sustainability of a PAO.**

“

“The reasons why a PAO should consider extending its activities into the public sector are as valid today as they have been for a number of years. However, the COVID-19 pandemic has given this new impetus, as governments spent considerably to protect and stimulate economies and societies. Citizens are deeply interested in the spending, decision-making and long-term impacts. The accountancy profession must be involved as a matter of public interest.”

Brian Blood, CAPA Chief Executive

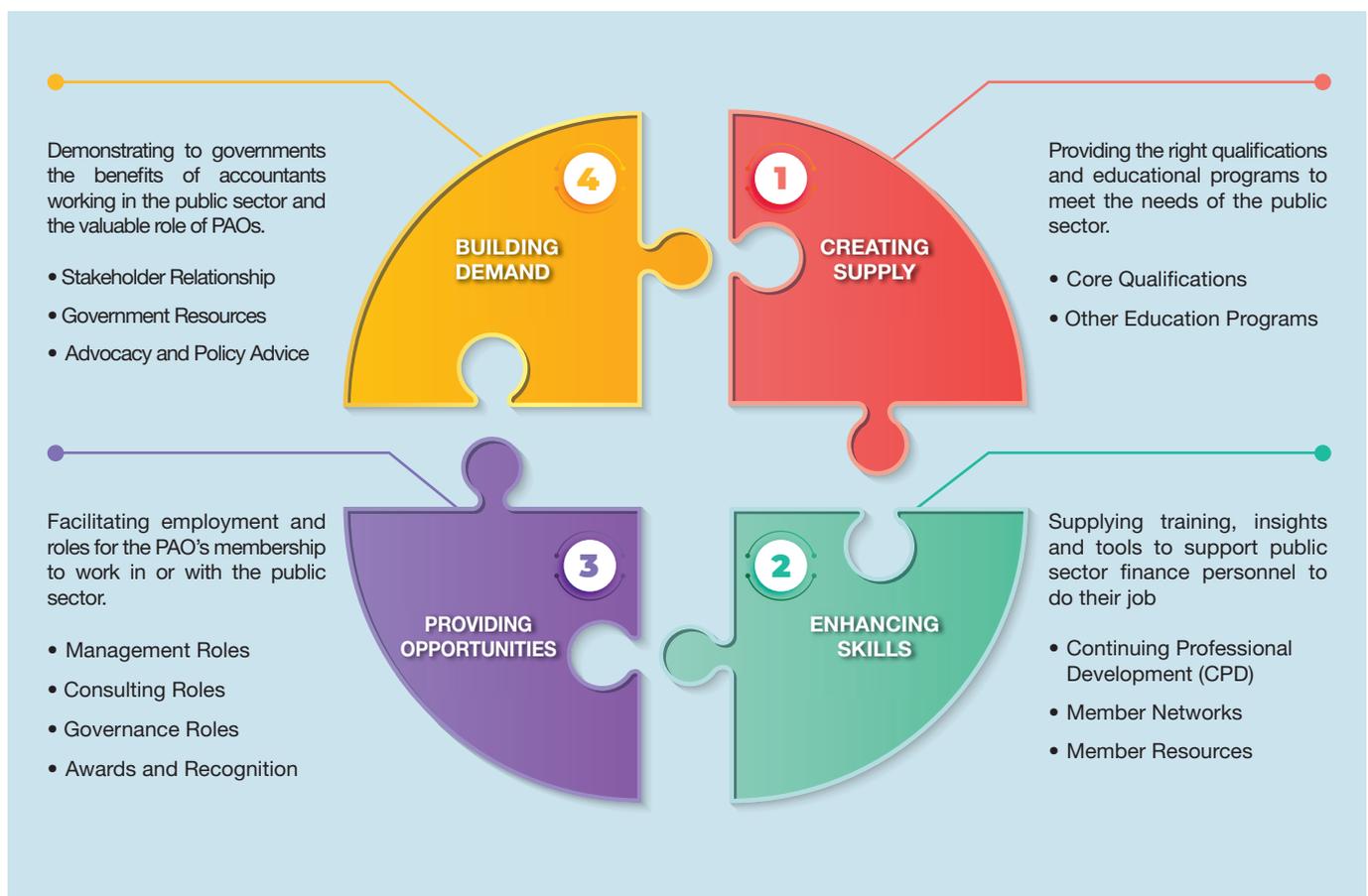
”

What?

This section considers the activities that a PAO could undertake to successfully focus on the public sector.

The extent and type of engagement with the public sector, and the pursuit of associated opportunities, is not expected to be uniform across all countries. PAOs need to consider and reflect on the context within which they are operating, the current stage of professionalisation within the public sector, and their own in-house capacity and expertise to take on additional activities, or willingness to invest to do so.

Twelve (12) activities have been identified in this publication, grouped into four (4) categories from the perspective of the PAO.



These activities can also be viewed through the lens of the members of the PAO – the accountants. This view, and the nature of each activity, is discussed later.

PAOs that have not previously focused on the public sector, but intend to do so, need to consider which activities they wish to pursue, whether there are priorities, and any appropriate sequencing to ensure success.

In short, **PAOs intending to focus on the public sector need to establish a strategy.**

Developing a Strategy

PAOs may incorporate their public sector activities into their overall organisational strategy or they may choose to develop a separate public sector strategy.

Before developing a detailed strategy, a PAO may need to understand:

- the current and future needs of the sector (i.e. market analysis);
- the commitment at council or board level, staff, and members; and
- its own internal resources and ability to access more over time.

At one end of the spectrum, a PAO may choose simply to work with governments to explain how public sector reforms could be carried out, for example how to implement accrual accounting and improve financial reporting and financial information for better decision-making. This work could be carried out with the help and support of their existing members who have the necessary private sector experience. A government could contract with private sector accountancy firms to provide any required support on a consultancy basis, using existing trained accountants who can help them build future capacity.

If limited to this level of involvement, acting as a partner to the government, the PAO is aiming to raise its reputation and standing with government, whilst providing opportunities for its members. This may be viewed as a low-cost lower-impact approach for the PAO, where some benefits accrue to the PAO and other benefits directly to its members.

At the other end of the spectrum, a PAO may decide to provide the full range of activities, extending the basic partnering concept into positioning itself as a trusted advisor to government, as well as introducing a 'membership' strategy whereby the PAO aims to create and support a cohort of professional accountants that work in the public sector. This will require the PAO to provide services akin to those provided to members that work in the private sector, including education programs and qualifications, resources, and networking opportunities.

This level of involvement will require significant investment by the PAO and therefore very careful consideration of the risks and benefits, both to the PAO and its existing and future members.

There will be a range of strategies elsewhere on the spectrum according to each PAO's objectives. Various circumstances will influence the chosen strategy, and any strategy may be implemented in stages. A PAO may initially choose activities aimed at raising its profile and reputation in the public sector to see what opportunities develop (for example, it could decide to focus on influencing at the senior leadership level). Another PAO may choose to focus on creating the supply first (for example, it could choose to develop basic accounting technician level skills). A strategy should always be under review and updated over the years to ensure it meets expectations and needs of all parties.

PAOs with small staff teams that have the ability to work together, could consider developing a joint strategy that provides coordinated support to deliver certain activities.

Importantly, a PAO may want to observe and learn from PAOs in other countries that have already taken steps in the direction for which they are interested.

Refer **How 1: Informing the strategy decision.**

Organisational Arrangements

For PAOs that already, or decide to, focus on the public sector, the organisational arrangements in any jurisdiction will likely reflect national, economic, cultural, and historic factors. Typical arrangements include:

- Separate organisation focused only on the public sector – such PAOs are rare with the Chartered Institute of Public Finance and Accountancy (CIPFA) in the UK generally regarded as the only one. Many other organisations with a focus on training and supporting public sector employees that work in finance and administrative roles do exist, however these are generally regarded as outside the accountancy profession.
- Separate organisation with a predominant focus on the public sector – again, these are rare, however an interesting example is the Pakistan Institute of Public Finance Accountants (PIPFA) which has a focus on accounting technicians. This organisation was formed by the two (2) organisations with a focus on professional accountants, the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMA Pakistan), with a third founder, the Auditor General of Pakistan. The PIPFA qualification program has two (2) streams – corporate and public sector, with the latter predominant and expected to grow further.
- Separate entity or unit established within an existing PAO – again, this is rare, however could be a viable alternative in certain circumstances. An example is the Association of Public Finance Accountants of Sri Lanka (APFASL), commonly referred to as the public sector ‘wing’ of the Chartered Accountants of Sri Lanka (CA Sri Lanka). APFASL was formed when the Institute of Public Finance and Development Accountancy, an organisation supporting accountants and auditors working in the public sector, joined with CA Sri Lanka.
- Dedicated focus on the public sector, with activities supported within a PAO’s existing structure – this is the most common arrangement for PAOs already focused on the public sector. A number of CAPA members have many members in the public sector, including ACCA, CPA Australia, Chartered Accountants Australia and New Zealand (CA ANZ) and CPA Canada. This may be reflected in specific education and training programs, committees, member support, newsletters and webpages.

The different models will have their own advantages and disadvantages, risks, and opportunities. In jurisdictions starting with a relatively ‘clean sheet of paper’, these models may be considered. The preferred model may also differ in jurisdictions with more than one significant PAO. Separate organisations with separate constitutions, governance arrangements, strategy and funding provides a very clear focus, whilst embedding within an existing organisation may provide efficiencies from benefits of scale. Support from, or collaboration with, global PAOs (including specific arrangements just for public sector members) may present opportunities and advantages.

Any strategy, especially at a country level, must therefore consider organisational arrangements.

Involvement in Governance

As part of its organisational arrangements, PAOs may invite senior public sector officials or bureaucrats to participate in the PAO’s strategy development, or provide for standing or the co-opting of governance roles, such as positions on a council, board or committee.

Such formal arrangements may be embedded in related legislation, charters or by-laws. The involvement of public sector officials or representatives of particular organisations may provide a broad range of benefits in the context of ‘extending activities into the public sector’, including:

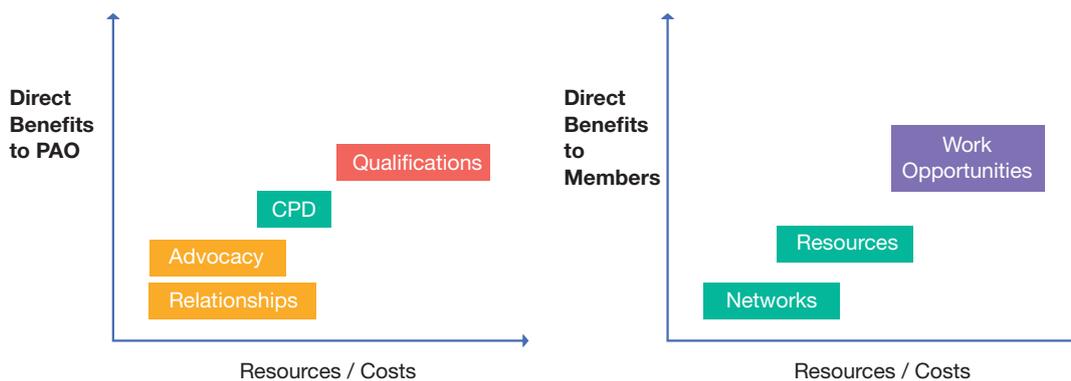
- Enhanced credibility as an organisation to serve the public and the public sector;
- Increased understanding of the public sector, in particular the financial landscape, issues and needs;
- Necessary relationships and access to supporters and resources to assist progress overall objectives and specific initiatives
- The opportunity to demonstrate to key public sector persons the benefits of (i) a PAO, and (ii) the professionalisation of the public sector

Refer **How 2: Involving the public sector in PAO governance.**

Benefits, Resources and Costs

The choice between various strategic options will reflect the unique situation of the PAO and country involved, as described previously. PAOs considering extending activities into the public sector and deciding on activities to pursue, may wish to evaluate the trade-off between required resources, and hence costs, and the expected benefits towards attaining the overall objectives.

The key benefits may accrue directly to the PAO or to its members, whilst each will also benefit indirectly. The following illustrate the possible relative positioning (within each graph) of the key activities that directly benefit either the PAO or the member (i.e. the accountants).



To engage successfully with the public sector PAOs will need to invest in organisational arrangements and resources. Should a PAO pursue a 'public sector journey' it will need to decide on the extent, nature and timing of such investment, closely monitoring the achievement of benefits for itself and its members.

Refer **How 3: Resourcing models and skills employed.**

Other Influencing Factors

External factors may also influence the strategy, including the current political, economic, and social environment. In many countries, the environment is currently 'ripe' in respect to citizens expectations of the public sector, including the effective use of public monies.

Similarly, many donor and development partners are currently very active in many developing and emerging economies. For example, the World Bank's Reports on Observance of Standards and Codes (ROSC reports) and the Public Expenditure and Financial Accountability (PEFA) program provide frameworks for assessing and reporting on the strengths and weaknesses of PFM within a country. Both donor and development partners try to work with, or develop, country PFM systems. Using these external assessments can be a catalyst for PAOs in considering their public sector activities. Development partners may also be a source of funds to assist implementation of strategies for extending activities into the public sector. If so, PAOs need to understand how best to work with them to access any available funds.

Refer **How 1: Informing the strategy decision,** and **How 4: Accessing funding from donor and development organisations.**

Involve Other Stakeholders

Deciding on a strategy is not easy. In any country, there will be many interested stakeholders, some with an interest in also gaining either direct or indirect benefits. Many other stakeholders are equally interested in matters such as 'non-financial reporting', and the public sector can be a leader in this area. It is important PAOs and stakeholders work together and share the effort in achieving ultimate objectives. PAOs should consider reaching out to a range of stakeholders before deciding on and implementing a strategy. This should certainly include the government (relevant stakeholders are described further on page 18, and may also include donors and lenders, academia, supreme audit institutions and other PAOs. The PAO should also involve its existing members, both to gain advice, and also to ensure any future intentions are well communicated and concerns addressed.

Once the PAO has decided to extend its activities into the public sector, international and regional accountancy organisations such as IFAC and CAPA can assist. PAOs should reach out to seek their support, guidance and influence.

The Range of Activities

The diagram on page 5 highlights the twelve (12) activities from the perspective of the PAO.

The Public Sector Activity Wheel™ goes further, and views the activities **from both a PAO and member perspective**.

Both perspectives are valuable for PAOs to consider as part of their strategic planning and decision-making.

The member perspective aligns the activities to the viewpoint of the individual:

- Personal education
- Career opportunities
- Personal growth
- Strengthening relationships

The PAO perspective aligns the activities to the following four (4) categories of strategic focus (and given the purpose of this publication, these are used as the basis hereafter):

- Creating supply
- Providing opportunities
- Enhancing skills
- Building demand



The Public Sector Activity Wheel™

1. CREATING SUPPLY

A PAOs key role is to produce a stream of accountants who, depending on the nature of the education program and qualification, may be referred to as professional accountants, accounting technicians, or similar. The qualifications and related training develop capabilities to support careers and meet the needs of industries, businesses and organisations that may operate in private, not-for-profit or public sectors.

There are limited or no qualified or professional accountants embedded across governments in many developing countries and the level of up-to-date financial skills can be poor. To enable governments to deliver on their PFM agenda they need enough trained accountants with the right skills, ranging from qualified accountants who are highly skilled to supporting finance personnel who are well trained and equipped for their roles. PAOs can help governments with this supply.

Many skills and competencies required by accountants are the same no matter which sector they operate in. This gives rise to debate as to the content of core qualifications and the role of other education programs. As a result, various 'models' emerge, which may range from core qualifications supported by public sector specific qualifications, to dedicated core public sector qualifications. Irrespective of the approach, the commonality of many skills and competencies means that any PAO should be able to extend its educational activities into the public sector with reasonable ease.

If a PAO decides to consider offering specific qualifications and education programs suitable for the public sector, it may want to firstly consider a skills gap analysis, working with government officials to assess:

- the qualifications, skills and competencies that currently exist within the government; and
- what the government needs going forward.

This may lead to decisions regarding whether to offer, and if so the nature of, any qualifications and/or other education programs. The level of investment required may also impact the decision taken.

(i) Core Qualification

A number of options do or can exist in terms of providing a qualification to existing or aspiring public sector employees that would provide membership of the PAO. The PAO could offer:

- The existing core or main qualification required for PAO membership;
- An adaptation of the core qualification by including a relevant public sector component, perhaps in lieu of a less relevant component; or
- A specific core public sector qualification.

All options could be at either a professional accountant or accounting technician level, dependent on the nature of the PAO.

Options (b) and (c) will require the PAO to consider if these qualifications provide equal membership status as the core qualification.

(a) Offer the Existing Qualification

Most PAOs have a core accountancy qualification. The syllabus is usually tailored for members in practice (supplying services to the public) and members in business (working in companies). Minimum entry requirements may apply and some PAOs may also require employers to become authorised training employers to sponsor and support students during their training.

This option:

- is cost effective;
- ensures the same theoretical concepts and skills are learnt by everyone, which may assist employment mobility between private and public sectors. This may also create a risk of qualified accountants leaving the public sector;
- may prohibit existing public sector employees entering the program if the standard entry requirements (e.g. university degree or equivalent) apply, or their employer is unable to provide any required training support. The PAO may wish to consider allowing alternative entry paths and membership arrangements for such persons; and
- does not take into account the uniqueness of the public sector and the impact of this on required skills and competencies (outside of the core financial and technical) that are needed, which would have to be acquired by other means.

The Institute of Chartered Accountants in England and Wales (ICAEW) qualification is offered to students in both the public and private sectors. Each employer that offers the qualification to its trainees needs to demonstrate that it meets ICAEW Authorised Training Employer (ATE) requirements which include entry requirements (such as a university degree or relevant qualification (such as the Association of Accounting Technicians (AAT) in the UK) and requires trainees to complete relevant work experience during the training period. This approach works in the UK because all reporting entities, whether in the private or public sectors, prepare financial statements based on IFRS¹, all related audits use international audit and assurance standards, and because many of the core skills and competences required to be a finance leader in government are the same as those required of a finance leader in business.

¹International Financial Reporting Standards (IFRS) are accounting standards set by the IFRS Foundation's standard-setting body, the International Accounting Standards Board (IASB).



(b) Add or include a Public Sector Module to the Core Qualification

Core accountancy qualifications have usually evolved over many years and are continuously updated to remain relevant with respect to international standards and other concepts. This ensures the qualifications are well-founded and nationally respected, recognised and accepted. Some PAOs have a form of streaming within their professional qualification often linked to career choices. The addition of a public sector module to, or inclusion as an elective in, an existing credible qualification, may overcome some perceived disadvantages of only providing the core qualification, whilst making it more attractive and relevant to those pursuing a public sector career.

This option:

- provides the benefits of the core syllabus whilst also addressing the uniqueness of the public sector and the associated competency requirements;
- may require entry requirements to be modified to allow access by existing public sector employees and a wider range of students;
- will require some investment to develop the public sector module but could be carried out with support from global PAOs; and
- may risk not being attractive if still seen as predominantly tailored to, and focused on, the private sector.

The Institute of Cost and Management Accountants of Bangladesh (ICMAB) has added a new public sector module called 'Public Financial Management' as part of its Professional Level 2 Stage syllabus.

The Chartered Accountants Ireland qualification has two (2) entry routes:

- (i) mainstream - requires a training contract with a structured program of training and work experience which run simultaneously; and
- (ii) flexible - does not require a training contract, allowing students to remain in their current job, study on their own terms and generate relevant work experience. This route covers the same subjects and exams as the mainstream entry route. The education and experience elements do not need to run simultaneously. Students working within government can gain the qualification under this route, choosing the public sector finance and accounting elective in the final year.

The Institute of Chartered Accountants of Pakistan (ICAP) has included the following topics into two (2) Certified Finance and Accounting Professional (CFAP) papers within the overall Chartered Accountant qualification:

- (i) CFAP 1: Advanced Accounting and Financial Reporting:
 - Overview of IPSAS² and The Conceptual Framework for General Purpose Financial Reporting by Public Sector.
 - IPSAS 1 Presentation of Financial Statements.
 - IPSAS Financial Reporting Under the Cash Basis.
- (ii) CFAP 2: Corporate Laws: Public Sector Companies (Corporate Governance) Rules, 2013.

(c) Develop a Core Public Sector Specific Qualification

Individuals pursuing a career in the public sector, and their employers, may feel that only a program of study and qualification dedicated to the public sector is relevant. Further, as with firms and companies in the private sector that often support their employees, financially or otherwise, to undertake accountancy qualifications, governments may only wish to support programs clearly focused on their specific needs.

This option:

- could be developed either by the PAO on its own, or in partnership with other PAOs that already have a public sector qualification;
- can be developed at different levels (accounting technician through to professional accountant) allowing entry to the programs by a greater range of individuals based on varying education or experience achievements;
- may require specific public sector work experience in order to attain and achieve certain competencies;
- will require significant investment by the PAO (although there may be a possibility to seek funding). Refer **How 4: Accessing funding from donor and development organisations**;
- may limit the ability of those taking this qualification to move into other sectors. In many countries, however, this may not be an issue as some government officials stay within the sector and build a specialist career in the sector; and
- could provide a pathway to other core qualifications and therefore be attractive for those wishing to keep other career options open.

Refer **How 5: Qualification programs specific to the public sector**.

²International Public Sector Accounting Standards (IPSAS) are issued by the International Public Sector Accounting Standards Board (IPSASB).

(ii) Other Education Programs

It is not just about a core accounting qualification and PAOs may also wish to consider other education or certification programs which sit outside of the main qualification but are specific to the public sector.

PAOs can develop programs to support governments with building a better understanding of core PFM concepts. Such programs could include theoretical and practical information in relation to, for example, the difference between cash and accruals budgeting and accounting concepts, better data and information management, financial reporting, and specific public sector financial management skills, such as procurement, fraud awareness, governance and accountability.

The certification programs could be aimed at different levels of seniority and/or the stage that individuals are in their career path. PAOs could offer (synchronous) classroom learning (either face-to-face or online) and/or (asynchronous) learning in your own time at your own pace (either online or through hard copy study material).

PAOs could also provide more targeted programs, for example, in relation to accruals-based accounting, IPSAS, and public sector auditing.

The level and number of education programs that a PAO offers will depend on the level of investment it wants to make. Developing dedicated public sector education programs internally requires significant investment, knowledge and experience within the PAO. Alternatively, the PAO may partner with an existing provider that has the relevant skills and knowledge.

CPA Canada has two (2) Certificate programs dedicated to the Public Sector:

- a. Public Sector Certificate offers a two-stage curriculum that combines self-study with flexible online study and facilitated group sessions. It is available to members and non-members. It involves a total of 85 learning hours; and
- b. Senior Executive Advanced Finance and Accounting Program (SEAFAP): customized training for executives in the public sector who do not hold an accounting designation. This must be arranged by a participant employer. It involves approximately 95 learning hours. SEAFAP has been updated regularly to be relevant to different levels of government.

The Institute of Chartered Accountants of India (ICAI) has a Certificate Course on Public Finance & Government Accounting comprising case study assessments, lectures and peer discussions. It is intended to provide participants with an understanding of the economic policies of government, budgets, fiscal tools, government grants, public funds, rules, regulations and accounting systems relating to departments or institutions of Central, State and local governments. The course is open to ICAI members as well as for students who have completed the final chartered accountant examination.

ACCA has Certificates in IPSAS and PFM. The former is targeted at public finance professionals in jurisdictions transitioning from cash to accrual accounting. The latter is targeted at finance professionals considering a career transition to the public sector, or public sector workers looking to develop their PFM skills.

The Institute of Cost and Management Accountants of Pakistan (ICMA Pakistan) and ACCA have signed an MOU to promote and deliver an IPSAS certificate in Pakistan to public sector organisations to help them manage their finance function in a more efficient manner by strengthening and standardizing their financial reporting capabilities. The training is available face-to-face and online, to members of both accounting bodies as well as to other professionals from other parts of the public sector and other industries who wish to develop their PFM and financial reporting skills.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has both a Diploma and a Certificate in IPSAS. Both programs are accessible anywhere through a flexible online learning and assessment program. A specific cash basis IPSAS training program has been developed for the Asian Development Bank which is available for government finance staff embarking on a cash basis IPSAS implementation.



2. ENHANCING SKILLS

A core PAO role is to provide membership services that continuously support and advance the development of, and add value to, its members. This can occur in a variety of ways, with activities focused on the public sector often similar to those provided for members operating in the private sector. This can include:

- the provision of continuing professional development (CPD), providing an additional revenue stream to the PAO;
- facilitating member networks, allowing those working in the public sector to support each other; and
- developing resources to aid daily work.

All of these will require some investment by the PAO but could produce a longer-term source of revenue.

(i) Continuing Professional Development

Qualified accountants that maintain their professional status through membership of a PAO are required to undertake a minimum amount of CPD.

Whilst it may be obtained elsewhere, PAOs with members working in the public sector should consider providing a range of relevant training and development opportunities to support these members with meeting their CPD requirements. As well as providing members access to the more generic CPD, PAOs could develop dedicated public sector related conferences, seminars and workshops, and online e-learning courses, dealing with specific public sector technical matters, legislative requirements or other developments, and aimed at both members and non-members working in, or with, the public sector. Refer **How 6: Continuing Professional Development with a public sector focus**

CPD activities staged by the PAO require investment in terms of organising and staging the events. PAOs will individually decide their business model with respect to providing CPD. Government, as a key stakeholder, may be a willing sponsor and supporter of CPD events aimed at the public sector. This may also apply to other interested stakeholders.

(ii) Member Networks

PAOs can support their public sector members by creating and facilitating networks allowing those working in the public sector to derive benefit. This may arise from the creation and development of relationships, by members sharing information and supporting each other, and by advising on and influencing the direction of the PAOs public sector activities.

Involvement in PAO activities could range from governance roles to social networking, including:

- Public sector committees – these could be advisory to those charged with governance of the PAO and provide support in the development of the public sector strategy and hence activities.
- Advisory groups – these may include relevant and interested members who have detailed technical and practical knowledge of public sector matters and who can support and provide input into the PAO's public sector advocacy, policy and technical work.
- Special interest groups that possibly relate to employment roles (e.g. CFOs) or task focused (e.g. implementing accounting standards).
- Discussion groups – general social networking to stay abreast of what is happening in the public sector and, as appropriate, to bring such matters to the attention of the PAO.

PAOs can encourage members working in the public sector to get involved with the range of member networks. Many of the groups can be used to obtain wider input or consensus if needed on a particular issue. Member networking provides value for both the PAO and the member. Refer **How 7: Public sector committees or similar**.

PAOs will need to have staff resources to manage the networks. Digital platforms may be required, and existing social media platforms could be utilised.

(iii) Member Resources

In addition to CPD and member networks, PAOs can provide public sector members with specific member resources to provide them with practical support for their daily work. This could include:

- Technical resources in the form of detailed guidance providing, for example, interpretation of legislation, regulations or standards, or detailed practical information on how to implement standards.
- Help sheets to assist in day-to-day work which may take the form of checklists or frequently asked questions (FAQs) by topics.
- Newsletters or journals which can include a range of articles (written by PAO staff as well as stakeholders, committee members or public sector members) – articles can be varied, highlighting a summary of key points in relation to published guidance or they can be opinion based, highlighting experiences of individual members or organisations.

The level of investment in providing member resources will depend on how much of this activity the PAO would like to provide. In the early stages of developing their strategy, PAOs may be able to utilise existing staff and/or utilise the services of some of their volunteer members who sit on committees or similar.

As the PAO develops these activities, it should consider investing in a dedicated public sector staff member who has experience and knowledge of the public sector.

Refer **How 8: Member resources**.

3. PROVIDING OPPORTUNITIES

PAOs can undertake activities to assist their members to secure roles working in or for the public sector. The roles can include:

- management – government employees
- consulting – service providers
- governance – non-executive, independent directors

Many PAOs highlight the work of their members through award and recognition programs, which in turn highlights to governments the valuable role they play.

(i) Management Roles

The number of qualified accountants working in or with governments varies between countries, and is often reflective of the nature of the current PFM systems.

Most developing economies have few, if any, qualified accountants working within government. Where there are qualified accountants, they are usually at upper or middle management level, with limited career progression opportunities. In addition, recruitment and retention programs for accountants within governments can be limited or non-existent. These issues are discussed in *Attracting and Retaining*.

In countries where there are limited or no senior finance leaders to help and support governments with their PFM reforms, PAOs can advocate for the need to have qualified professionals with strong financial leadership and technical skills in senior positions (on a temporary or permanent basis). These finance leaders can also provide peer support and training to existing staff within governments.

PAOs can also work with external recruitment agencies or internal government human resources departments to identify the right skills and competencies for PFM related positions and help to identify and provide a supply of qualified accountants who have the required skills for these roles.

PAO members who take up these roles are also in a good position to advocate for professionalisation of the finance functions and finance teams.

Chartered Accountants Australia and New Zealand (CA ANZ) has many members in senior financial leadership and middle management positions across the various tiers of government applicable to each country. The shift to increase the number of public sector accountants within New Zealand (NZ)'s central and local government followed the introduction of the Public Finance Act in 1989. This was also the time the NZ public sector moved from cash to accrual accounting and reporting.

In Pakistan, the Public Sector Companies (Corporate Governance) Rules, 2013 requires that the Chief Financial Officer (CFO) and Company Secretary of a Public Sector Company should be a member of a recognized body of professional accountants. Further, the **Institute of Chartered Accountants of Pakistan (ICAP)** Public Sector Committee always advocates the placement of senior and experienced chartered accountants to important positions in Government ministries and departments.



(ii) Consulting Roles

In both developing and developed economies there is an opportunity for accountants to provide consulting and advisory services. This may be associated with:

- broad PFM reforms, such as discussed in *Case Studies 1 and 2* that support CAPA's *Professional Accountancy Organisations – Engaging with the Public Sector*. These case studies highlight initiatives in India and Malaysia respectively, and in both cases the PAOs were active, whilst it would be their members that often provided the required services; and/or
- assisting individual departments, providing advice on implementing specific programs or providing on-going outsourced services such as internal audit.

Many PAOs already advocate for their governments to reform and improve PFM and can also advocate for, and assist accountants and accountancy firms to:

- provide advice and support to government teams to help them deliver large technical and change management projects;
- train and support individual staff members or whole finance teams so that they can build up the required set of skills needed to manage the day-to-day aspects of PFM;
- support the improvement of information technology skills by helping to develop and build the accounting software needed to increase efficiency in collating financial information and in the preparing of financial reports;
- provide independent audit and assurance reports on government systems and processes (that are not already carried out by supreme audit institutions); and
- take up secondment opportunities to support government officials at critical times in implementation programs, thus allowing a transfer of skills.

Accountants who provide consulting and advisory services will also gain new skills, including an increased knowledge of the public sector.

In Japan, CPAs serve as audit and inspection commissioners for local government bodies and contribute to the formulation of auditing standards for local government bodies.

“CPAs serving as audit and inspection commissioners and comprehensive external auditors can contribute to the further improvement of local government body governance based on their deep understanding of their respective audits and through effective coordination with one another.”

Shuichiro Akiyama, Executive Board Member, Japanese Institute of Certified Public Accountants

In India, in the southern states there have been accounting reforms in the urban local bodies (ULBs) since the early 2000s. **The Institute of Chartered Accountants of India (ICAI)** and its member firms have been involved in the reforms. The National Municipal Accounting Manual (NMAM) and Accounting Standards were developed with the help of an accountancy firm and funded by USAID³. The NMAM is a comprehensive document with accounting policies, procedures, and formats for financial statements presented on an accrual basis. ICAI developed accounting standards for local bodies which were comparable to private sector accounting standards.

The government collaborated with 60 accountancy firms who were hired to prepare opening balance sheets for the ULBs. The firms worked side by side with staff, on a day-to-day basis to identify, record, and value the assets, carried out reconciliations of debtors and cash, and helped ULBs finalise the figures. Guidelines were drafted by ICAI and the government for preparing the opening balance sheets. The firms also trained staff on maintaining accounts for the first year of transition to accrual accounting.

³ United States Agency for International Development

(iii) Governance Roles

In more developed economies, or otherwise where there is a requirement for Boards, audit committees or similar committees, experienced accountants (including some retired from their main careers) are well placed to undertake governance roles. In at least one jurisdiction where public sector governance is very mature, arrangements are such that younger, less experienced accountants are also getting involved in an 'observer' capacity in order to develop their governance skills.

PAOs can promote the need for governments to have strong systems of governance and internal controls, and encourage government departments to put into place audit committees with independent members who have financial expertise.

Many PAOs already receive requests from governments for professional representation to participate on specific government committees, advisory groups, and boards. This representation can be provided by professional accountants from the private sector who have the right skill set for these roles, bringing their financial expertise as well as their wider practical experience of governance, risk management processes, performance management, and scrutiny of technical reports.

Audit and Risk Committees became mandatory around 2008 across State public sector organisations in New South Wales, Australia. At least one member must have strong financial experience. **Brian Blood, CAPA Chief Executive and Past President of CPA Australia** has since been involved with various non-commercial entities across health, transport, planning and emergency services portfolios, noting "some of the entities have in excess of 10,000 employees or tens of billions of dollars of assets."

In Bangladesh, as with other countries including some in South Asia, Boards and Audit Committees are largely prevalent in public sector commercial enterprises. By way of example, **Shaykhul Islam, Past President of Institute of Cost and Management Accountants of Bangladesh (ICMAB)** has been a director on the Board, and convenor of the Audit Committee, for the government owned Dhaka Power Distribution Company which functions under the relevant Ministry.

V Kanagasabapathy, Chair of Association of Public Finance Accountants of Sri Lanka (APFASL) has been instrumental to the public sector focus at the **Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)** and has served on the Boards and/or Audit Committees of several commercial and non-commercial enterprises across government, as well as the largest State University.

In the UK, many public sector bodies have Boards, some are required to operate an Audit Committee that includes independent members with recent and relevant financial experience, and in many cases also create a separate committee responsible for financial management and planning. As a result, professional accountants are seen as critical non-executive members of public sector Boards. **Alan Edwards, Chair of CAPA's PSFMC** is a non-executive Board member with involvement in health, police, fire, university and school entities.

"The discipline and objective approach that a professional accountant brings to governance roles in public sector entities is invaluable." **Gill Cox, Past President of the New Zealand PAO which is now part of CA ANZ**, has formed this view during several decades as a professional director with roles in health, land transport, waste services, electricity distribution, tertiary education, disaster recovery and venue management. "Accountants will also be well placed as performance measurement and reporting also extends into social, environmental and cultural pillars."

(iv) Awards and Recognition

These programs highlight the work and value of accountants, and in doing so, they raise the profile of the profession generally, the PAO, and the members. In the context of the public sector, where the profile of these may be limited, such programs may represent an effective activity for the PAO.

Teaming with other stakeholders, including the government, not only strengthens relationships and understanding between the PAO and the public sector, it also means a sharing of the cost and effort to implement the programs, which should not be underestimated. If such programs are already administered by others, PAOs may be able to act as a sponsor or supporter. If the PAO needs to introduce and administer such programs, it may consider sponsorship from others.

Awards may recognise:

- Finance personnel or teams
- Performance and financial reporting
- Innovations in finance

The nature, timing and regularity of any such awards would need to reflect consideration of whether they are acceptable, or what would work in the particular jurisdiction and consideration of the associated costs and benefits.

Refer **How 9: Public sector awards**.



4. BUILDING DEMAND

Whilst a PAO can supply a suitable stream of finance personnel to work in the public sector, governments (whether that be central, state or local tiers of government - and PAOs need to react to all as appropriate to their circumstances) need to provide the demand, which requires the appropriate officials to understand the benefits of:

- effective PFM;
- highly skilled finance personnel; and
- the role the PAO can play.

There are a number of ways PAOs can convey and demonstrate these benefits, and in doing so, establish, build, influence and reinforce the demand for highly skilled finance personnel working in the public sector, whilst raising the general reputation of the PAO in the eyes of government.

(i) Stakeholder Relationships

Fostering the right relationships is important and a PAO may wish to consider establishing a detailed stakeholder relationship plan. PAOs need to know and understand who their key stakeholders are in order to accomplish their public sector strategic objectives, and success often depends on the rapport developed with key individuals and the reputation established with key organisations.

In the publication *Attracting and Retaining* key stakeholders were identified to address that particular challenge. For the purpose of that publication, the identified stakeholders were put into three (3) categories:

- policy shapers and influencers – citizens, politicians, donors and lenders;
- advocates – academics, supreme audit institutions, and the PAOs themselves; and
- the ‘front-line’ – central finance agencies, human resource functions and existing finance personnel.

Some of these stakeholders will be important for a PAO that decides to extend its activities into the public sector. The following stakeholder groups will be particularly important in influencing government to establish an environment that demands a strong presence of accountants embedded in the sector:

- politicians – especially those involved in finance and audit related portfolios; and
- senior officials and bureaucrats – especially those in the central finance policy related areas, including Supreme Audit Institutions, Ministries of Finance, Treasuries, Tax Offices, Departments of Commerce, or similar.

Government resources and policy advice (see next activities) provided by PAOs will be targeted at, and of value to, these stakeholders in particular.

In developing countries, donor and development agencies can be an important stakeholder given their reliance on strong country systems to manage the effective use of their funds.

(ii) Government Resources

PAOs can support governments by directly creating, or working with others to create, valuable resources that assist governments to implement their own reforms, plans and strategies. Resources may take the form of:

- **Technical standards:** establishing accounting and audit standards for use in various levels of the public sector.
- **Training courses:** delivering education to finance and non-finance personnel, including politicians.
- **Guidance and tools:** assisting to deliver PFM reforms, implement programs or improve reporting.

The level of input by the PAO and/or its members will depend on available resources, both financial resources and relevant technical resources with appropriate knowledge and experience.

Refer **How 10: Government resources.**

(iii) Advocacy and Policy Advice

PAOs that undertake advocacy and policy related activities for the private sector will be skilled in this area. Strategically, this can be very important in the context of the public sector and most PAOs already do something.

At a minimum, activities are undertaken in the context of fulfilling a public interest duty and maintaining its reputation as a valuable professional institution. However, if the PAO's objective is to support the supply of professional accountants into the public sector, then it will need to do much more.

There is a range of possible activities and for each activity PAOs will have to consider the risks, opportunities and benefits. Reputations can be enhanced, but equally can be damaged.

• Roundtables and Forums

These can be convened to address relevant topics and involve relevant government officials and stakeholders. These types of events would usually be targeted at, and involve, decision-makers and influencers. The PAO may take the lead in researching and setting the agenda, identifying the key attendees, preparing briefing papers, and co-ordinating the outcomes of the roundtable. The activities can also be used as a way of highlighting the value and role of the accountancy profession in enabling strong PFM principles.

The level of investment required can be relatively modest if the PAO largely acts as a convener, coordinator and facilitator. If the PAO is expected to provide technical input and strategic insights, then the level of investment increases.

Refer **How 11: Roundtables and forums.**

• Consultations and Representations

Many PAOs make representations on a wide range of issues on behalf of their members. They often interact with relevant parliamentary committees or specialist groups within governments to comment on consultations or to provide advice and support on specific issues relevant to businesses or taxpayers. In some jurisdictions, PAOs may be requested or have the opportunity to provide formal, expert testimony, to a parliamentary scrutiny committee. Some PAOs have even worked with citizens to provide support in accessing government grants and loans to keep businesses afloat.

In the context of the public sector, PAOs can:

- engage with government officials to provide general or expert advice, input and comment on, for example, a government's move to accrual accounting;
- if requested by parliamentary committees, provide formal testimony in an official setting, such as comments on proposed accounting, reporting or audit related legislation; and
- provide responses to consultation papers issued by the government, or by external stakeholders, such as IFAC or IPSASB⁴, that have an international impact.

Where the PAO has decided to be very active in the public sector, dedicated staff with public sector knowledge and experience may be required to support this activity.

The Institute of Chartered Accountants of Pakistan (ICAP) supports the strengthening of the regulatory framework by working in cooperation with policy-making institutions and regulators including the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan (SECP), the Federal Board of Revenue, and other ministries. ICAP has a public sector accounting committee.

The Accounting Standards Board (ASB) of ICAP initiated a project to engage, advocate and support accrual-based accounting in the public sector. The ASB established linkages with key government stakeholders, including the Auditor General of Pakistan (AGP) and Controller General of Accounts (CGA). ICAP is also part of the AGP Policy Board. During its engagement with the AGP and CGA, ICAP presented on the current status of accounting by government, the international landscape of accrual based accounting and use of IPSAS, and highlighted the need and importance of accrual based accounting in the government sector. ICAP and ASB are able to provide technical accounting support in the process of conversion to accrual-based accounting.

The Institute of Cost and Management of Pakistan (ICMA Pakistan) is also on the advisory panels of the Federal Board of Revenue and the Ministry of Finance. It has a public sector coordinating committee that pays special attention to the public sector and works to influence government policymaking.

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has set up a Task Force to provide input and suggestions to the Presidential Commission on Simplification of Laws, Rules, Regulations and Procedures.

⁴The International Public Sector Accounting Standards Board (IPSASB)

- **Thought Leadership**

PAOs that opt for a wider public sector strategy may wish to gradually carry out more in-depth research and publish thought leadership publications and guidance on specific public sector topics, developing policy positions for governments or members to consider.

As part of their wider public interest role, PAOs could provide challenging, but independent and objective views on government policies. The extent to which they do this may depend on the PAO's own constitutional set-up, the powers it has, and how independent it is from the government.

There is more investment required in carrying out this activity, and PAOs will need to invest in internal or outsourced dedicated expertise to be able to fully commit to providing a range of thought leadership publications.

Refer **How 12: Thought leadership – approaches and publications.**

- **Briefings for Politicians**

Politicians have a variety of backgrounds and can be dealing with any number of issues in their assigned portfolio. While some countries have politicians that are professionally qualified accountants, most politicians do not have any finance related skills. They may have policy advisors who work with them on a day-to-day basis, however, these advisors are usually from an economic or political background and will not necessarily have a financial management viewpoint.

A PAO can provide support by offering to provide technical and policy briefings on key public interest issues related to PFM, or issues that may affect the profession. Briefings, which may take the form of a short paper, provide information to a policy or decision-maker about the substance of the issue. The briefing often breaks down complex information into a factual well-structured document, explaining the topic or issue in a clear and simple way.

Written briefings can also be followed up with meetings, giving the politicians an opportunity to ask detailed questions to aid their understanding of an issue.

If the PAO invests in dedicated public sector resources, then this is another activity it could consider as part of its overall strategy.

The Institute of Chartered Accountants in India (ICAI) stages programs for various elected government officials, including:

- Workshops on financial management for elected members of the legislative assembly of certain Indian states; and
- Training programs for elected members and executives of certain municipal corporations on the conversion of accounts from cash to the accrual basis.

Through these measures, politicians gain an understanding of the benefits of the accrual system of accounting, which in turn creates a demand for highly skilled finance personnel in the public sector.

(Extracted from **Attracting and Retaining Finance Personnel in the Public Sector, CAPA 2016, Case Study 4**).

This section provides specific examples and guidance information regarding how some PAOs are approaching a focus on the public sector and delivering certain activities.

Further detail of these, or other examples included throughout this publication, may often be obtained from their websites or otherwise by contacting the organisations directly (links are available on the CAPA website).

The examples relate to CAPA member PAOs or organisations that CAPA or its members are involved with. Many PAOs outside the CAPA region also extend their activities into the public sector. However, capturing examples of their activities is beyond the scope of this publication.

How 1: Informing the strategy decision

The Institute of Chartered Accountants in England and Wales (ICAEW), prior to developing its public sector strategy in 2015, commissioned independent market research and analysis to help inform its strategy and the activities on which it should focus. The overall aim of the research was to understand, at a high level, how the state of the UK's public finances might evolve over the next five to ten years, and therefore to identify where and how ICAEW might best engage with the government to help it address the financial challenges ahead. The market analysis undertaken helped ICAEW to understand:

1. The views of senior officials within government, on the emerging challenges in the short to medium term;
2. What information government was using to plan future public finances and how they were using this information – for example how was the information from the Whole of Government Accounts (WGA) being used for policy and decision-making;
3. Whether financial and management controls worked within the current structures and to identify whether there was a need for structural change;
4. How ICAEW was viewed by senior management within government and the potential future role ICAEW might have in helping to influence the development of public finance management policies; and
5. The barriers ICAEW might face in increasing involvement within the development of UK public finance management policies.

The market analysis exercise involved an independent research agency performing in-depth interviews of senior government officials. A specific set of questions were developed. The research agency prepared a detailed presentation and report with recommendations, which informed ICAEW's public sector strategy.

In the UK, through the **Consultative Committee of Accountancy Bodies (CCAB)** or separately, the UK PAOs regularly host visits from stakeholders from other jurisdictions, seeking advice on a range of topics. Among other things, PAOs from these jurisdictions often want to learn from their peers about UK PAO activities in the public sector.

Donors and Development Partners can be a major influencer and impact the development of strategies and actions taken by PAOs. This has been witnessed in Bangladesh and Sri Lanka, where the PAOs have been encouraged to extend their activities and focus on the public sector, occasionally receiving donor funds as a result to develop and implement some of their initiatives.

Beyond Asia Pacific, The Institute of Chartered Accountants of Zimbabwe also reacted to the encouragement of development partners, initiated by the World Bank, and made possible by the Department for International Development (UK). This represents a good example of adjusting strategy as opportunities arise.

The Zimbabwe Story

In 2011, the World Bank published its Zimbabwe Report on the Observance of Standards and Codes (ROSC), Audit and Accounting, which highlighted the need for Zimbabwe to strengthen capacity in the Office of the Comptroller and Auditor-General and Office of the Accountant-General. It recommended that the Public Accountants and Auditors Board (PAAB) of Zimbabwe encourage all PAOs to include public sector related subjects in their professional qualifications. The report also called on the accountancy profession to support the Comptroller and Auditor-General and Accountant-General with capacity building initiatives.

Therefore, in 2014, the PAAB put together a project proposal (*Strengthening the Capacity of Accountancy Professionals in the Public Sector in Zimbabwe*) for funding through the IFAC PAO Capacity Building Program, which is funded by the UK's Department for International Development (DFID). The proposed project aligned to the wider PFM reforms in Zimbabwe, which were already being funded by the World Bank and the African Development Bank (AfDB).

Key aspects of the project proposal included:

- The establishment of a Project Stakeholders Advisory Group (PSAG) to oversee successful implementation and sustainability through stakeholder buy-in and commitment;
- PAAB developed the public sector competency framework with the support of a technical partner based on a draft by the African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E);
- Partnering with the **Institute of Chartered Accountancy Zimbabwe (ICAZ)**, and the **Institute of Chartered Secretaries and Administrators Zimbabwe (ICSAZ)** to strengthen the capacity of public sector accounting professionals;
- Wide consultation with stakeholders, including the PAOs, accounting firms, practical training offices, educational institutions and other technical training providers; and
- A detailed roadmap which:
 - ✓ focused on the needs/opportunities;
 - ✓ prioritised key and significant activities;
 - ✓ identified the resources (human and financial) required to implement the plan; and
 - ✓ considered the range of training that will be required.

A major PAO was selected to work with PAAB, ICAZ and ICSAZ to support the delivery of the project. The four (4) organisations worked in partnership on the project to professionalise public sector accountants in the Zimbabwe government. The funding for the project was provided by DFID in 2016,

The project included the development of a public sector qualification, using the same competency framework as ICAZ's existing Chartered Accountancy qualification. There are three (3) membership categories: Public Sector Technician, Public Sector Associate and Public Sector Professional. The qualification is targeted at existing and future public sector officials. Government training offices are accredited by ICAZ to oversee the training for their own staff, and they include the Office of the Auditor General, Ministry of Finance, Zimbabwe Revenue Authority (ZIMRA) and the Bulawayo City Council.

In addition, ICAZ hosts an annual public sector conference, through which public sector reporting issues encountered during the year are discussed and solutions offered.

ICAZ has also worked with the Ministry of Finance to assist in the implementation of IPSAS, developing a training course to be delivered to all accountants across all ministries and local authorities. The online course is carried out over a 3-month period and is open to current and aspiring public sector professionals internationally.

ICAZ and ICSAZ took different approaches to incorporating PFM and accounting into their programs. ICSAZ developed its main qualification to include the public sector and introduced a fast-track qualification based on the new Zimbabwe Competency Framework for Public Sector Accountancy Professionals (which is now being used as a reference tool around the region).

How 2: Involving the public sector in PAO governance

The Institute of Chartered Accountants of Nepal (ICAN) has allocated three (3) of a total of seventeen (17) seats on its governing body, the Council, to government representatives. The ICAN Act 1997 requires ICAN to officially request the Ministry of Finance for nominations of these three (3) members. The Ministry of Finance, in consultation with the Office of the Auditor General (OAG), recommends officials from three (3) key departments: MoF, OAG and Financial Comptroller's General Office.

The Ministry of Corporate Affairs, Government of India, in pursuance of the provisions of the Cost and Work Accountants Act, 1959 nominates five (5) government representatives to the Council of **the Institute of Cost and Management Accountants of India (ICAI-CMA)**.

The Institute of Chartered Accountants of Pakistan's (ICAP)'s Council consists of nineteen (19) members. Fifteen (15) of these are elected from amongst the members, and four (4) are nominated by the Government of Pakistan.

The Auditor General of Sri Lanka is an ex-officio member on the Council of **the Institute of Chartered Accountants Sri Lanka (CA Sri Lanka)**. Similarly on the Board of Management of **the Association of Public Finance Accountants of Sri Lanka (APFASL)**, the Auditor General, Director General of Public Finance, Director General of State Accounts, Director General of Public Enterprises and Commissioner General of Inland Revenue are also ex-officio members.

The Mongolian Institute of Certified Public Accountants (MonICPA) by-laws allow for allocated seats on its Board or Council for government representatives. MonICPA's current council consists of eighteen (18) members, three (3) of which are from the Ministry of Finance, and two (2) are from the National Audit Office.

The Vietnam Association of Certified Public Accountants (VACPA)'s charter provides for the Board to include members of VACPA, and also representatives recommended by state authorities, such as the Ministry of Finance and State Securities Commission. All such nominations must be approved by VACPA members during a vote at their Nationwide Congress.

The Chinese Institute of Certified Public Accountants (CICPA)'s charter and by-laws do not specify that the Board or Council should specifically allocate a number of seats for government representatives. However, in practice, a number of CICPA Board or Council members are from government departments or institutions, including but not limited to the Ministry of Finance, National Audit Office, and China Securities Regulatory Commission (CSRC).

The Institute of Cost and Management Accountants of Bangladesh (ICMAB) must include five (5) government officials with the rank and status of Additional Secretary or Joint Secretary in its Council (the governing body). The officials are from four (4) ministries - Commerce, Finance, Industries, Education - and the Legislative and Parliamentary Affairs Division.

How 3: Resourcing models and skills employed

ACCA has a central team that leads ACCA's public sector approach, as well as public sector specialists across several teams in the organisation. There is significant collaboration across their public and private sector work. For example, on the development of policy positions and thought leadership that is relevant across multiple sectors.

CPA Canada has a staff member that spends 80% of their time on professional learning and development (PLD) and another who provides research, guidance, and support. The PLD staff member also has a team of three (3) that supports the public sector work.

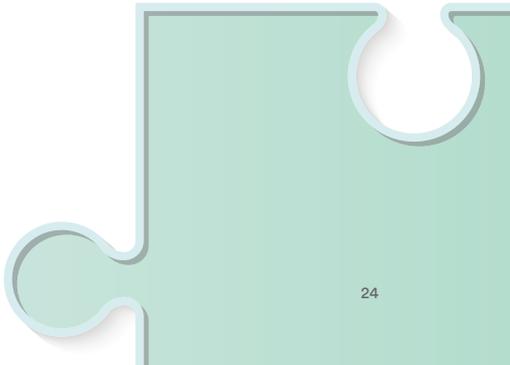
The Institute of Chartered Accountants in England and Wales (ICAEW) has a public sector team, with a director and two (2) technical manager positions. All the positions require qualified accountants with a mix of experience gained in both the private and public sectors. The team regularly uses consultants to support its strategy. In addition, the team collaborates across all of the technical areas, such as audit, financial reporting and sustainability to ensure that public sector issues are considered as part of ICAEW's output in these areas. Other departments (such as Professional Standards, Learning and Professional Development, Commercial and Member Services) include public sector as part of their operational activities.

The Institute of Chartered Accountants of India (ICAI) has three (3) members of staff who work exclusively on public sector issues.

The Japanese Institute of Certified Public Accountants (JICPA) has three (3) dedicated full-time staff and two (2) part-time CPAs working on public sector issues.

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has a consultant who leads the overall public sector 'wing', supported by a technical manager and two (2) financial management assistants. Both the consultant and technical manager are qualified accountants. In addition, all the CA Sri Lanka Directors provide support as and when needed.

Chartered Accountants Australia and New Zealand (CA ANZ) has three (3) dedicated Segment Account Managers (based in Wellington, NZ; Sydney Australia; and Canberra Australia). These three (3) dedicated Account Managers work within the broader Account Management team which includes a further three (3) Account Management representatives in three (3) key regions of NZ as well as five (5) of the Australian states. Each of these latter account managers, eight (8) in total, spend up to 10% of their time on public sector specific activities.



How 4: Accessing funding from donor and development organisations

Accessing funds for new activities can be a challenge for the less developed PAOs.

One way for PAOs to access funds is to review the National Economic Development Plan (NEDP) in developing economies, where they exist. The NEDP, or any similarly termed document, is held by the government of the country. It analyses a country's objectives and priorities in relation to all sectors in response to identified national needs and proposes an overall plan in which the role of individual sectors can be seen in context. In developing countries, a national plan also meets the need of the international development banks and donor organisations to make loans or to provide technical assistance to selected national projects with a clear understanding of the benefits and the government's commitment. Without them, a project has little meaning or purpose. The national plan also enables these organisations to coordinate their programs and avoid duplication of efforts and resources.

PAOs are encouraged to review these national plans to ascertain whether there are roles which they, as PAOs or their members, could perform which could be supported and/or funded. This research could even be carried out by the PAO's members who may derive consequential benefit from this through working in partnership with the PAO or the government.

The support of the donor agencies and international bodies, advocating for PFM reforms, is also very important. Donor agencies are usually keen for PAOs, with their expertise in financial management principles, including financial reporting, accounting and governance to be involved in supporting governments in this respect. In some countries, governments are encouraged, by donor agencies, to utilise the support of PAOs experience and expertise. Some PAOs have been providing this support with little or no funding, however it would make sense, indeed be appropriate, for donor agencies that are advocating the use of professional accountancy skills, knowledge, and experience, to also emphasise that there be specifically earmarked funds in the national plans for PAO or specialist financial management expertise.

CAPA encourages its members to approach and even challenge donor agencies to include such funding, as it is not sustainable for PAOs to continue to provide these services for little or no compensation.

To achieve the above, PAOs will need to build relationships with individuals and their organisations including the following:

- Government bodies responsible for the national plans and working with donor partners. PAOs can consider how to be involved with, and/or contribute to, the development of the national plan. This includes understanding programs funded by donor partners and for which the PAO can or should have a role to play; and
- Donor partners active in the country and involved with national plans. PAOs can include donor partners in their stakeholder relationship plans and build knowledge of funded programs. PAOs may suggest possible partnership opportunities which would benefit the programs, including for example, hosting joint knowledge sharing sessions or conducting joint research.

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) applied to the World Bank in 2012/13 for a small grant. It prepared a detailed proposal, which was discussed, negotiated, and agreed with the World Bank. The funding enabled CA Sri Lanka to strengthen several of its activities, including the public sector activities. The public sector 'wing' of CA Sri Lanka, the Association of Public Finance Accountants of Sri Lanka (APFASL) used a part of the grant: to roll out the Sri Lankan Public Sector Accounting Standards (SLPSAS); develop training material and manuals for the SLPSAS; conduct train the trainer programs; and design and develop the new Chartered Public Finance Accountancy qualification.

How 5: Qualification programs specific to the public sector

The Chartered Institute of Public Finance and Accountancy (CIPFA) is dedicated to public services and in that context its qualifications, training, CPD and benefits for members are all specifically aimed at the public sector. CIPFA has its own accountancy qualification (as well as an international qualification: CIPFA International Public Financial Management) which is updated every 4-5 years in consultation with employers of students to ensure it is relevant and fit for purpose for the required public sector skills and necessary training.

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), through its public sector 'wing', the Association of Public Finance Accountants of Sri Lanka (APFASL), offers its own Chartered Public Finance Accountancy (CPFA) qualification developed in collaboration with CIPFA. It incorporates four (4) public sector specific subjects into the existing CA Sri Lanka qualification by replacing other less relevant subjects. CIPFA membership is immediately available to those with the CPFA qualification.

It is offered to senior public servants with 10 years' service in the public sector, and to those with a financial management related postgraduate degree qualification or a financial management related MBA qualification from a recognized university, or an equivalent or higher qualification.

The Pakistan Institute of Public Finance Accountants (PIPFA) was established jointly by the Institute of Chartered Accountants of Pakistan (ICAP), the Institute of Cost and Management Accountants of Pakistan (ICMA Pakistan) and the Auditor General of Pakistan (AGP). It was previously the Association of Accounting Technicians (AAT), changing its name to PIPFA to reflect the majority public sector membership.

PIPFA was set up to create a mid-tier accounting qualification relevant to the public sector and train public servants. The qualification was included in the Pakistan government's formal training strategy in the rollout of a PFM reform program. Its qualification is now a requirement for government officials who want to progress their careers especially in audit or financial reporting.

The entry level for the PIPFA qualification is set at A-level or equivalent (therefore school or college leavers). The qualification offers two (2) streams, corporate and public sector. The former includes an emphasis on audit and ethics in the final examinations. The latter contains a significant number of options in the final examinations, designed to meet the, often, specific requirements of different public sector bodies.

The public sector stream consists of:

- Level 2 - Business economics, New accounting model, Cost accounting
- Level 3 - Business communication and report writing, Financial audit manual, Management accounting or Internal audit framework
- Level 4 - A range of topics designed to meet the specific needs of different public sector bodies

All levels consist of written examinations based on short form, long form and scenario-based questions.

How 6: Continuing Professional Development with a public sector focus

Each PAO has a suite of Continuing Professional Development (CPD) activities for its members. Many of these are available and relevant to all members regardless of the sector or industry they work in. In addition, some specific CPD with a public sector focus can be made available. The following are examples of CPD activities developed by PAOs specifically for members working in the public sector.

CPA Australia has two (2) public sector courses:

- Public sector budgeting - covering a broad overview of the key governance processes used in formulating budgets and the linkages between the whole of government budget processes and organisational budgets. The course consists of an interactive online course, an online assessment, and a downloadable learning manual. It offers twelve (12) CPD hours.
- Public sector financial management - covering government structures, legislative frameworks, fiscal targets, and government financial reporting. The course consists of one online course and one online assessment and offers three (3) CPD hours.

CPA Canada hosts annual 2-3 day public sector conferences (equivalent to 20 CPD hours). The conferences address the latest challenges and opportunities, for example in leadership, accounting, ethics, finance, risk management and technology. This can include the latest developments in public sector accounting standards and public sector operational developments such as in procurement.

It also hosts on-demand events, often reflective of contemporary and emerging issues, or where change is accelerating, such as risks and opportunities with digital transformation.

The Japanese Institute of Certified Public Accountants (JIPCA) has a Public Accounting Council (PAC) to which members working in the public sector may belong. The PAC uses e-learning to provide CPD, including training on local government body audit and internal control systems. In addition to the training provided by the PAC, JICPA proactively provides regular nationwide training sessions held at the JICPA headquarters to increase opportunities for public sector members to participate. Eleven (11) hours of public sector training are required to apply for the initial PAC membership. To continue membership of the PAC, members need to complete six (6) hours of specific public sector training annually.

The Chartered Institute of Public Finance and Accountancy (CIPFA) provides an extensive program of CPD training courses and events that are available to members and non-members. Examples include:

- Finance for the non-financial manager
- Practical understanding of asset management
- Finance business partnering
- Introduction to international public sector accounting standards (IPSAS)
- Accounts closedown, Telling the story of local authority financial statements
- Assured managed services and accounts closedown
- Public sector financial resilience
- Presenting numbers effectively
- The implications of fair value measurement

Training is available via short courses, e-learning, webinars, events and accredited courses and offer a range of CPD hours.

ACCA stages an annual international public sector conference, and members and non-members from around the world can attend in-person or virtually. The conference focuses on topics with wide applicability across many jurisdictions. A range of other CPD events and information based on the conference outcomes follow, including webinars, roundtables, thought leadership and member magazine articles.

The Institute of Chartered Accountants of Pakistan (ICAP) stages a range of training courses and conferences for the benefit of the public sector, including:

- A Directors' Orientation and Training Program (DOTP) which is directly linked with the Public Sector Companies (Corporate Governance) Rules, 2013 (PSC Rules) issued by the Securities and Exchange Commission of Pakistan. The objective of the program is to enable the directors of public sector companies to have a better understanding of their duties and responsibilities under the PSC Rules.
- A Directors' Training Program (DTP) covering general duties and responsibilities which can be customized for public sector organisations.
- Public Financial Management (PFM) Conferences, often in collaboration with the World Bank or CIPFA, sharing the outcomes with the Ministry of Finance and other relevant ministries.

How 7: Public sector committees or similar

The Japanese Institute of Certified Public Accountants (JICPA) has a Public Sector Accounting and Audit Practice Committee. This is an overarching committee, under which sit five (5) other sub-committees with a specific focus:

- Government
- Municipalities
- Incorporated Administrative Agencies
- Local Incorporated Administrative Agencies
- National University Corporations

There is also a Public Accounting Council – a network of members who have expertise or interest in the field of local government bodies.

The American Institute of Certified Public Accountants (AICPA) has two (2) key groups:

- (i) A Government Performance and Accountability Committee (GPAC) which represents CPAs working in all levels of federal, state and local governments, and serves the public who depend on CPAs to help ensure government accountability. Its mission is to:
 - Promote greater government accountability and the integrity of government operations, information, and information systems;
 - Promote and encourage increased participation and involvement by CPAs in government within the AICPA;
 - Enhance the professional image and value of CPAs in government;
 - Provide advice and counsel to AICPA on the needs of CPAs in government; and
 - Serve as a conduit for communications among CPAs in government, AICPA, and other professional organisations.
- (ii) A State and Local Governments Expert Panel – which considers matters relevant to audits of state and local government financial statements. It protects the public interest by bringing together knowledgeable parties in the state and local government industry to deliberate and come to agreement on key issues. It also plays a significant advocacy role through analysis and comment on exposure documents of the Governmental Accounting Standards Board (GASB) and other proposals affecting state and local governments. The expert panel works closely with the AICPA Governmental Audit Quality Centre (GAQC) to achieve its mission. For example, the expert panel hosts GAQC Web events on important state and local government topics (which are archived on the GAQC website for later listening) and communicates with members via GAQC Alerts. The GASB Matters section of the GAQC site highlights key interest areas, key resources, and advocacy efforts related to state and local government engagements.

Chartered Accountants Australia and New Zealand (CA ANZ) has established the following:

- (i) New South Wales (Australia) Public Sector Working Group
- (ii) Victorian Government (Australia) Public Sector Committee
- (iii) Western Australian Government (Australia) Public Sector Committee
- (iv) Wellington (NZ) Public Sector Accountants Special Interest Group (SIG)

ACCA has a Global Forum for the Public Sector that has been created to contribute to ACCA's technical and research work. The public sector forum leads ACCA's work in international public sector finance and accounting issues. It brings together international senior figures from central and local government and other state institutions. The forum's agenda covers PFM, budgeting, accounting, audit, governance, and regulation.

The Institute of Chartered Accountants of India (ICAI) has established a Committee on Public & Government Financial Management. This Committee has established Terms Of Reference and publishes an annual Activity Report. The committee is composed of elected members, co-opted members and special invitees, a number of which are senior government department heads.

The Institute of Chartered Accountants of Pakistan (ICAP) has a dedicated Public Sector Committee which includes eminent professionals working in the public sector, having experience of the government accounting system. The Committee aims to serve the public interest and to review, analyse, assist and suggest steps for improvements in the areas of policies, strategies and implementation of good governance and of good governance and PFM.

How 8: Member resources

CPA Canada supports its public sector members with specific member resources. These provide practical support for members' daily work. This includes:

- access to the public sector accounting standards handbook.
- free webinars from its Public Sector Accounting Board, such as:
 - (i) The characteristics of public sector entities; and
 - (ii) Accounting and reporting of revenue by public sector entities.

The American Institute of Certified Public Accountants (AICPA) has a governmental audit resource centre for CPAs working at the federal, state, and local government levels. The centre has a wide variety of resources available for guidance and informational purposes including:

- audit practice tools and aids;
- government auditing standards guide which provides information and expert guidance, including example auditor reports;
- an Auditee Resource Centre which includes information, practice aids, tools, and other resources for those procuring audit services; and
- an Audit Committee Effectiveness Centre which develops practical guidance and tools for audit committee members for government organisations.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has a range of resources for its members working in the public sector, including:

- bulletins providing topical guidance on specific accounting and reporting developments;
- practical accounting and benchmarking toolkits;
- codes on accounting and financial management principles; and
- interpretive guidance on standards.

CIPFA also has a free weekly international public finance newsletter available to both members and non-members.

The Institute of Chartered Accountants Nepal (ICAN) has a knowledge portal through which it provides a range of resources to members, including:

- a quarterly journal provides technical features and information on a range of topics ranging from audit, governance, financial accounting to taxation – public sector information is included as and when appropriate; and
- a monthly e-newsletter which includes a variety of articles, Again, public sector news is included as appropriate.

The Institute of Chartered Accountants in England and Wales (ICAEW) has an international public sector community (for both members and non-members) through which it provides:

- an e-newsletter three to four times a year with articles on public sector issues; and
- webinars on topical issues relevant to the public sector.

The Institute of Chartered Accountants Sri Lanka (CA Sri Lanka) through its public sector 'wing', the Association of Public Finance Accountants Sri Lanka (APFASL), supports its public sector members by providing:

- a bi-annual newsletter with articles on topical public financial management issues; and
- training and CPD events relevant to the public sector.

How 9: Public sector awards

PAOs may either initiate award programs or participate in programs implemented by others, including the government or other organisations.

The American Institute of Certified Public Accountants (AICPA) has two (2) Government Awards at local, state, and federal levels:

- *The Outstanding CPA in Government Impact Award* recognizes the impact of significant contributions of CPAs to the efficiency, effectiveness or innovative service delivery of their organisation.
- *The Outstanding CPA in Government Career Contribution Award* recognizes the significant contributions of CPAs to government service over a candidate's entire career, demonstrating exceptional leadership, high ethical standards and a track record of professional excellence.

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)'s public sector 'wing', the Association of Public Finance Accountants of Sri Lanka (APFASL), has a *Best Annual Report and Accounts Award* for the public sector which is organised in collaboration with the Ministry of Finance and the Auditor General's Department. It is aimed at helping improve the quality of annual reports and accounts issued by public sector organisations, while also helping enhance transparency, accountability and good governance practices within the sector.

The UK Government Finance Academy has an annual government finance profession conference that attracts both students and qualified accountants from across the country. Part of the conference is an awards and recognition ceremony sponsored by PAOs, accountancy firms, and other commercial organisations. PAOs sponsor an award of their choice such as *Finance Leader of the Year*, or *Innovative Finance Concept*. Various PAOs in the UK participate in this as it allows them to raise the profile of their work to government finance staff.

The Chartered Institute of Public Finance and Accountancy (CIPFA) in association with Public Finance (a CIPFA supported magazine) hosts the annual Public Finance Awards, which reward the achievements of organisations and individuals in the public sector. The awards are largely funded through sponsorship. The awards can be for an innovative product or service, a talented individual, team or organisation across the public sector. The 2021 awards feature seventeen (17) categories. Examples include:

- ✓ Finance Team of the Year - Local Services
- ✓ Finance Team of the Year - Councils
- ✓ Finance Team of the Year - Health
- ✓ Finance Team of the Year – Central Government and National Bodies
- ✓ Public Finance Future Leader of the Year
- ✓ COVID-19 Public Finance Leader of the Year (New for 2021)
- ✓ Achievement in Financial Reporting and Accountability
- ✓ Alternative Service Delivery Model of the Year
- ✓ Outstanding Procurement Initiative
- ✓ Finance Training and Development Initiative
- ✓ Good Governance, Risk Management or Prevention
- ✓ Outstanding Proactive Fraud Detection and Recovery
- ✓ Excellence in Public Sector Audit (public sector and commercial organisations)
- ✓ Excellence in Asset Management (New for 2021)
- ✓ Sustainability and Social Value
- ✓ Digital Finance Project of the Year
- ✓ Solutions Partner (commercial organisations)

How 10: Government resources

The Chartered Institute of Public Finance and Accountancy (CIPFA) has formal responsibility in the UK for issuing the financial reporting standards for local government accounting. As well as the Code of Practice on Local Authority Accounting, CIPFA produces a disclosure checklist and detailed practical guidance notes on all aspects of producing authorities' IFRS-based accounts, and guidance on IFRS across the public sector.

CIPFA has also developed, for local government bodies, a Financial Resilience Index. This is a comparative analytical tool to enable councils to gain a better understanding of their financial position. The Index enables a council to compare its position against other similar authorities across a range of measures associated with financial risk and enables a council to exercise appropriate financial management controls and scrutiny over particular areas.

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) Public Sector Accounting Standards Committee develops the Sri Lanka Public Sector Accounting Standards (SLPSAS) on behalf of the Ministry of Finance. CA Sri Lanka's public sector 'wing', the Association of Public Finance Accountants of Sri Lanka (APFASL) has:

- developed training material on (SLPSAS);
- conducted a series of related training programs for accountants in the public sector; and
- introduced a new system of accounting and reporting, supported by a simplified uniform accounting standard based on SLPSAS, for all local authorities in Sri Lanka, at the request of the Ministry of Provincial Councils and Local Government.

APFASL provides briefings on the public sector accounting standards to ministries, departments, municipal councils, urban councils, universities and other non – commercial statutory boards, to educate stakeholders on the benefits of accrual accounting and the importance of adopting these standards.

The Institute of Chartered Accountants of Pakistan (ICAP) has signed a Memorandum of Understanding (MOU) with the Auditor General of Pakistan (AGP) and the Controller General of Accounts (CGA) with the objective of establishing collaboration between the three (3) organisations for the improvement of auditing, accounting, and financial management in accordance with international standards and best practices.

This MOU provides an avenue to mutually cooperate with each other to attain professional excellence and build capacity within the AGP and CGA on specific public sector related matters, through seminars priced at nominal rates.

How 11: Roundtables and forums

CAPA has collaborated with several of its members to stage roundtable or similar events. On some occasions this was the first time a wide range of relevant public sector stakeholders had been gathered in conjunction with leaders from the accountancy profession. Repeat events have also occurred involving CAPA, with the longer-term objective of the PAO leading such events.

CAPA has worked with various PAOs in this respect, including with:

(i) The Vietnam Association of Certified Public Accountants (VACPA) to stage a roundtable event with CAPA's publication *The Eight Key Elements* forming the basis for the agenda and discussions. Over 40 individuals participated in the roundtable, including representatives from the Ministry of Finance, the State Audit Office of Vietnam (SAV), academics, development agencies, the Vietnam accountancy profession, as well as representatives of CAPA's public sector focussed committee.

Key sessions included:

- the National Institute for Finance provided background provided background to PFM reform in Vietnam;
- the SAV explained its role and scope of auditing activities;
- the Asian Development Bank (ADB) and Deutsche Gesellschaft für International Zusammenarbeit GmbH (GIZ, a German development agency) provided insights from their perspective on the development and reform projects with the Vietnam public sector; and
- VACPA described the current state of public sector accounting and auditing in Vietnam and how the profession can assist.

CAPA delegates shared information on various aspects of PFM reform as experienced in their countries. The accountancy profession in Vietnam also demonstrated their ability and willingness to assist the public sector in achieving its objectives, particularly in areas where the profession has the experience and capability to do so, such as providing qualified and trained accountants.

In conjunction with the World Bank, CAPA also established the concept of the Financial Reform for Economic Development (FRED) Forum to address relevant, contemporary matters pertinent to the private or public sectors. FRED II, a two-day event, was staged in Malaysia to discuss PFM for Economic Prosperity on Asia.

Various PAOs have staged their own events, including:

(i) The Institute of Chartered Accountants of Pakistan (ICAP) has held PFM conferences inviting key decision makers (such as the Finance Minister, the Auditor General of Pakistan and leading national and international PFM experts) to discuss and debate key issues to create sustainable, transparent, and accountable government practices for citizens. A booklet summarizing the key take away of the conferences was also published and disseminated to the relevant ministries and other departments.

(ii) The Institute of Chartered Accountants of India (ICAI) holds meetings with senior officials of various governments to apprise them of the work of their Committee on Public & Government Financial Management (refer **How 6**) and discuss areas of mutual interest.

(ii) The Institute of Chartered Accountants of Nepal (ICAN) to organise a conference to share the experiences of reform journeys from various countries around the world. The half-day event was attended by over 60 delegates from the Nepalese public sector, as well as professionals working in the industry locally and internationally.

The Secretary of the Ministry of Finance and other officials discussed the challenges in reforming and improving PFM in Nepal. A World Bank representative and speakers from Korea, Pakistan, Sri Lanka and the UK provided insight into the key factors necessary for achieving the desired results of PFM reform projects, including the importance of training to properly implement IPSAS.

Following the conference, a roundtable event was held involving some 40 participants from the Nepal public sector, Auditor General's office, Comptroller General's office, Accounting and Auditing Standard Boards of Nepal, ICAN, the World Bank and other international public sector experts. The roundtable deliberated on PFM reform initiatives in Nepal, with the aim of identifying how the accountancy profession can contribute towards current and future development programs.

How 12: Thought leadership – approaches and publications

PAOs may approach their thought leadership activities and resultant publications in different ways. Many of the PAOs listed below have dedicated sections on their websites where public sector related material can be located.

PAOs may develop thought leadership papers on specific public sector topics, for example:

- **ACCA** has published papers which offer lessons learned from jurisdictions that have implemented accrual accounting. More recently, it collaborated with the World Bank and IPSASB to publish a report calling for governments to take ‘a balance-sheet approach’ to effectively manage their finances through the COVID-19 crisis. ACCA has also worked collaboratively with **CPA Canada** on a thought leadership paper that highlighted the role that accountants can play in the life cycle of infrastructure projects as critical members of the project team.
- **CPA Australia** focuses on areas of member interest such as the role of the CFO in the public sector, local government reporting, specific accounting issues such as valuation and depreciation, and audit matters such as performance audits.

PAOs may develop a series of papers on specific themes, for example:

- **The Chartered Institute of Public Finance and Accountancy (CIPFA)** has **Public Finance Perspectives** which include essays written by leading public sector practitioners and experts to stimulate discussion on key public finance and policy issues. CIPFA also has a **Keystones** series that advocates sound public financial management practices across the sector.
- **The Institute of Chartered Accountants in England and Wales (ICAEW)** has a **Better Government Series** focused on providing policy recommendations to encourage governments to address strategic financial leadership, to use balance sheet information for better policy and decision-making, and to provide greater transparency and accountability in respect of public sector finances.

Confederation of Asian and Pacific Accountants

B-9-2 Tower B, Atria Suites,
Jalan SS 22/23, Damansara Jaya,
47400 Petaling Jaya, Selangor, MALAYSIA.
T : (603) 7731 8892 / 7731 8063

www.capa.com.my

Connect with us:



@CAPAaccountancy



Confederation of Asian and Pacific Accountants (CAPA)

Copyright © 2021 by the Confederation of Asian and Pacific Accountants (CAPA). All rights reserved.

Written permission from CAPA is required to reproduce, store, transmit, or make other similar uses of this document. Contact: admin@capa.com.my.

The CAPA logo, 'Confederation of Asian and Pacific Accountants', 'Confederation of Asian & Pacific Accountants', 'CAPA', 'The Eight Key Elements of PFM Success' and 'The Public Sector Activity Wheel' are service marks and trademarks of CAPA.

CAPA does not accept responsibility for loss caused to any organisation or person who acts or refrains from acting in reliance on the material in this publication, whether such loss is caused by negligence or otherwise.

