



The Chartered Institute of
Public Finance & Accountancy

Professionalising Public Financial Management

\ designing PFM qualifications frameworks

Guidance on Approaches

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About CIPFA

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance.

Our 14,000 members work throughout the public services, in public audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed. CIPFA is a founder member of the International Federation of Accountants (IFAC).

As the world's only professional accountancy body to specialise in public services, CIPFA's portfolio of qualifications covers the essentials for a career in public finance. Our services include the gold standard professional qualification for public sector accountants as well as postgraduate certificates and diplomas for people already working in leadership positions.

We champion high performance across the public services, translating our experience and insight into clear advice and practical solutions. Our services include information and guidance, courses and conferences, property and asset management systems, consultancy and interim staff for a range of public sector clients.

Globally, CIPFA shows the way in public finance by standing up for sound public financial management (PFM) and good governance. We work with partner governments and the public sector around the world to advance good professional practice and enable better service delivery. We promote sustainable holistic approaches to developing capacity in PFM, based upon a proven model of professionalisation. We recognise the potential for sustained improvements in PFM through strong relationships between professional bodies, training providers and governments. To achieve that we work closely with donors and international accounting bodies.

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Introduction

“The overall objective of accounting education is to develop competent professional accountants.”¹

It is generally agreed within the development community that sound public financial management (PFM) is fundamental to achieving aid objectives and reducing poverty. It enables funds to be allocated, managed and spent efficiently and with integrity. It is a lever to broader country development, to raising revenues effectively, to planning and executing budget decisions reliably and to building donor and investor confidence. The recognition that development should be led by countries if it is to have lasting transformative impact implies greater international reliance on country PFM systems. It also assumes that there are trained people in ministries, departments and agencies who are competent to manage resources and to provide leadership to others in financial roles, and that accountants and auditors will exercise stewardship and give assurance that money has been spent properly and to good effect.

Donors are encouraged² to apply aid through country systems, to help balance budgetary priorities, and to encourage the build-up of a core of competent staff who can sustain good practice beyond an immediate aid intervention. Micro financial management of development programmes strains the resources of both donor and recipient, so there are significant advantages in being able to rely on a domestic cadre of professionals to carry programmes forward. At sub-national level, the demands for PFM are as relevant, but the complexity of top-down management is increased exponentially. So it makes sense to develop the capacity, skills and tools for localised PFM, and therefore to design and implement schemes of professionalisation of PFM in a country or region.

Central to any scheme of professionalisation is the development of a mechanism to test the fitness of prospective members to join the profession.³ With regard to PFM, this mechanism is invariably some form of examination, leading to the award of a recognised qualification. That qualification is most appropriately contained within a wider qualifications framework⁴ (QF) that describes the other mechanisms and requirements, such as minimum prior educational attainment, necessary to fully define the qualification. PFM qualifications, and their QFs, form part of the family of accounting and auditing qualifications that have been developed in a large number of jurisdictions around the world. PFM is not synonymous with accounting and auditing.⁵ A PFM QF therefore, whilst it may be derived from an existing accounting and auditing QF, cannot be identical to it.

Existing Accounting and Auditing Qualification Standards

The International Federation of Accountants (IFAC) is the worldwide organisation for the accountancy profession, dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of 164 members and associates in 125 countries and jurisdictions, representing more than 2.5 million accountants in public practice, education, government service, industry and commerce. The organisation,

¹ *Framework for International Education Standards for Professional Accountants* (IFAC, 2009).

² For example, through the Paris Declaration in 2005 and the Accra Agenda for Action in 2008.

³ The central role of qualifications in professionalisation of PFM is described more fully in *The Central Role of Qualifications in Professionalisation of PFM* (CIPFA, 2011) on the PPFM website (<http://cipfa.org.uk/ppfm/framework.cfm>).

⁴ The term ‘qualifications framework’ is used here to refer to the specific set of components that are necessary to completely define the content of a programme of professional PFM education and training. Elsewhere the term may have different and much wider meaning, eg to refer to the structure of all qualifications available in an institution or a country.

⁵ For examples of the most significant differences between PFM and accounting and auditing, see www.cipfa.org.uk/ppfm/whole.cfm

through its independent standard-setting boards, sets international standards of ethics, auditing and assurance, public sector accounting and accounting education. It also issues guidance to encourage high quality performance by professional accountants in business. International Education Standards (IESs) *“express the benchmarks that IFAC member bodies are expected to meet in the preparation and continual development of professional accountants. They establish the essential elements of the content and process of education and development at a level that is aimed at gaining international recognition, acceptance and application”*.⁶

IESs are supplemented by International Education Practice Statements (IEPSs). These *“interpret, illustrate, elaborate, or expand on matters related to IESs. They assist IFAC member bodies with implementing the standards. IEPSs may also recommend practice that is wider or deeper than the practice described in the IESs”*.⁷

In promulgating IESs, IFAC acknowledges the wide diversity of culture, language, and educational, legal and social systems in its member bodies' countries. It also recognises that accountants perform a wide variety of functions. So IFAC entitles its member bodies to determine the detailed requirements of the pre- and post-qualification programmes of education and development that apply within the jurisdiction of the member body. Therefore IESs seek to identify only the essential elements on which those programmes ought to be based. As a consequence, there is no single global standard for the content of a programme of pre- or post-qualification education and training for the professional accountant members of IFAC member bodies. In designing and developing a QF that will be appropriate to the needs of staff working in PFM in government, therefore, it is necessary to have regard to the extent to which the essential elements of professional accountancy education are met, while ensuring that the additional requirements of the PFM professional are reflected in the QF.

All of this applies to the content of QFs developed by professional accountancy organisations (PAOs) that are members of IFAC. PAOs who are not members of IFAC cannot be obliged to apply the statements; but they may want to demonstrate the extent to which they comply with best practice for other reasons.

Many countries only have one IFAC-recognised accountancy body, making those bodies the de facto arbiter of professional accountancy qualifications in those particular countries. Of the 125 countries with IFAC members, only 28 have more than one recognised body (the UK is unique in having seven such bodies, when counting both full and associate members).⁸ The implications of this are that there is usually only one way to become an internationally recognised qualified accountant in a particular country - via the recognised body.

Historically, the QFs of the overwhelming majority of IFAC member bodies have been driven by the requirements of the private sector, and have little public sector content. In considering the design of a QF for PFM, therefore, it is necessary to identify the additional knowledge, skills, competences and behaviours that are required of the PFM practitioner that are not necessarily to be found in the private sector.

The concept of a single accredited accountancy body in a particular country is crucial when examining the PFM requirements of developing nations. The International Monetary Fund (IMF) identifies 153 'emerging and developing' economies,⁹ of which 87 (57%) have IFAC-recognised accountancy bodies. Only five of these countries have more than one recognised body. IFAC itself recognises this issue, and has established the Professional Accountancy Organisation Development Committee¹⁰ to support the development of the accountancy profession in all regions of the world and to represent and address in particular the interests of developing nations. This includes seeking resources and development assistance from member bodies and other organisations on their behalf.

In summary, it is likely that the accountancy profession in a developing economy is either dominated by a single, private sector orientated organisation, or has no IFAC-recognised body at all.

In considering how best to approach the design and development of a PFM QF, the core issue is the relevance of these primarily private sector orientated qualifications to PFM.

⁶ IFAC International Accounting Education Standards Board webpages (see www.ifac.org/Education/Pronouncements.php).

⁷ IFAC International Accounting Education Standards Board webpages (see www.ifac.org/Education/Pronouncements.php).

⁸ The IFAC membership structure comprises members, associates and affiliates.

⁹ See www.imf.org/external/pubs/ft/weo/2010/01/weodata/groups.htm#oem

¹⁰ Before 1 January 2011 this was known as the Developing Nations Committee.

The World Bank, in support of its capacity development commitments in the Africa Action Plan, initiated a process to establish a multi-donor trust fund (MDTF) that will provide finance to address the critical shortage of properly qualified PFM staff. Properly qualified staff are essential if PFM systems in African countries are to perform effectively. The primary aim of the MDTF is to finance a regional Public Financial Management Staff Capacity Development Initiative (PFM-SCDI).

Discussions around the components, implementation mechanisms and a possible governance structure for the PFM-SCDI took place with the English-speaking grouping of the African Organization of Supreme Audit Institutions (AFROSAI-E), the East and Southern African Association of Accountants General (ESAAG) and the Forum of Accountants-General and Auditors-General in West Africa (FAAGWA). As a result of those discussions, these three bodies agreed to form a joint venture to pilot the key structural components of the PFM-SCDI, including the development and dissemination of a PFM QF.

This project (discussed in detail in Appendix 4) examined the applicability of existing local qualifications to a model syllabus that covered the requirements of a PFM qualification. It was quickly recognised that whilst the private and government accountancy sectors shared many common functions and required some similar technical accountancy skills, there was evidence of a large number of differences in emphasis of apparently common elements, and some topic areas that were not covered at all in the private sector syllabuses (and some superfluous ones as well).

The Components of a Public Financial Management Qualifications Framework

The Chartered Institute of Public Finance and Accountancy (CIPFA) has developed a PFM QF explicitly and exclusively for the public sector. The framework is made available by CIPFA as a reference framework, to allow PAOs in countries to consider its content and the content of other reference frameworks, for example that developed under the PFM-SCDI pilot project, when thinking about how best to tailor and adapt their own existing QFs to meet the needs of PFM in their own jurisdictions. In making this reference framework available, there is no intention to suggest that any country ought to develop a distinct, specific framework for PFM; rather, it is made available to provide a basis on which to adjust and adapt the existing QF as appropriate. The key is to ensure that local training needs and standards are met and supported.

This document uses the term 'qualifications framework' to mean the components that are necessary to define a scheme of professional PFM education and training, along with the requirements made in relation to maintaining knowledge and skills throughout a career. In this context, the qualifications framework starts from the point of identifying and considering the range of entry qualifications presented by potential students, and follows through to the award of the highest level of qualification for the subject under consideration. Overarching the core process is the concept of quality control and quality assurance. The process can be visually represented by the diagram below.

Key components of a Public Financial Management Qualifications Framework

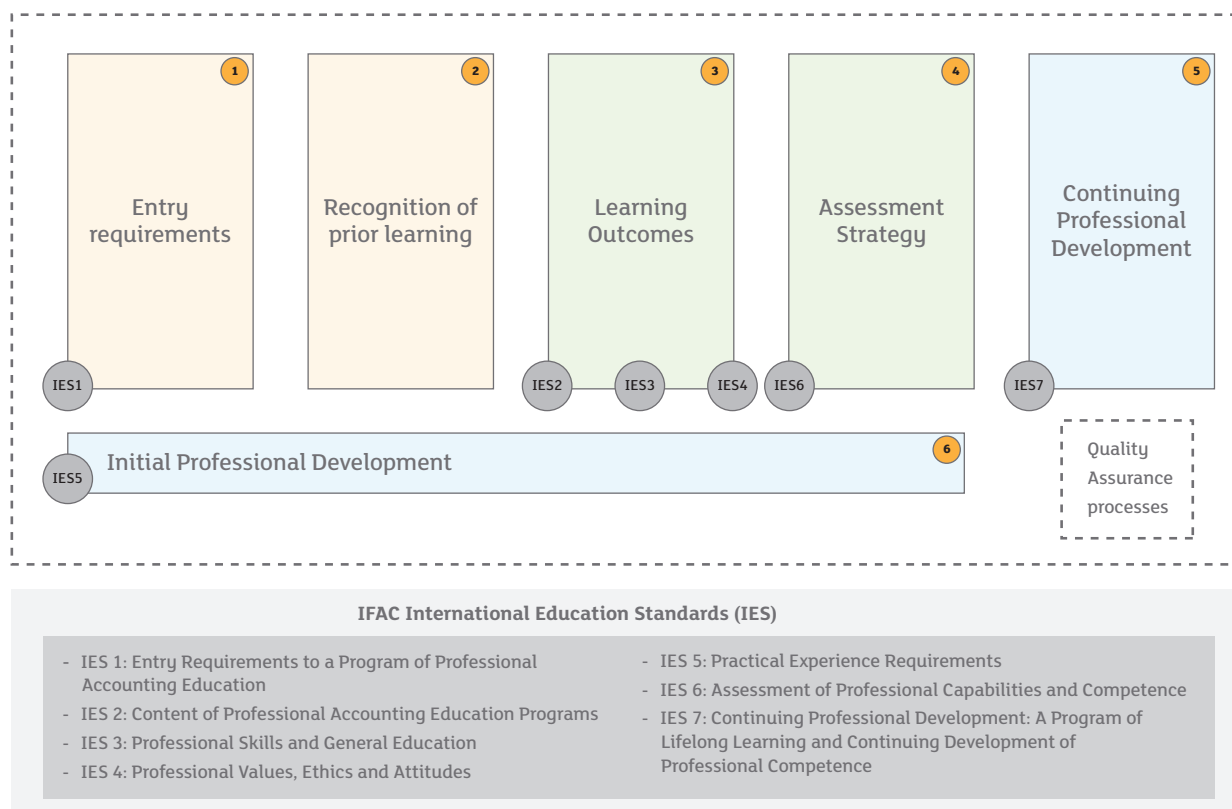


Figure 1: CIPFA Qualifications Framework¹¹

¹¹ Professionalisation of Public Financial Management – A Sustainable Approach (CIPFA, 2010).

Thus a PFM QF establishes a system for students to apply, enrol, study, take exams, carry out work experience, and submit to overall assessment against a set of defined desirable learning outcomes, that is subject to appropriate quality assurance procedures. Within this system PFM education and training providers should be able to demonstrate that all students embarking on programmes will gain, on successful completion, qualifications that are awarded in accordance with the standards set by the relevant PAO.

This document seeks to describe the issues that a PAO seeking to design and develop a PFM QF for their particular country environment will need to address. This is done by considering each of the components of a PFM QF in turn and discussing the most likely relationship with the corresponding component from the existing private sector QF. It is important that the PFM QF is “owned” by the PAO, because this ensures that it is integrated into the wider professional and institutional environment, and that it is properly maintained over its lifetime. In some countries there is no PAO, however, and therefore it becomes necessary to establish one. CIPFA has produced detailed guidance on the issues associated with doing this¹² that complements the more generalised advice given by IFAC¹³.

Figure 1 identifies the core components of a QF as envisaged by CIPFA in the UK; it is possible that additional components or steps may be necessary and appropriate for particular circumstances in different countries. The components identified by CIPFA are:

Entry Requirements – the qualification provider defines the minimum educational achievement that should be demonstrated by individuals wishing to enter the professional qualification programme. This component also encompasses the provider’s approach to the assessment of educational attainments submitted (ie school, college or university examinations passed).

Recognition of Prior Learning – a wide range of previous learning experiences (such as specific work experience, short training courses or other qualifications) may be considered as equivalent (and therefore acceptable) to some aspects of educational achievement. Such prior learning needs to be assessed and the method for making that assessment clearly described.

Learning Outcomes – individuals accepted as having met minimum entry requirements will need to demonstrate achievement of a number of learning outcomes (most usually after following a programme of education and training) expressed in terms of knowledge, skills, and behaviours (collectively ‘competencies’).

Assessment Criteria – the awarding professional body will use a range of defined criteria to determine whether students achieve the learning outcomes.

Initial Professional Development Scheme – individuals will need to gain relevant practical experience alongside any formal education programme, to demonstrate application and understanding of core technical principles, and most often this will be from their employment. The PAO will wish to define the minimum content of such experience, and to ensure that it is acquired and documented in accordance with IES 5 *Practical Experience Requirements* in particular.

The World Bank SCDI project identified the following desirable knowledge domains of a PFM qualification:

- planning, budgeting and budget execution
- accounting and financial reporting
- auditing, both internal and external
- procurement
- information technology
- public finance, taxation and administration
- management and self-management.

Continuing Professional Development Scheme – individuals successfully achieving the professional qualification will need to demonstrate that they are maintaining their knowledge, skills and competencies throughout their working lives in a changing environment.

¹² “Designing an organisational structure and governance system for a professional accountancy organization”, CIPFA, March 2011

¹³ “Establishing and developing a professional accountancy body”, ISBN 978-1-60815-036-6, IFAC, February 2011

To support the route to professional qualification, there needs to be:

- a means of providing tuition to students and a means to facilitate their learning
- a mechanism for assessing students to determine their fitness to progress through the various levels of the qualification, and for assessing their application for membership.

Underpinning the concept of a publicly recognised and valued professional qualification there also needs to be a system for controlling and assuring quality.

As can be seen from Figure 1, the CIPFA PFM QF explicitly links the key reference points to relevant IFAC IESs, and a very brief statement of the relevant IES will be included in the discussion below, although the emphasis will be on practical issues that need to be considered by those embarking on designing and implementing a QF for their circumstances.

There are four basic options available to countries when considering the design of a PFM QF:

- it may be custom-designed to meet PFM requirements, for example as CIPFA has done with its own QF
- it may evolve from a series of adaptations and additions to an existing (local) QF
- it may result from a local professional body choosing to adopt a reference QF such as was done in relation to the SCDI pilot QF in Tanzania
- it may be a 'virtual' QF, where, essentially, the local professional body accepts as the basis for membership qualifications awarded by another professional body.

There may appear to be a further option – using an existing qualification in its entirety, and adding a top-up programme designed to meet the additional requirements of PFM. This seems to have a number of short-term advantages, including that there would be a ready pool of pre-qualified professionals eligible to take the top-up almost immediately. However, the indicative PFM-SCDI syllabus content and subsequent mapping exercise in Tanzania demonstrated clearly that the top-up would be extensive. This may well be a barrier to participation for someone who has already received professional recognition – they may be unwilling to undergo extensive formal training again. In addition, the cost of recruiting staff from the private into the public sector would almost certainly prove prohibitive.

Adaptation of an Existing Qualifications Framework

Many PAOs in country have their own, custom-designed QF. In most instances, and for reasons of economy, it is preferable to seek to adopt and adapt that framework for local use, rather than create a new, PFM-specific framework, from first principles.

This approach has a number of advantages:

- **Credibility** – by aligning with an internationally recognised qualification, any new QF developed locally will be able to demonstrate its congruence with a proven qualification. In addition graduates will obtain a qualification endorsed by the awarding body of the country concerned.
- **Authority** – all qualifications awarded by IFAC member bodies may be assumed to meet the criteria specified by IFAC,¹⁴ and will therefore have sufficient breadth and depth to ensure a professional qualification is delivered.
- **Cost** – developing a qualification from the ground up is potentially extremely expensive, as resources and skills will have to be obtained, and delays from mistakes will occur without substantial pre-existing knowledge.
- **Support** – many international awarding bodies can provide expertise and support to develop and modify professional qualifications. This can be advantageous when ensuring all requirements have to be met.
- **Conformity** - there may be a series of national, regional or even world-wide agreed standards that have to be met before graduates are recognised to practise professionally.

¹⁴ IFAC members and associates assume a responsibility to comply with a specific set of membership obligations. These include observing IESs as far as is reasonably practical within each jurisdiction concerned.

However, it is unlikely that any one single qualification will meet all the needs of the region where it is to be implemented (see Appendix 8 for an overview of the differences in adaptability of selected international qualifications). Local implementation of various international standards (eg International Financial Reporting Standards (IFRS) or International Public Sector Accounting Standards (IPSAS)) and other factors may require specific adaptations to ensure fitness for purpose. The level of adaptation of a pre-existing qualification available to a local awarding body will depend on a range of factors:

- the arrangements in place with the ‘owning’ awarding body (ie is there actually any scope for making alterations without losing accreditation?)
- the scope of the required alterations (does it substantially change the breadth and scope of the original qualification?)
- the appropriate quality of the proposed replacement syllabus and learning outcomes
- The development of quality assurance systems to ensure that the overall qualification status is not affected by adaptation.

In some cases, it may be that a local awarding body wishes to use parts of its own, local syllabuses to replace elements of an international exemplar qualification (a ‘reference QF’). This assumes that there is a pre-existing level of rigour and content to the local syllabuses to ensure congruence with the reference QF requirements.

In order to assess the magnitude (and acceptability) of the proposed adaptations, the local and international syllabuses have to be systematically compared and assessed. An accepted method for this is to ‘map’ the two sets of learning outcomes, to establish significant areas of consistency and divergence. A particular difficulty that arises in doing this, however, is that many local syllabus criteria are expressed as ‘topic areas’ or ‘learning objectives’ rather than ‘learning outcomes’.

Learning objectives may outline the material the instructor intends to cover or the disciplinary questions the class will address. By contrast, **learning outcomes** should focus on what the student should know and realistically be able to do by the end of an assignment, activity, class, or course. For this reason, learning outcomes often start with a version of the phrase *“By the end of this course, students will...”*

The same goals addressed by learning objectives can be equally addressed by learning outcomes, but by focusing on the application and integration of the course content from the perspective of the student, learning outcomes can more explicitly and directly address expectations for student learning.

A measure of judgement is therefore required to translate between the two different approaches to expressing syllabus content, and making a robust and reliable assessment in circumstances like these may be time consuming.

The completion of the mapping exercise should result in a gap analysis, highlighting significant differences between the two existing syllabuses. These can be categorised as:

Reference to Local

| Gap category | Reference syllabus | Local syllabus | Analysis | Decision to be made |
|--------------|--------------------|----------------|---------------------------------------|---|
| Matched | | Exists in full | Use directly | |
| Part-matched | | Exists in part | Is it core to the reference syllabus? | Can the local syllabus be extended? |
| Unmatched | | Does not exist | Is it core to the reference syllabus? | Can the part of the local syllabus be replaced? |

Local to Reference

| Gap category | Reference syllabus | Local syllabus | Analysis | Decision to be made |
|--------------|--------------------|----------------|--|---|
| Matched | Exists in full | | Use directly | |
| Part-matched | Exists in part | | Is it required for local acceptance and credibility? | Can content be rewritten within the reference syllabus? |
| Unmatched | Does not exist | | Is it required for local acceptance and credibility? | Can content be substituted within the reference syllabus? |

Note that a complete mapping exercise will need to cover work-based application of learning requirements (eg Initial Professional Development Scheme) and Continuing Professional Development (CPD) requirements in addition to the core syllabuses. In practice many such comparisons are made based on the curriculum and syllabuses only.

In anticipation of local needs, CIPFA's own PFM international qualifications, the International Certificate and Diploma in PFM (ICD-PFM), has a customisable module as part of its overall design, allowing for adaptation for local issues such as taxation laws, government policies and other issues.

There are costs and benefits associated with each of the options for the development of a PFM qualifications framework, and local circumstances may dictate the most pragmatic approach to take. Please see Appendix 4 for an in-depth review of an extensive mapping exercise.

Pragmatism is essential in developing a local PFM framework. The success of such a project relies heavily on government support (as they are likely to have the largest need for PFM-qualified staff) and the cooperation of the PAO and relevant training providers (where required). In most emerging and developing economies, a project to professionalise public financial management (PPFM) will also be a prerequisite of large donor funding programmes, which will stipulate their own PPFM requirements. Balancing the sometimes disparate aims of these groups is a lengthy and occasionally frustrating task. It is essential that, wherever possible, an independent specialist is appointed by the project sponsor (usually a government public finance leader) to negotiate the often conflicting priorities and requirements of the various stakeholders.

Inevitably, compromises will have to be made. Adapting a local private sector qualification to align with a reference QF may result in student groups being required to study subject areas outside their professional roles in order to provide a complete overview of the profession. For example, a key area of PFM is budgeting at the national and local level, an aspect of financial management rarely explored in depth in private sector orientated qualifications.

A QF designed to engender the concepts of good PFM must equip its participants with a thorough grasp of all aspects of PFM, whether or not directly related to their specific job role. This could have a deleterious effect on the motivation of students (and ultimately impact on overall pass rates).

IES 1: Entry Requirements

When designing a professional qualification for PFM, thought needs to be given first to the basic educational requirements that individuals will need to bring to a programme of professional accounting education. What is an appropriate level here?

IES 1 Entry Requirements to a Program of Professional Accounting Education states that “for an individual seeking to begin a program of professional accounting education leading to membership of an IFAC member body, the entry requirement should be at least equivalent to that for admission into a recognised university degree program or its equivalent”.

This requirement will need interpretation for each particular country context. There is as yet no universal method for assessing to what extent different universities in different countries maintain equivalent entrance requirements, and indeed there is often variation between universities within many countries.

A number of countries now operate a national qualifications framework to form a reference point for qualifications to be assessed for equivalence. If there is a national qualifications framework, this should be the first port of call for identifying appropriate basic educational qualifications. The national qualifications framework should be first considered against IES 1 to determine the appropriate level for direct entry to the full professional qualification.

In the UK there are three QFs:

- The National Qualifications Framework (NQF) sets out the level at which a qualification can be recognised in England, Wales and Northern Ireland. Only qualifications that have been accredited by the three regulators for England, Wales and Northern Ireland can be included in the NQF. This ensures that all qualifications within the framework are of high quality, and meet the needs of learners and employers.
- The Qualifications and Credit Framework (QCF) sets out a framework for vocational or work-related qualifications which are studied in units that attract credits. Units can be studied at the individual’s own pace.
- The Framework for Higher Education Qualifications (FHEQ) applies to degrees, diplomas and certificates awarded by a university or college of higher education. It provides guidance on setting and assessing academic standards and identifying progression routes, and promotes consistent use of qualifications titles across the higher education sector.

The three frameworks encompass different aspects of education in England, Wales and Northern Ireland (Scotland, for historical reasons, has its own qualification and credit framework applicable only in Scotland). Each is defined in terms of a number of levels, whereby individual qualifications are brought together and assessed for equivalence. The frameworks can be compared for the equivalence of the different levels of educational attainment. For further details, please see Appendix 3.

For direct entry to its full professional qualification, CIPFA requires individuals to hold relevant level 4 educational qualifications of the UK NQF (eg accountancy-related BTEC Professional Diploma, HNCs or NVQs at level 4), or more general qualifications at level 6 of the FHEQ (eg bachelors degree), both of which are equivalent to the requirements of IES 1. CIPFA does not accept certain non-relevant qualifications on their own; there needs to be a core of relevant subjects such as mathematics.

For candidates wishing to start their career without having attended university, the minimum vocational qualification is equivalent to QCF level 4, or Accounting Technician level 4. Mature candidates over the age of 21 are offered the alternative of demonstrating three years of relevant work experience.

CIPFA offers different paths for entry to its various professional qualifications which can (if the individual wishes, and has the capacity and aptitude) be built towards full professional qualification. This is an example of customisation of the design of a QF.

In Tanzania, CIPFA worked with a local professional body (National Board of Accountants and Auditors) and key stakeholders to design a QF appropriate to the country context. The project group decided that the entry requirements already defined for entry to the Tanzania accountancy profession would also be used for entry to professional public finance manager programmes. Further details of the Tanzania case are included in Appendix 4.

The Hong Kong Institute of Certified Public Accountants (HKICPA) details a comprehensive competency set, comprising both generic and technical competencies, in guidance contained on its website.¹⁵ The competency set defines the knowledge, skills and ability that candidates must have at the point of entering the HKICPA qualification programme. The set is applicable to entrants who are accounting graduates or graduates of conversion programmes. Currently the CPA Hong Kong accepts qualification by examination for another professional body as part basis for admission to membership.

If there is no framework of education or infrastructure for delivery in the local area, then otherwise potentially capable individuals may not be able to meet entry requirements and may be deterred from considering PFM as a profession. In these circumstances, it is possible to consider designing a precursor entry route for interested individuals.

CIPFA developed the International Certificate and Diploma (ICD) as a dedicated qualification that aims to build in-country capacity for public sector financial management skills and expertise. Details can be found on CIPFA's website.

This programme, offered in conjunction with an in-country partner institution with close public sector links, provides the student with the prerequisite underpinning skills and knowledge required to achieve part of the full professional qualification. Support (such as learning materials and training of trainers) is provided by CIPFA to ensure local delivery partners meet the required quality assessment thresholds and that appropriate programme delivery and assessment standards are met.

The basic entry requirements for a professional qualification need to be explained and published to enable individuals to take informed decisions on their future career. In addition, it is helpful if the entry requirements can be explained in booklets and short presentations that can be used in a variety of environments (schools, universities, careers guidance offices) to advertise the opportunities to individuals who may not previously have realised the possibilities of training as public financial managers. Individual public sector employers and central government should also publicise that successful applicants will be put through a structured, professional training programme, once they are employees, which will enhance their capabilities and career prospects.

Overall, candidates from all possible educational routes should achieve a comparable level of professional competence at the point of qualification. Entry level needs to be high enough to provide assurance of an individual's likely success in a professional accounting education programme.

However, there has to be recognition of the local circumstances pertaining to the skills and experience of current staff engaged in PFM and expectations for new recruits joining the profession. In many countries, employment in the public services is seen as less attractive than the private sector (either through general perception, or because of salary differentials, etc). This is especially marked at the professional end of the employment spectrum, where personal rewards are generally much higher in the private sector. The implication of this situation is that prospective entrants with appropriate levels or prior academic achievement are unlikely to seek employment in the public sector.

¹⁵ www.hkicpa.org.hk/file/media/section2_become_a_hk_cpa/QP/accreditation/qp-pre-entry.pdf

As a consequence, public sector professionals are likely to have initially lower level skills and/or qualifications than their private sector counterparts, and may find the entry criteria for a recognised PFM qualification too high. In addition, the reliance on previous qualifications as a measure of ability to successfully complete a PFM qualification will exclude those candidates with a relatively poor qualification standard whose experience and skills would make them eligible.

To deal with this situation, a number of options can be adopted, including development of a pre-entry course, to ensure all candidates are developed to a standard entry level point, and differential pre-entry testing, to enable identification of suitable candidates regardless of academic background. If candidates do not meet the required threshold, they may be able to enter this pre-entry programme.

In developing these options, the perceived credibility of the PFM qualifications must be borne in mind. A person's inability to start the programme due to their academic background and/or performance in pre-entry assessments may lead to the individual's stigmatisation. In sufficient numbers (and especially for senior staff in this position), this may impinge on the development of a critical mass of qualified professionals required to properly embed and operate PFM and could damage the whole credibility of the QF.

Exemptions

It is possible that some individuals applying for any of the qualifications leading to the full professional financial management qualification will have studied or received training in subjects that are highly relevant to the profession. For example, some individuals may approach the application stage with a degree in accountancy or finance. Such individuals may already hold and be able to demonstrate the depth of knowledge and skills that would be attained having followed some of the modules of the professional qualification. These individuals may wish to apply for exemption from taking the equivalent modules.

Providing for exemptions for eligible candidates is a reasonable option to consider. Highly capable individuals with relevant degree subjects (or equivalent) may be de-motivated by re-sitting material that is broadly very similar to their original degree. In addition it makes sense if appropriate, from the point of view of efficiency and economy, to fast-track such individuals through the process.

It is difficult sometimes to assess the content of a degree, or to assess the equivalence of the same degree from different universities. One degree may indeed require the student to learn the theory and demonstrate practical application of the theory through relevant project work. Other degrees may concentrate on the theory. Where there is evidence of more formal tuition on accounting processes in degrees, there may be a valid reason to provide exemption or to allow joining at a higher level.

The CIPFA professional qualification has 12 modules. If a candidate holds the AAT qualification, for example, they may be able to pass the first two modules of the professional qualification. A candidate with a degree in accountancy may be able to pass more than the first two modules, but it depends on the content of the degree and the extent of practical work involved.

Where the PFM QF is adapted from the local private sector equivalent, it needs to be recognised that exemption criteria may be different to those that apply to the private sector. Although the sectors will share common technical components (for example management accounting and financial accounting), it is likely that public sector approaches to issues such as financial reporting, audit, etc, will be markedly different to those in the private sector. In these cases, pre-existing private sector exemptions may not be suitable for the PFM qualification.

A decision must be taken as to whether it is appropriate to exempt some or all students who apply for exemption with seemingly relevant entry qualifications. It is in the interests of the profession to ensure that all candidates can thoroughly demonstrate they meet the profession's standards. It is in the candidate's interests not to be artificially fast-tracked as they may become complacent, and enter the final test of professional competence ill prepared.

It is perhaps prudent to initiate a professional QF with minimal exemption possibilities, until the awarding body is satisfied that those assessing entry qualifications have a thorough understanding of the content of the possible degree courses presented

However, there is an important caveat to this approach. Many senior staff in public office may not have requisite academic qualifications to gain exemptions, but would be unable and/or unwilling, for political and status reasons, to sit examinations with their junior staff. For the project to succeed, it is essential that these senior public finance leaders fully support the programme, and in some cases provide visible leadership by being amongst the first to qualify.

In this case, it may be prudent to create a fast-track route to qualification for senior post holders, allowing for maximum exemption from lower-level examinations on the basis of 'qualification by experience'. This is predicated on the basis that these posts will not require detailed technical knowledge of financial transaction processes, and that the programme will be short-lived, as successor post holders will have completed the more formal PFM qualification route. This 'grandfathering' approach has been deployed successfully in the past.¹⁶

It is important to build in the idea that there are some subjects that are mandatory for all students. Such subjects may include dedicated PFM modules.

It is difficult to be prescriptive about what should constitute a mandatory subject – this has to be a local decision based on local circumstances and context. In general, the principle to uphold is to keep exemptions to a minimum by 'allowing exemption by exception'.

An important point not mentioned until now is the need to have a system in place to assess the entry qualifications of individuals applying against the requirements for the qualifications. This process will need to be resourced by staff knowledgeable about different educational qualifications. Some professional accountancy institutes retain a list of recognised university degree courses, certificates and vocational qualifications to help in this process. There will always be a few individuals applying from more unusual backgrounds that will take time to assess.

CIPFA understands that many government organisations will not have recruited current staff with the aim of providing mandated training or relevant work experience. However, as the PPFM programme develops and expands, it is likely that it will be in the interests of such employers to recruit candidates who are most likely to meet the qualification entry requirements. This will have a direct positive impact on the performance of organisations (as staff are selected to essential criteria, including the ability to qualify), and a more subliminal influence on increasing the perceived value of working in such positions.

It is important that any PAO should initially seek to retain the responsibility for setting assessments and awarding certificates. Holding providers and students to account against central assessment requirements will maintain quality standards and improve training provision, as the only differentiator between training providers will be overall student pass rates, not the quality of assessment. However, this does not preclude the development of local assessment relationships with 'trusted partners' who have a track record of upholding international standards of assessment. These relationships may be particularly relevant where there are specialist translation and local anomalies that need to be accommodated.

The timetable for application for entry, assessment and acceptance needs to be clearly published, with sufficient time allowed for the assessment to take place. It is usually helpful for the awarding body to have pre-designed application forms and guidance for candidates to complete such forms.

The assessment process will require some evidence of achievement of the entry qualifications to be submitted, eg original certificates, and these will need to be kept secure for later return to their owners.

¹⁶ For example, section 3 of the Treasury Board of Canada Secretariat's *Guideline on Chief Financial Officer Qualifications*; and section 2.2.5 of the Isle of Man Financial Supervision Commission's *Training and Competence Framework*.

Acceptance of Other Professional Accountancy Qualifications

Many professional bodies now make arrangements for candidates with qualifications from another professional body to be assessed for acceptance into membership. Sometimes this is on an individual application; sometimes awarding bodies can approach each other and come to a formal agreement to accredit all or part of another qualification; and sometimes a professional body can choose to offer membership to holders of other qualifications following a suitable accreditation and recognition process.

Where an individual applies for membership to another professional body, the details of the different modules, courses or units of study taken will need to be examined and assessed for equivalence. Some qualifications may be accepted in part, subject to conditions such as passing a test in local law (eg Hong Kong CPA); some may require further study to fill the gaps in the required knowledge base. The professional body will need to develop a policy towards applicants with other accountancy qualifications, such as CIPFA, ACCA, etc. This procedure will apply whether the applicant has achieved full or part qualification.

The second route is for a professional body, driven by members/government directive, to approach, or be approached by, another professional body to come to an agreement on membership of each other's organisation, subject to mutually agreed conditions. The reasoning may be to increase portability options for both inward and outward movement of skills and expertise. An example here would be CIPFA's mutual agreement with Canada's CMA, brief details of which are contained in Appendix 5.

The final approach, to choose to offer membership to holders of certain other, usually overseas, accountancy qualifications, will require assessment of schemes that have been pre-chosen on some basis. The reasons for pursuing this approach may be to boost skills in a country while the infant profession is developing. An example is India, where the establishment of the accountancy profession and registration of auditors was strongly influenced by the government.

Following independence, the Indian Government was concerned about the level of accountancy skills available to support the economy. The Government argued that the Indian Chartered Accountancy Institute should not limit entry to membership purely to individuals who take the Indian Institute's exams, but additionally to consider individuals holding overseas qualifications

All routes to accepting other qualifications or part qualifications as entry for membership to the professional qualification will need to be carefully thought through, and written policy documents prepared. In more mature professional bodies, it would be unwise to pursue such a development without first consulting existing members and key stakeholders.

This consultative approach will be particularly useful where an existing private sector qualification is being adapted to meet PFM requirements. A pragmatic approach to recognising the skills and qualifications of existing award holders will speed the acceptance of the new programme.

Recognition of Prior Learning

Introducing new PFM professional qualifications can strengthen the knowledge and skills of officers in the public sector. Some of these individuals may not hold the same range of qualifications as a young entrant to the workforce. These mature candidates may still be accepted onto a professional qualification programme if they have sufficient relevant work experience and can demonstrate knowledge and skills learnt from that experience.

A QF needs to build in elements to provide for the mature candidate. Guidance needs to be developed to describe what constitutes sufficient, relevant and acceptable work experience, to help the individuals and their managers assess their capacity and ability to undertake and successfully complete the programme. Candidates will require some knowledge in a range of key areas: budgeting, accounting and finance; organisation and business; audit; and IT. In addition, mechanisms will be needed to assess and evaluate applications from the individuals concerned. Applicants should be encouraged to present their work experience in a format that aids assessment – so it will be helpful to develop suitable forms to hold the information.

As part of a large PPFM project in Nigeria, CIPFA is working with local public sector organisations to identify and record the skills of senior public finance leaders. This was a precursor to developing a senior fast-track programme to support the development of a nationally recognised PFM qualification. However, the variety and range of experience and qualifications created initial difficulties in ascertaining equivalence and relevance. This was partially overcome by using the proposed PFM syllabus content to establish a baseline of expected skills that would enable recognition of prior learning. One difficulty created by this approach was that some junior staff scored more highly than their superiors, creating a potential for resentment and, ultimately, overall project failure.

Management of the political dimension of this situation is an important component of any PPFM project. The risk of the project proving unacceptable to senior staff due to their implied 'lower' qualification status must be overcome through delicate and sophisticated approaches.

The assessment of candidates without more formal educational attainment may suggest the need for a precursor course to ensure that basic knowledge is present and to better equip them for study at the highest professional level. Often, mature candidates are unused to the type of self-learning and intense written work that a professional qualification requires, and mentors will be required to support the early stages in particular.

In Kosovo, where the political and government systems are still in development, CIPFA has been delivering training in internal audit to a wide group of auditors drawn from across the public services. Many have experience of working as functionaries within government departments, but little knowledge of modern independent audit approaches. It was therefore necessary to develop initial modules that imparted and tested the retention of knowledge (rather than the application of that knowledge). Some students (noticeably the most recently appointed) coped with this assessment strategy well; however, others could not engage with the process, and did not comprehend the need to establish a consistent level of knowledge (understanding) before moving to the application of knowledge stages. In these cases, small groups of students were presented with alternative approaches to developing their formal knowledge through the introduction of qualified mentors to take them through worked projects, enabling all students to move on to the applied stage more rapidly.

Learning Outcomes

Learning outcomes describe the knowledge, skills, competences and behaviours that learners are expected to acquire during a programme of professional education and training. Defining a syllabus in terms of learning outcomes has the advantage of making explicit what the learner is expected to be able to demonstrate by way of achievement. In its IESs, IFAC draws a distinction between 'capability' and 'competence', while acknowledging that these may be viewed as *"the two sides of a coin"*.¹⁷ Capabilities, in IFAC terms, are *"the professional knowledge, professional skills and professional values, ethics and attitudes required to demonstrate competence"*.¹⁸ They are therefore very similar to what are here described as 'learning outcomes'. Capabilities are attributes of the individual, that may be developed during a programme of professional accountancy education and training. Having specific attributes is indicative of an ability to perform competently in the workplace. However, possessing the attributes is not of itself sufficient to determine competence. Competence, in IFAC's terms again, is *"being able to perform a work role to a defined standard"*¹⁹ in a real work environment. To assess competence would require, among other things, a clear statement of the work role to be performed and the standard required. And then the assessment itself would have to be carried out in the work environment, or in a sufficiently close simulation of that environment to provide reasonable assurance of the fidelity of the assessment.

It is not uncommon for PAOs to express capability in terms that are somewhat removed from the IFAC definition. This is particularly the case where syllabuses are constructed from statements about domains of knowledge. By way of example, consider the following two examples of syllabus content for an introductory financial accounting course:²⁰

¹⁷ IAESB Framework for International Education Pronouncements, 2009 edition (IFAC, 2009), page 23

¹⁸ IAESB Framework for International Education Pronouncements, 2009 edition (IFAC, 2009), page 23.

¹⁹ IAESB Framework for International Education Pronouncements, 2009 edition (IFAC, 2009), page 23.

²⁰ These examples are drawn from actual syllabuses, although they have been anonymised to provide illustrations only.

Example 1: Topics selected from a domain of knowledge

Self-balancing ledgers and control accounts:

- Meaning and uses of control account
- Debtors control accounts
- Creditors control accounts
- Control accounts problems

Example 2: Requirements expressed as learning outcomes

Explain the various concepts and principles relating to double entry accounting, including:

- Ledgers, **control accounts** (emphasis added) and reconciliations

And:

Use double-entry principles to maintain accounting records:

- Preparation of reconciliation statements covering bank reconciliations, suspense accounts and **control account reconciliations** (emphasis added).

In Example 2, the statements of learning outcomes are accompanied by a verb table that defines what the body in question means by verbs such as ‘explain’, ‘define’, ‘prepare’, etc (see Appendix 6 for an illustrative list of verbs).

Clearly these two syllabus extracts deal with the topic of ‘control accounts’. The difference between them is that the second example states clearly what the student is expected to be able to demonstrate in whatever form of assessment may be used (“*explain control accounts*”, “*prepare control account reconciliations*”). It is reasonable to assume that a well constructed assessment would allow the student to demonstrate clearly whether or not they has achieved the learning outcome. Either they can explain what a control account is and what it is used for or they cannot. With the first example, it is not immediately apparent what the examining body in question expects students to be able to do in relation to control accounts. We might, perhaps reasonably, conclude that learners are to be expected to describe what a control account is and the purposes that it serves. But should they be able to do any more – criticise the use of control accounts, describe their historical development, state the meaning of a particular debit or credit balance on a specific control account, post entries to defined control accounts, reconcile control accounts? The answer to that question cannot be determined from the syllabus statements, and the diligent student would be well advised to consult as many previous examination papers as possible to establish what the examiner has been asking students to do in recent examinations.

Neither of these examples defines a competence, in IFAC terms, although Example 2 comes closest. But even that lacks a statement of the standard expected (if the test is to be able to reconcile a control account from knowledge of the relevant data, then must the reconciliation be perfect or is the student to be allowed any latitude in making errors in carrying out the reconciliation, for example?).

The IFAC definition of competence emphasises the ability of individuals to perform to standards expected of professional accountants, and requires an appropriate level of knowledge, skills, values, ethics, and attitudes (capabilities) to achieve that competence. The appropriate level of competence will vary, depending on such factors as:

- the complexity of the environment
- the complexity of tasks
- the variety of tasks
- the required specialist knowledge
- influence on the work of others
- reliance on the work of others
- the level of autonomy
- the required level of judgment.

In practice, competence may be assessed by a variety of means including exams, workplace performance and self-assessment, although a true assessment can only be done in the workplace. This is clearly likely to be an issue for many PAOs, since the supply of trained workplace competence assessors is likely to be very low in most countries, and so if the PAO seeks to assess competence, it will have to rely to a very large extent on the use of simulations.

It must be emphasised that in order to be able to demonstrate competence, individuals must first have the appropriate level of capability. Capability here means the attributes held by individuals that enable them to perform their roles; competency refers to the actual demonstration of performance. Further, individuals may have the capabilities and competence, for example, to be a professional accountant, but require further education and development beyond that level to become a specialised public finance leader such as an external auditor.

CIPFA has recently developed a joint recognition programme with the Institute of Internal Auditors (IIA), enabling CIPFA-qualified staff to top up their qualification with appropriate IIA modules to gain dual recognition from both bodies (and the converse also applies – IIA members can convert to the wider CIPFA qualification).

Most professional qualifications, including accountancy qualifications, in countries such as the UK, Canada, Australia and the USA are based on the concept that qualifications are awarded after students have demonstrated that they have achieved defined learning outcomes and attainment, rather than on simply the length or the content of study. The concept of elapsed time for achieving a professional accountancy qualification suggests that most individuals will require a minimum period of time to accrue sufficient practical experience, alongside the gaining of specific knowledge, to demonstrate a defined outcome. Typically this may be a minimum period of three years (as it is, for example, in the UK) for achieving chartered status from graduate level entry – though it may be longer for specialised branches of certain disciplines. For students starting from a lower level of educational attainment, the minimum will be correspondingly longer.

A qualification provides the basis for a shared understanding, between the awarding body and the key stakeholders, of the link between standards and qualification levels. It provides a series of generic qualification descriptors that summarise the levels of knowledge and understanding, and the capabilities that holders of different qualifications are likely to have.

Descriptors provide clear points of reference at each level and describe outcomes that cover the majority of existing qualifications.

The CIPFA qualification descriptors are statements of outcomes, achievement of which is assessed, and which a student should be able to demonstrate for the award of the qualification. CIPFA needs to be satisfied that for any programme the syllabus and assessments provide all students with the opportunity to achieve, and to demonstrate achievement of, the intended outcomes. The CIPFA descriptors are published on its student website so that there is transparency to aid understanding and confidence.

Each descriptor sets out the outcomes for the typical qualification at each level – this may be a certificate, a diploma, the accounting technician qualification, or each level of the professional qualification. The idea is that the programme of learning becomes ever more challenging. For the award of an accountancy/audit qualification at a particular level, the outcomes of this learning must reflect, in a holistic way, the qualification descriptor for that level.

IES 2: Qualification Details

IES 2 *Content of Professional Accounting Education Programs* prescribes the basic content of accountancy qualifications:

- accounting, finance and related knowledge
- organisational and business knowledge, and
- information technology knowledge and competences.

A programme of study will be necessary. Study of PFM will require additional specialised modules, for example covering public policy making, and in addition some of the basic modules (eg law, tax and some accountancy regulations) will need to be adapted to the country context.

The CIPFA International Certificate and Diploma contains a number of fixed-content modules relating to international good practice in accounting and audit practice. In addition, it also has a local module, which is designed to accommodate local legislative and regulatory requirements (such as taxation). This module is developed jointly by CIPFA and the appropriate local body, ensuring that all the key issues are covered at a level appropriate to the rest of the qualification.

The basic content will need to be transformed into a syllabus for the student.

IES 2 should be covered in the learning outcomes element of the QF.

IES 3: Professional Skills and General Education

IES 3 *Professional Skills and General Education* prescribes that those individuals who seek to qualify as professional accountants acquire a mix of skills in the following areas: intellectual; technical and functional; personal; interpersonal and communications; and organisational and business management. The nature of these skills is described in this standard. This standard also addresses how general education, which may be gained in a variety of ways, contributes to the acquisition of these skills and encourages lifelong learning.

IES 3 should be covered in the learning outcomes element of the QF.

IES 4: Values, Ethics and Attitudes

Professional values, ethics and attitudes identify professional accountants as members of a profession and should shape everything they do as professionals. To enable the profession to provide services of consistently high quality in the public interest, IES 4 *Professional Values, Ethics and Attitudes* prescribes the professional values, ethics and attitudes professional accountants should acquire during the education programme leading to qualification.

IES 4 states that the programme of professional accounting education should provide potential professional accountants with a framework of professional values, ethics and attitudes for exercising professional judgment and for acting in an ethical manner that is in the best interest of society and the profession.

The required values, ethics and attitudes of professional accountants include a commitment to comply with the relevant local codes of ethics. The awarding body will need to design a code suitable for its own circumstances and ensure that it is published and openly available to students, members and the public. For example, this is recognised by CIPFA in its own Code of Ethics.²¹

The concepts of values and attitudes should be covered in the in education programme for professional accountants, and there needs to be at least one exam question set on this important subject. The coverage should lead to a commitment to:

- public interest and sensitivity to social responsibilities
- continual improvement and lifelong learning
- reliability, responsibility, timeliness, courtesy and respect, and
- laws and regulations.

The approach of each programme to the learning of professional values, ethics and attitudes will need to reflect its own national and cultural environment and objectives. As a minimum, all professional PFM programmes should include:

- the nature of ethics
- differences of detailed rules-based and framework approaches to ethics, their advantages and drawbacks
- compliance with the fundamental ethical principles of integrity, objectivity, commitment to professional competence and due care, and confidentiality
- professional behaviour and compliance with technical standards
- concepts of independence, scepticism, accountability and public expectations
- ethics and the profession: social responsibility
- ethics and law, including the relationship between laws, regulations and the public interest
- the consequences of unethical behaviour to the individual, to the profession and to society at large
- ethics in relation to business and good governance, and
- ethics and the individual professional accountant: whistle blowing, conflicts of interest, ethical dilemmas and their resolution.

²¹ CIPFA *Standard of Professional Practice on Ethics* (CIPFA, 2011) (see www.cipfa.org.uk/conduct/ethics_code.cfm).

So, embedded in the learning outcomes is the need for individuals to demonstrate that they possess these values, ethics and attitudes. The professional body needs to assess whether the individual has gained the necessary values, ethics and attitudes. This is difficult to do; one approach is to seek confirmation, from the employer, that there is no evidence that the student is breaching codes of conduct, or behaving unethically. The professional body needs to consider how best to approach different employers as this can be a difficult area to gain good quality assurance in some countries.

IES 5: Initial Professional Development Scheme

IES 5 *Practical Experience Requirements* aims to ensure that candidates seeking to qualify as professional accountants acquire the practical experience necessary before presenting themselves to the public as professional accountants. It prescribes a minimum of three years of practical experience before qualification as a professional accountant.

The standard allows up to 12 months of professional education, though this does not have to be, nor should it be, in one single period, with a strong element of practical accounting application carried on alongside the education element to contribute to the period of practical experience. Practical experience should be gained under the direction of an experienced professional public finance manager, and a record of the experience gained should be kept and reviewed periodically.

CIPFA's Initial Professional Development Scheme (IPDS) is designed to encourage experience in key areas as defined by IES 5. These are:

- enhancing the understanding of organisations
- relating accounting work to other business and functions
- awareness of the environment in which services are provided
- developing appropriate professional values and ethics in real-life situations
- opportunities to work at progressive levels of responsibility.

IPDS is designed to ensure that students are able to take the general principles and theories acquired in the education scheme, and apply them in a way that meets the needs of a specific employing organisation. Only the completion of both the IPDS and the education programme will equip an individual with the knowledge and skills with which to achieve full membership of CIPFA.

In the CIPFA professional qualification scheme, students are required to produce a portfolio of learning that maps their professional development. This portfolio is subject to assessment and consists of five parts:

1. log of workplace experience – 400 days of validated experience required in CIPFA regulations
2. six evidenced activities (three at professional level, three at final test of professional competence level), including validation by a supervisor
3. a general reflective commentary
4. future learning goals, and
5. completed CPD Learning and Development Plan form.

Examples of workplace experience

An individual should aim to obtain as wide a range of experience as possible, though recognising that some students may be working in specialised environments – eg treasury function or audit. The ideal is for a student to carry out a substantive piece of work in each area selected (however, it must be recognised that this variety of work may not be directly available). So the QF will need to include guidance on how many subject areas are desirable – CIPFA aims for between four and six areas.

Possible areas include, but should not be limited to:

- **Leadership and strategic management**, eg prepare cost statements for short-term decision making; for example, making recommendations for the optimal use of spare capacity, the use of limited resources, or closure of a segment of the business.
- **Strategic and operational financial management**, eg prepare a trial balance, or prepare notes to the annual accounts.
- **Financial and performance reporting**, eg analyse and interpret variances in actual outturn against budget.
- **Governance, ethics and values**, eg compare an organisation's policies on ethical behaviour to best practice.
- **Audit and accountability**, eg plan an audit assignment including obtaining background information, the evidence to be collected, determining the approach to be applied and devising a test strategy.
- **Partnership and stakeholder relationships**, eg contribute to the monitoring and control of a public-private partnership programme
- **Change, risk and project management**, eg adjust activity schedules to take account of new and emerging factors
- **Procurement and contract management**, eg assist in the evaluation of tenders.

There may well be other subjects that are pertinent to include in the country or organisational context.

Practical things to consider

Timing of the experience – to suit both individuals' stage in qualification programme and their employers. There may be a need to stage the work experience if the QF needs to be staggered. The employer may need to be flexible and offer some shorter as well as some longer assignments.

Place for experience – not all organisations can offer a variety of assignments but it may be possible to second the individual to another department in one organisation or to another part of the public sector for a short period to gain the experience. It is good for individuals to see how different parts of an organisation work and how they interrelate.

Work shadowing – this is particularly useful for gaining strategic experience; the individual can arrange to observe a senior manager's work during a particular period to gain experience of decision making and interacting at board level. Such a senior manager must be sympathetic to the idea and be prepared to set time aside to discuss the work they are doing and to encourage questions and comments from the individual.

Appropriate manager to supervise – someone who is enthusiastic, and understands the aim of the exercise and the specific needs of the individual.

Suitable programme of work – that allows a trainee to fit into the schedule, not a project that is perhaps at a sensitive stage in development, or one that does not have an appropriate supervisor attached, or indeed something artificially contrived with no real valued outcome.

The professional body will need to encourage the individual to record activities, perhaps by making a suitable electronic form available indicating the information required. The student will complete the record and the professional body will need to encourage the employer(s) to validate the experience and progress made by the student. This introduces the idea of a relationship between the professional body, the employer and the student. The professional body may wish to consider how they can encourage employers to take an appropriate interest and to objectively judge the student's progress. So, selection of managers who have themselves been through the process is likely to encourage good quality record keeping.

Providing guidance for the employer about what is expected

The professional body may consider it appropriate to visit the employer, particularly if there are only a few students at that organisation, to discuss types of work experience and the objectives of such experience.

The portfolio of experience will need to be judged by the professional body for suitability and sufficiency – and a decision will be required on who will do this. The quality or sufficiency of experience can be judged by examining records prepared by the student, and by questioning the student questioned about what he/she did, how they did it and why, what they learned and how they will apply it in the future. It will be beneficial for the professional body to have some confirmatory evidence from the employer. It may be appropriate also to include a short interview with the employer or supervisor.

IES 6: Assessment Criteria

Assessment is designed to support and enhance learning; it provides certification for advancement, and it can be a form of accountability (quality assurance) for stakeholders. The choice of assessment methodology and process is essentially about the management of the risk of inconsistency in the quality of successful students, and ensuring confidence in the value and comparability of the assessment itself. Ultimately the awarding body needs to ensure that all successful students reach the minimum level of competency required.

Either formative or summative assessment methods are used to support these purposes. Formative assessment is ongoing, providing both teachers and students with information about current progress in order to support future learning. Summative assessment provides information about the level of a student's performance at certain points in the learning process, usually at the end of a course of study, and often in the form of exams.

There are three possibilities for assessment:

- focusing on the final test (examination) of professional competence
- combining the above approach with continuous assessment, or
- carrying out purely continuous assessment.

The whole assessment process can be performed by an education provider/tutor assessment, or this can be combined with a final independent assessment by the awarding body appointed assessors.

It is not appropriate here to go into detail of the actual exam/assessment administration process. The issues outlined above form the basis for key decisions that need to be taken in the development of the framework. These issues fundamentally impinge on the likely levels of success. Ideally the awarding body should set the assessment criteria and all exams at each level of the qualification; and in reality this approach is the only certain way to ensure quality and consistency of assessment. It *may*, though, be appropriate, subject to staff capacity, for education providers to assess the exams at the interim levels. The final test of professional competence, however, should always be carried out by the awarding body and/or trained assessors.

There is a downside to external (ie to the education provider) assessment and the need to demonstrate quality, and that is the cost of such arrangements. How far do you need to go? Perhaps in the early years, until the framework is established, more external assessment will be required to set the required standard. The awarding body will need to build up a suitable base of qualified, trained assessors who are able to work to the timetable. A sample of the assessor-marked papers will need to be further marked in moderation process – and this will require more experienced, senior assessors.

If costs are a big issue, then some relaxation of external assessment of exams may need to take place. To support the idea of consistency of marking across providers, the awarding body can write into policies that they reserve the right to test a sample of those exams that have been marked at a particular education provider or at all providers.

To aid the development of examination questions appropriate to the level of the qualification, and to ensure consistency in exam-setting processes and hence quality, the awarding body will need to consider developing a reference verb table such as the one used by CIPFA and included in Appendix 6. The exam questions should be drafted using the appropriate verb from that table according to the level of the exam.

Then there is the question of the style of the exam and the way it is conducted. There are a number of options for the exam format:

- open book or closed book, or a mixture
- essay-type questions, objective questions, case study or a combination of question types
- online interactive exam papers, exams taken in a central building and carefully supervised, or a combination
- all written, or mainly written, exams with the option of an oral interview at the end.

There are advantages and disadvantages to each option.

Fraudulent submission of exam papers is a potential risk, and for this reason exam questions should, initially at least, be designed to be mainly closed-book papers. On the other hand, open book has the advantage that it allows the possibility to develop a more complex assessment of the student's knowledge, and application of that knowledge.

Some students will not be familiar with the tradition of written essay questions and this is a cultural issue that needs examining in the context of the country. Essay questions allow the examiner to make judgments on ability to gather relevant facts and develop a line of argument, important competencies for a financial manager to demonstrate. Objective questions allow an examiner to cover a lot of the syllabus in one paper, but they should never form more than a small proportion of the exam (say, less than 40%), as to an extent they are often designed to test ability to remember facts correctly rather than intellectual reasoning. Case studies, requiring a typically longer length examination session, offer the opportunity to simulate a real-life situation for the individual; they take time to prepare, however, and they are more difficult to assess on a consistent basis. Objective tests may be used at the lower levels of the qualification (though not on their own), with essay questions and possibly case studies at the final test of professional competency.

Oral interviews can be useful if there is a situation of marginal pass at the final test of competency, or indeed if the awarding body considers it appropriate to award recognition of excellent achievement via a prize.

Then there is the question of whether to allow re-sit of failed exams, and, if so, the number of attempts allowed at each level. It is not for the awarding body to limit the number of times a student may attempt to pass an exam, as the awarding body is interested in development of individuals. This decision is more appropriate for either the employer or perhaps government as a key stakeholder.

There is an argument that if a student has failed a level (say) three times, that student may lack the necessary capability and/or motivation to pass. In such a situation they could be usefully advised to seek another route or complete at a lower level.

In addition there is the overall time element. If the student fails repeatedly, perhaps at each stage, then by the time they reach the final test of professional competence, what they learned in the early stages may be out of date, and they will have omitted more recent material. Some educational establishments set a target for completion of a qualification within a ten-year period and this may be a reasonable cap to apply, but this decision must be taken in the country context. This decision must be included in a policy document and be available to students from the outset.

When designing the framework, and more particularly the structure and content of the individual qualification, the awarding body, and indeed stakeholders, must consider the needs of specialist groups, eg auditors, which are referred to by IES 8 *Competence Requirements for Audit Professionals*. A specific IES for audit professionals is necessary not only because of the specialist knowledge and skills required for competent performance in this area, but also because of the reliance the public and other third parties place on auditors.

The awarding body should set the exam syllabus and publish the timetable for exams and assessment as soon as possible, and make testing regular and to schedule. These actions strengthen transparency and inspire confidence in the whole process. Additionally providing the information promptly helps students understand what they will need to study and helps them plan their study time to fit alongside work.

IES 7: Continuing Professional Education

“The systematic maintenance, improvement and broadening of knowledge and skills, and the development of personal qualities necessary for execution of professional and technical duties throughout the individual’s working life.”²²

Keeping up to date, and exploiting new opportunities for enhancing core knowledge and skills (both technical and personal), are at the core of the continuing professional development (CPD) concept. CPD is often seen as beneficial primarily to the individual professional, in facilitating their career development, though there are also clear benefits to the employer and the public sector in general of individual professional financial managers who keep up to date and seek out new knowledge and skills. Ensuring a minimum effort is directed towards this activity also serves to strengthen the reputation of the profession.

IES 6 prescribes that professional accountancy bodies foster a commitment to lifelong learning among professional accountants, and facilitate access to CPD opportunities and resources for their members. IFAC member bodies are required to monitor and enforce CPD as an activity to maintain the individual accountant’s professional competence. The standard is based on the principle that it is the responsibility of the individual professional to develop and maintain the professional competence necessary to provide high quality services.

It may be appropriate for professional bodies to choose to develop requirements, or to provide guidance on the types of CPD activities that can be considered professionally relevant. Alternatively, they may rely on the professional judgment of individuals to decide which activities are most relevant for them to pursue in order to maintain their professional competence. Or, they may choose to set requirements for certain types of activities in some specific subject areas, and leave flexibility for other areas.

It is very difficult to dictate specific activities that should be undertaken for all individuals or indeed all types of job function, as some can be quite specialised. However it is possible to suggest some typical activities that are generally agreed to be helpful in developing knowledge, enhancing skills, and gaining an insight into the wider impact of some subjects. A suggested list of activities is included in Appendix 7 to this document.

There are a variety of approaches that the professional body can adopt for CPD:

- **Input-based approaches** - by establishing a set amount of learning activity that is considered appropriate to develop and maintain competence. Often this is expressed in terms of time – for example, 120 hours in each year of a three-year rolling period is typical in the UK. You could choose to use a term other than time – for example unit of learning - but this term should in reality be equivalent to one hour of classroom or other training. Time alone, however, is not a good arbiter of quality of activity.
- **Output-based approaches** - by requiring professional accountants to demonstrate, by way of outcomes, that they develop and maintain professional competence.
- **Combination approaches** - by effectively and efficiently combining elements of the input- and output-based approaches, setting the amount of learning activity required and measuring the outcomes achieved.

Input-based approaches are the most common - specifically a record of time spent on activities. The reasoning here is that it is relatively easy to record, measure, and verify; it is also relatively cheap to monitor. But in reality recording and monitoring time spent is only a proxy for measuring the maintenance of professional competence. It does not allow judgment on the learning outcomes of activities undertaken, or the competence developed. Some accountants may not actively apply themselves in a seminar, for example, but they meet the input-based criteria for measurement and verification.

²² *Approaches to Continuing Professional Development (CPD) Measurement*, International Accounting Education Standards Board Information Paper (IFAC, June 2008).

This ‘form over substance’ approach can undermine the real objective of continuous improvement of competence. Member bodies may overcome these limitations by communicating the underlying objectives of continuous improvement of competence through newsletters or guidance on their websites.

Output-based approaches concentrate on measuring the development and maintenance of competence achieved through learning, rather than measuring the various learning activities completed. With this approach, professional bodies will need to periodically require their members to provide evidence of the activity that is verified by a competent source (eg a training organisation), and measure it using a valid competence assessment method (this may include some form of test, perhaps). They should also require members to record what has been learned from the activity and preferably what the effect it has on their attitudes and behaviours.

Ideally, some form of verification from a source such as the employing organisation should be sought, though the professional body will need to consider factors such as the extent to which the employer is objective in their own assessment of activities. Other evidence may include certificates from courses or conferences attended, or a product such as a copy of a published academic article.

Measuring output is still a relatively new concept in many countries where QFs exist. Often it is not possible to either measure directly or obtain substantive verification for appropriate activities. So the emphasis could be on encouraging better planning, combined with evaluation and reflection with feedback to inform the following year’s plan. It is worth noting that the concept of reflection is not always well understood. Some cultures do not naturally encourage self-reflection in quite the way that it is meant in this context, and the activity does not feel familiar. Individuals may need some guidance from the professional body on exactly what constitutes good reflection.

Planning

Identify gaps in competencies through questions: what are the individual’s competencies now against the competencies that will be needed in the job in the coming year? What competencies will be required to take up a new post? How can these gaps be filled – what sort of activities, when may they arise or can they make them happen? This should be followed by a statement of what development will be carried out to meet perceived gaps/develop specific skills needed.

Action

Identify specific activity (formal and informal) that can be carried out within the time required and set learning objectives for that activity. After the activity has been completed, evaluate the activity against objectives – did it meet expectations?

Reflection

What did the individual learn from the development activity, and what other actions does the individual need to take?

Results

What impact has there been on the individual’s level of knowledge, skills, and behaviour? Measure the quality and standard of the output.

By introducing small steps it may be possible to move towards better output measures.

Whichever approach is taken, professional accountants are responsible for retaining appropriate records and documents related to their CPD and, upon request by the member body, should be able to provide sufficient evidence to demonstrate their compliance with the requirements of the member body. In thinking about how best to facilitate and monitor this element of the QF, the professional body can develop appropriate guidance to suggest how individuals should plan and record their activities. Some professional bodies maintain a part of their website for members to keep their development plans and records.

Some employing organisations, especially larger ones, may well have their own approach to monitoring CPD, or could be persuaded of the merits of adopting one. The method could be assessed and accredited. Points to note would be the level of

detail recorded in the system used, the frequency of review, evidence that the employer acts to encourage individuals who are not pursuing suitable development activities, etc.

The measurement and verification system used for monitoring CPD may be input based, output based or a combined approach. Ultimately, however, the extent of measurement and verification will come down to cost effectiveness. CIPFA in the UK adopt a sample-based approach to monitoring and assessing compliance with their CPD activities. A sample of members are requested to provide their CPD records and these are reviewed by a competent assessor who may interview the individuals concerned. The interviewer will want to gain assurance that the activities were carried out, and that they provided suitable development material, so typical questions may be “*what did you gain from doing this?*”, and “*what impact has the new knowledge had on your work?*”. By advertising to their members that their records may be examined, and that they may be interviewed, individuals are encouraged to carry out development activities. This is a relatively-cost effective approach.

The extent to which failure to comply is penalised also needs to be addressed. Mandatory development is likely to be of benefit to individual and employer if it is well planned and the outcome reviewed in a timely manner. In extremis, and where professional bodies have the legal authority, in cases of persistent failure to carry out CPD activities, members could be expelled.

Not all countries with a QF require mandatory CPD activities. However, if it is a mandatory requirement, there needs to be a clear steer towards a minimum amount of time to be spent on verifiable activities, rather than on stipulating the specific nature of the activity or the subject areas that must be covered.

Some individuals do not carry out their obligations and responsibilities. The problem seems to be that most input-based systems are only backed up by monitoring attendance only by requiring attendance certificates. For the portfolio to provide evidence that individuals are taking care of their professional development, it must demonstrate that individuals have embraced development activities seriously, and not just attended to gain credit.

All CPD policies can be expensive to support because, to make them credible, a CPD programme with associated human resources is required. Even a voluntary programme that is unmonitored requires formal guidance notes and some sort of helpline is likely to be expected by the membership.

Obligatory approaches tend to centre on a statement in the associations’ ethical codes or codes of practice which request that members keep up to date with developments within their profession. They emphasise that it is the professional responsibility of the member to maintain and develop their competence. Sometimes a specific reference to CPD is made in the code.

Professional bodies should also consider developing a statement for inclusion in the QF to build sustainability of development for the long term. CIPFA has a statement that sets out the areas of expertise employers expect of a CPFA with several years’ post-qualification experience, as well as the activities they may undertake. The Statement of Expertise²³ is the foundation on which CIPFA’s professional qualification was developed, and the document from which the Initial Professional Development Scheme workplace experience and activities are derived.

Public financial managers carry out a variety of roles in a range of different organisations, often in very senior positions. They need to be seen to have a strong understanding and awareness of the unique characteristics and challenges facing public service organisations.

In times of constant change it is imperative that a professional body maintains an up-to-date, relevant and respected professional qualification that implants the knowledge and fashions the skills that modern organisations require. To do that most effectively, the professional body needs to have excellent awareness and understanding of the changing needs of today’s world and to identify very clearly the highly relevant expertise that their members bring to their roles.

A Statement of Expertise can be developed to address these issues. It should describe many of the professional skills required within organisations to enable them to operate effectively and successfully in an increasingly demanding environment.

Some members occupy specialised positions that do not require all of the contributions outlined. In that sense, a statement should be taken to express the broad collective expertise of members with several years’ post-qualifying experience.

To ensure the ongoing credibility of the professional body’s PFM qualification, members must be able to demonstrate that their skills and understanding are current and relevant. A strong CPD requirement and commitment is therefore essential.

²³ See www.cipfa.org.uk/members/expertise.cfm

Quality Assurance

A theme throughout the QF, which underpins its sustainability, is the concept of providing evidence that the qualification is robust, and quality assured.

The awarding body has a key role to play here in selecting appropriate staff resources to carry out the necessary assessments and processes. There will need to be funds available to do this.

It is equally important however that the results of the quality assurance process are made available for scrutiny by the management board of the professional body, regional accountancy bodies, senior government representatives and possibly representatives of the students.

The awarding body should also be seen to act on issues identified during the quality assurance process, which may include issuing warnings to students found to have carried out plagiarism or similar activity during their exams, or to education providers who fail to deliver education to the quality standards and timetable required. The awarding body should itself set the aim to improve its processes and deliver value for money both for its members and for its funding partners.

Maintaining the Qualifications Framework

A key responsibility of the professional accountancy body is the maintenance of the QF as fit for purpose.

The detailed topics/subjects studied for the core qualification may need to be added to, changed or otherwise adapted as the PFM operating environment evolves – and the professional awarding body will need to make appropriate arrangements to do this. However it is not likely, or desirable, to constantly change or adapt the overall QF.

It is appropriate that the awarding body, together with key stakeholders, take steps to review the framework from time to time. Such a review may take place (say) five years after the initial development of a framework – to check that it does meet anticipated outcome needs, and in an economical, efficient manner. Thereafter a review may be appropriate every ten years or so to ensure the integrity of the QF.

Training Provision

A number of options are available to consider which can provide support for the student to gain the knowledge required:

- **Class-based tuition** – perhaps through a local education provider or a global provider with local offices; tuition will take place in the provider premises with the aid of trainers holding competencies in the relevant subjects.
- **Distance learning** – through locally available books and other material; the student will study at their own pace at home.
- **Interactive online learning** – which may be possible in the student's home or through the place of work at a designated computer.

The costs of the different options vary, but cost alone should not be the sole criterion for selection of method, though it will be important. There are advantages and disadvantages with each, some of which are briefly described below. The QF will need to consider which method, or combination of methods, will be used for student learning as it is a key element of ensuring quality of learning and, ultimately, success in the qualification.

Class-based Tuition

There are a number of issues to consider. Providers of this education will need to be accredited and so an assessment process will be necessary and instituted by a team comprising the awarding body and key stakeholders. For example the provider will need to demonstrate that its own competencies match those required for the qualification or be able to demonstrate how it can attain these competencies. It will need sufficient human resources to manage the intended volume of student throughput. It will need to be located in enough centres to provide geographic spread or be part of a combined approach using one or more of the other options. Its premises will need to be adequate for the purpose intended, eg they will need up-to-date computers and space for the volume of students, and be maintained. There will need to be an ongoing process of quality control in education provision within the provider which must in itself be assessed by the awarding body. There will also need to be ongoing assessment of the provider's capacity and quality of output.

The costs of class-based education can be minimised if providers of similar training, for example in private sector accountancy, and of sufficient quality already exist. If not, the costs can be very high in the first year particularly, but then may be cost effective if there are large numbers of locally based candidates.

Class-based tuition provides an environment for students to ask questions and seek help. This is particularly important in considering the distinction between learning and gaining an understanding of how to apply that learning. Students will be able to build knowledge, to an extent, themselves, but tutoring provides the support needed for actual training in application of knowledge. Class-based tuition provides students with a networking opportunity which is very valuable for long-term professional development. A provider that is accredited and runs tuition classes to a published timetable will give employers confidence.

Distance Learning

The costs for this option may be considerably less than for class-based learning, at least in the first year. There are no premises costs and low staff costs, though it would be wise to provide a core of staff to offer tutoring or advice via the telephone at least in the early years. Being able to obtain good tutors who can work at a distance from students may make this, and the third option, very attractive. Another key cost will be the development of material that will comprise a complete work study programme including self-assessment exercises and answers.

Students will need self discipline with this approach, so motivation may be an issue. They may need support to understand how to carry out self-study. It would be wise to provide for some ongoing assessment, at least in the early years, of the experience of students using this approach to ensure the material is adequate for purpose. A database of frequently asked questions and answers would provide a good support mechanism.

There will not be many opportunities for networking.

Interactive Online Study

There are a number of software packages now on the market which allow good quality online study. There may be the need for some employers to invest in extra computers dedicated to trainees if individuals are not able to afford to buy their own. In rural areas there may not be access to sufficient high quality IT help or broadband facilities.

Again, the student will largely be required to self-study but the interactive possibilities aid learning. It may be possible to provide a limited form of networking through electronic forums, and similarly support from a tutor may be possible for groups using this method, but the tutor will need to be capable of working well via online techniques. Again the ability to obtain a good tutor base may make this a very attractive option.

Staff costs are lower than for class-based tuition, and there are no central premises.

The availability of tutors is an important point for the distance learning and interactive online study. Sources may include previously qualified experienced managers within the employing organisations, or enthusiastic and demonstrably knowledgeable senior managers with sufficient time to provide this line of support. However, if there are no tutors of appropriate standard available with sufficient time to provide support, then class-based tuition really becomes attractive, despite the initial costs. Failure rates can be high without good tutors. There is therefore a threshold decision point here. The cost of getting people together in one place, the cost of building capacity to train, the skills of trainers, etc, considered against the costs of developing local online material and students' ability to obtain computer access at reasonable times.

While some material can be obtained from pre-existing books and other sources, each option will require the preparation of some locally tailored material, and this can actually be a useful training exercise for the education providers.

In Lesotho, local tuition providers worked with CIPFA to provide professional public financial management training. Material was prepared locally and it is now judged to be a valuable asset for the training college concerned.

Which option should be selected will be a key decision, as it is likely to need to run for at least the first five years before review. There are ongoing issues of quality assurance of the education provider and other support for students which in itself will need careful consideration – probably undertaken by the awarding body or by appointed assessors.

IES 2 requires each student to maintain a log/portfolio of learning and work experience. However, it is relevant to mention here that trained assessors will be required to examine these portfolios.

Costs and Benefits

Costs of Qualifications

For employers, there are direct financial costs associated with professional training (for example, awarding body subscriptions and tuition costs) that are, by their nature, relatively straightforward to quantify. In addition there are indirect costs which may not be so transparent, for example leave of absence for study. Most of the literature on the costs of qualifications focuses on the financial costs; there is less evidence available on the less tangible costs to organisations and individuals.

Although the overall cost of training may be a relatively minor component of the costs of employing a trainee, it can add considerably to the overall budget impact. In the UK, training can add up to 25% to the overall employment cost of a trainee.

There is therefore a cost/benefit analysis to perform when considering a trainee post. In some cases it may be expedient to recruit an already qualified person into post, reducing the requirement for training.

| Cost Category | New Trainee | Qualified Appointment |
|---------------|--|--|
| Salary | At lower end of salary scales | Likely to be at a 20-25% premium over trainee post |
| Training | Up to 25% of salary costs | CPD only |
| Job Role | Basic finance/audit work initially | Able to carry out higher level work almost immediately |
| Knowledge | Will gain latest thinking on PFM | May not have specific PFM training |
| Retention | Likely to stay beyond the end of training contract (3 + years) | Highly mobile |

Direct Costs

At the simplest level, cost of training is the direct cost of commissioning training. Any qualification offer needs to deliver the optimal level of knowledge to improve job performance and the qualification costs should be in line with the enhanced performance. The complication of this for the public sector in general is that there are few, if any, comparable measures of output per worker and thus little way of making this judgement consistently.

Resource Costs

All training through qualifications bears a cost. McIntosh²⁴ identifies the three primary sources of financial costs from training as:

- resource costs to the state in providing the qualification – direct costs of training, staff time and equipment (nil in the case of professional training)
- resource costs of training being provided by the employer – the public sector is often expected to set an example and so will contribute to the costs of training at an unsubsidised rate, but may be able to charge the employee this cost on the basis that the training offers considerable benefit to the individual; however in reality payback time may be quite short, and
- value of output lost through the employee not being in work.

Employees successfully completing a qualification gain a verifiable asset that they can offer to other potential employers, and this may make it easier to get other jobs, or demand higher wages from the current employer. For this reason it is generally assumed that employees are keener on general, transferable training (ideally qualifications) and are prepared to share the cost of such training through reduced starting wages, unpaid leave to train or payment towards the costs. However, where a company takes the approach of only offering non-accredited employee training that is specific to the company, its processes and their role in it, then the skills are (usually) less transferable.

Benefits accrue to the employer (productivity and profitability) as much as the employee (wage growth), if not more, so they also bear much of the cost. In this standard theory employees pay for general training, and employers pay for specific training.

But in practice the position is not so clear. Individuals may not be able or willing to participate in paying for education and training. They may not be willing because they do not understand the wider applicability of the qualification and the long-term benefit to them of making the effort. They may not be able to participate when they are young or in poorly paid employment. Employers may be willing to pay all the costs where there are lower wage rates during training and no rapid rise post-training.

The employer also has to consider cost variations in the actual direct costs, for example from different individuals taking longer to qualify through repeated attempts, and this brings with it the idea that the employer may wish to consider either capping the number of attempts (and thus limit direct training costs to themselves) or requiring the individual to pay for repeated attempts at a particular level of the qualification. Costs to consider here are direct training costs of tuition fees, but also time away from the workplace, mentoring and supervision time, etc.

Indirect Costs

Administrative Costs

For a large organisation such as a civil service, managing the process of training may represent a considerable cost. There would also need to be information resources for potential learners, via, for example, websites, internal marketing campaigns and briefing sessions, maintenance of learning records and portfolios of work experience, and the system of qualification would need to be responsive to the needs of departments, professions and grades, for example in terms of timetable.

Costs of an Employee Leaving

There is a view that training in many countries, paid for by employers, is less than is socially or economically optimal. One of the reasons for this may be the tendency for employees once trained to leave that organisation.

²⁴ McIntosh, S. *A Cost-Benefit Analysis of Apprenticeships and Other Vocational Qualifications*, Research Report RR834 (Department of Economics, University of Sheffield on behalf of the Department for Education and Skills, 2007).

Employers benefit from training in the long term as they gain from the expertise of those trained. The incentive, however, is for an employer to under-train and to seek employees who have already been trained by another employer or at their own expense. But this analysis may be simplistic as it ignores other influences, such as employees wanting security of job tenure (more likely, research suggests, for qualified employees) which is often much greater in the public sector.

Then there are measures that can be taken to offset leakage, such as human resource policies that openly reward the gaining of a qualification, that offer greater autonomy to the individual once qualified, or the possibility of job mobility across the public sector as a whole (creating an internal market, which may additionally enhance promotion prospects). This idea of exploiting what is in reality in many countries a large internal market for a qualified individual can be enhanced by including a clause in the employment contract that suggests an individual would only pay for a qualification on leaving (say) the civil service for the private sector within a certain period of time following qualification.

But it is important also to note that if individuals are encouraged to gain a qualification which is then not appropriately used by the employer (if skills are under-utilised through poor work task allocation, or where senior employees do not understand or rate the qualification or feel threatened by it), the individual becomes de-motivated, experiences dissatisfaction and may therefore leave.

Benefits

There are a number of benefits to employer, the employee and the public sector at large from offering training to reach qualification.

Economic Value from Qualification

- even if the individual chooses to move employers, the possession of a qualification will reduce the likelihood of their being unemployed
- qualified staff are demonstrably more self-confident and have a greater willingness to undertake more learning
- there is a greater likelihood that employers will invest in further training and qualifications for those who already have some qualifications.

Value of Qualifications to Individuals

- portability
- likelihood of advancement increased
- greater ability to change jobs and employers
- increased ability to shape their careers in a direction they wish to take
- opportunity to improve skills and background knowledge, and act as a signal of ability in a particular job role
- increased self-confidence and greater job satisfaction (through recognition of the qualification).

Value to Employers

- increased productivity – if entrants to public sector organisations are brought up in a culture of learning and development, they are likely to be more self-motivated to be innovative, take the initiative and go on to problem-solving mode
- higher quality of work
- aiding retention and succession and reducing skills shortages
- a better trained, highly skilled workforce, adapted to employers' needs
- fewer skills gaps in key sectors of the public sector
- a broader base of potential recruits.

In a survey by PriceWaterhouseCoopers, the most common reasons given for training staff were to “enable staff to do their jobs, to motivate staff, and industry and regulatory requirements”.²⁵ Qualifications help to regulate quality and standards, which are important in the civil service as citizens increasingly judge the quality of public service delivery rather than just the outputs. There is also growing emphasis on central government links with the private sector, and by using externally accredited qualifications the civil service can show equal competence to other organisations.

Conditions for Maximising the Benefits

If the following principles are built into the design of a QF, they are likely to maximise the benefits from the qualifications it delivers:

- the framework should have a straightforward, transparent and rational structure, and support career progression and flexibility
- the framework needs flexibility for individuals to move across qualifications, not just up to higher levels
- qualifications should be transparent, portable, prepare individuals well for future employability and be esteemed by other employers²⁶
- training should be flexible, allowing an individual to accumulate ‘bite-sized’ learning which can be built up into a portfolio over time, and into a recognised qualification
- providers should be flexible to allow for tailoring of off-the-shelf qualifications to satisfy public sector organisational needs
- existing barriers to taking up qualifications are tackled; for example, time available for study, funding for training, study materials and exams, ability to use new skills, and support of line managers
- individuals must be able to make informed decisions about which qualifications will maximise their benefits, and employers must also recognise that these qualifications may not always reflect the skills that they demand.

The benefits of introducing a QF should be fully evaluated against the potential costs before deciding to implement it, as a QF will not be beneficial or necessary in every case. Frameworks must have wide support from relevant stakeholders in order to achieve recognition. Consensus building and realistic introduction timetables are important to achieve this. Inevitably there will be trade-offs, eg between cost and quality.

The case of the introduction of a National Qualifications Framework in South Africa serves as a strong lesson on the need to plan carefully and build consensus. Despite its noble and unquestionably worthy goals, its implementation has been fraught with problems. Shortly after implementation got under way in 1995, contestation and criticisms emerged.²⁷ Chief amongst them were the following:

- over-ambitious aims for the new framework
- the presence of two strong competing interests, in the form of the Department of Education and the Department of Employment
- through the existence of two ministries with involvement in the scheme, two sets of assessing inspecting organisations carried out inspections of each education provider which raised issues of cost, bureaucracy, frustration and delay
- loss of confidence in the organisation responsible for implementing the framework
- lack of agreement on the framework, with multiple changes and adaptations being made, many of which were undocumented and little publicised
- lack of appropriate consultation with stakeholders at an early enough stage.

In addition to all the preparations for the new framework, the awarding body may need to consider the need to make transitional arrangements during its introduction, as the Hong King Institute of Accredited Accounting Technicians describes. It had to put in place a comprehensive set of transitional arrangements to cater for the needs of different students for a smooth transition under the new national QF introduced in Hong Kong in 2008.

²⁵ *The Market for Qualifications in the UK. Final Report to: Qualifications and Curriculum Authority, Qualifications, Curriculum and Assessment Authority for Wales. Council for the Curriculum, Examinations and Assessment for Northern Ireland* (PWC, 2005).

²⁶ *DFES and DWP: A Shared Evidence Base - The Role of Skills in the Labour Market* (DfES and DWP, 2007).

²⁷ Allais, S. *The Changing Faces of the South African National Qualifications Framework* (Skills and Employability Department, International Labour Office, 2010).

The above approaches to developing and designing a framework, and the points raised, are based on the notion that public confidence in academic standards requires public understanding of the achievements represented by professional accountancy qualifications.

In assessing the costs and benefits of each approach to developing a QF, it is important to attempt to attach a monetary value to each element in order to provide clear comparisons. Unfortunately, some of the indirect costs are hard to identify, and could behave like fixed or variable costs, depending on how they are treated. Similarly, a number of the benefits identified above are intangible, in that they are believed to be beneficial, but little hard evidence exists to support their value.

In principle, a useful tool in determining costs and savings/benefits is to compare costs per participant versus savings per participant. Theoretically, comparing costs and benefits can be done in the following four simple steps:

Calculate the cost of QF development and training. This will include costs such as:

- QF design costs (increased customisation will incur higher costs)
- training costs (usually on a per-head basis from a training provider; note that a completely new syllabus will incur higher setup costs for a training provider, which may make the training more expensive than standard courses, as the provider may attempt to recoup its costs in the first few cohorts of students)
- qualification licensing costs (if using an existing qualification)
- employee time away from the workplace (including direct classroom input and study/exam leave where required)
- employee salary and other costs (if this is a specific trainee post)
- specialised learning equipment (such as computers with internet access where distance learning is envisaged)
- administration (such as registration procedures and staff training planning)
- other costs (such as registration, examination and subscription costs)
- cost of supporting trainees undertaking re-takes (subject to employer policies)

All the relevant costs, divided by the anticipated number of participants, gives the cost per participant.

Determine the potential savings generated. These savings might include:

- fewer errors
- improved financial management and information
- improved investment and purchasing decisions
- increased revenue collection
- quicker financial policy design and implementation
- reduced employee turnover
- higher workplace morale through more effective management practices
- less time lost to grievance hearings and work stoppages because of insufficient technical knowledge
- reduced recruitment costs (because training can create more job-ready candidates for promotions)
- maximised productivity of new employees through efficient initial technical training.

Calculate the potential savings. To calculate potential savings, set goals for post-training achievements by identifying and quantifying the changes a training initiative will produce if all other factors are constant. The factors in the formula include:

- current level of performance (for example, 200 error rates per month; six lost customer accounts per month; five days lost to work stoppages per year)
- translate the current level of performance into a dollar figure (for example: 200 error rates x five minutes' correction time x \$15 salary per hour = \$250 per month)
- identify the change that training can produce (for example, reduce errors to 50 per month)
- calculate the savings that the target criteria will generate (for example: 200 errors - 50 errors = decrease of 150 errors per month savings = 150 x five minutes/60 x \$15 = \$187.50)

- identify a meaningful time line for realising savings, based on your best business predictions about factors contributing to errors remaining unchanged
- identify the number of employees in the target training group.

Some of these savings may only be calculated at a group or aggregated level. In this case, the total savings for all trainees (individual and aggregated) is calculated by dividing the total anticipated savings by the number of participants to identify the savings per participant.

Compare the costs to savings

- multiply the cost per participant by the total number of participants
- multiply the savings per participant by the total number of participants
- compare the figures to establish the business case for training.

However, a number of outputs in PFM are not easily assigned with a monetary value. For instance, if an incorrect investment appraisal is made, the full cost of this error will not be realised for a number of years, and its comparative value will be difficult to ascertain, as the cost of discarded alternatives will not be completely known. However, as these projects tend to be large in value, initial savings have to have the potential to be equally sizeable. In these cases, the incurred costs of previous investment decision errors should be quantified to provide an average monetary expectation of reduced errors.

Appendix 1: IFAC Member Organisations

Countries with more than one IFAC member body

| Country | IFAC Members |
|----------------------------|--------------|
| UNITED KINGDOM | 7 |
| AUSTRALIA | 3 |
| CANADA | 3 |
| IRELAND | 3 |
| PAKISTAN | 3 |
| RUSSIAN FEDERATION | 3 |
| SRI LANKA | 3 |
| AUSTRIA | 2 |
| BANGLADESH | 2 |
| BELGIUM | 2 |
| BOSNIA AND HERZEGOVINA | 2 |
| BRAZIL | 2 |
| CROATIA | 2 |
| CZECH REPUBLIC | 2 |
| DENMARK | 2 |
| FINLAND | 2 |
| FRANCE | 2 |
| GERMANY | 2 |
| INDIA | 2 |
| IRAN (ISLAMIC REPUBLIC OF) | 2 |
| JORDAN | 2 |
| LUXEMBOURG | 2 |
| MALAYSIA | 2 |
| POLAND | 2 |
| ROMANIA | 2 |
| SOUTH AFRICA | 2 |
| TURKEY | 2 |
| UKRAINE | 2 |

Full list of IFAC members by country

| | Country | IFAC Member/Associate |
|-----|------------------------|--|
| 1. | ALBANIA | Institute of Authorised Chartered Auditors of Albania (IEKA) |
| 2. | ARGENTINA | Federación Argentina de Consejos Profesionales de Ciencias Económicas |
| 3. | ARMENIA | Association of Accountants and Auditors of Armenia |
| 4. | AUSTRALIA | CPA Australia |
| 5. | AUSTRALIA | National Institute of Accountants in Australia |
| 6. | AUSTRALIA | The Institute of Chartered Accountants in Australia |
| 7. | AUSTRIA | Institut Österreichischer Wirtschaftsprüfer |
| 8. | AUSTRIA | Kammer der Wirtschaftstrehänder |
| 9. | AZERBAIJAN | The Chamber of Auditors of Azerbaijan Republic |
| 10. | BAHAMAS | The Bahamas Institute of Chartered Accountants |
| 11. | BAHRAIN | Bahrain Accountants Association (BAA) |
| 12. | BANGLADESH | The Institute of Chartered Accountants of Bangladesh |
| 13. | BANGLADESH | The Institute of Cost and Management Accountants of Bangladesh |
| 14. | BARBADOS | The Institute of Chartered Accountants of Barbados |
| 15. | BELGIUM | Institut des Experts Comptables et des Conseils Fiscaux |
| 16. | BELGIUM | Institut des Réviseurs d'Entreprises |
| 17. | BOLIVIA | Colegio de Auditores de Bolivia |
| 18. | BOSNIA AND HERZEGOVINA | Association of Accountants and Auditors of Republic of Srpska |
| 19. | BOSNIA AND HERZEGOVINA | Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina |
| 20. | BOTSWANA | Botswana Institute of Accountants |
| 21. | BRAZIL | Conselho Federal de Contabilidade (CFC) |
| 22. | BRAZIL | Instituto dos Auditores Independentes do Brasil - IBRACON |
| 23. | BRUNEI DARUSSALAM | The Brunei Darussalam Institute of Certified Public Accountants |
| 24. | BULGARIA | Institute of Certified Public Accountants of Bulgaria |
| 25. | CAMBODIA | Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) |
| 26. | CAMEROON | The Institute of Chartered Accountants of Cameroon |
| 27. | CANADA | Certified General Accountants Association of Canada |
| 28. | CANADA | Certified Management Accountants of Canada |
| 29. | CANADA | The Canadian Institute of Chartered Accountants |
| 30. | CAYMAN ISLANDS | Cayman Islands Society of Professional Accountants |
| 31. | CHILE | Colegio de Contadores de Chile |
| 32. | CHINA | The Chinese Institute of Certified Public Accountants (CICPA) |
| 33. | CHINESE TAIWAN | Federation of CPA Associations of the Chinese Taiwan |
| 34. | COLOMBIA | Instituto Nacional de Contadores Públicos de Colombia |
| 35. | COSTA RICA | Colegio de Contadores Públicos de Costa Rica |
| 36. | COTE D'IVOIRE | Ordre des Experts Comptables et Comptables Agréés de Côte d'Ivoire |

| | Country | IFAC Member/Associate |
|-----|--|---|
| 37. | CROATIA | Croatian Association of Accountants and Financial Experts |
| 38. | CROATIA | Croatian Audit Chamber |
| 39. | CYPRUS | The Institute of Certified Public Accountants of Cyprus |
| 40. | CZECH REPUBLIC | Chamber of Auditors of the Czech Republic |
| 41. | CZECH REPUBLIC | Union of Accountants of the Czech Republic |
| 42. | DENMARK | Foreningen af Statsautoriserede Revisorer |
| 43. | DENMARK | Foreningen Registrerede Revisorer |
| 44. | DOMINICAN REPUBLIC | Instituto de Contadores Públicos Autorizados de la República Dominicana |
| 45. | EGYPT | The Egyptian Society of Accountants & Auditors |
| 46. | ESTONIA | Estonian Association of Auditors |
| 47. | FIJI | Fiji Institute of Accountants |
| 48. | FINLAND | HTM-tilintarkastajat - GRM - revisorer ry |
| 49. | FINLAND | KHT-yhdistys-Föreningen CGR ry |
| 50. | FRANCE | Compagnie Nationale des Commissaires aux Comptes |
| 51. | FRANCE | Conseil Supérieur de l'Ordre des Experts-Comptables |
| 52. | GEORGIA | Georgian Federation of Professional Accountants and Auditors |
| 53. | GERMANY | Institut der Wirtschaftsprüfer |
| 54. | GERMANY | Wirtschaftsprüferkammer (WPK) |
| 55. | GHANA | The Institute of Chartered Accountants (Ghana) |
| 56. | GREECE | Institute of Certified Public Accountants of Greece (SOEL) |
| 57. | GUATEMALA | Instituto Guatemalteco de Contadores Públicos y Auditores |
| 58. | GUYANA | The Institute of Chartered Accountants of Guyana |
| 59. | HAITI | Ordre des Comptables Professionnels Agrées d'Haiti |
| 60. | HONDURAS | Colegio de Peritos Mercantiles y Contadores Públicos |
| 61. | HONG KONG (SPECIAL ADMINISTRATIVE REGION OF CHINA) | Hong Kong Institute of Certified Public Accountants |
| 62. | HUNGARY | Chamber of Hungarian Auditors |
| 63. | ICELAND | Félag Löggiltra Endurskodenda, FLE |
| 64. | INDIA | Institute of Cost and Works Accountants of India |
| 65. | INDIA | The Institute of Chartered Accountants of India |
| 66. | INDONESIA | Indonesian Institute of Accountants or Ikatan Akuntan Indonesia (IAI) |
| 67. | IRAN (ISLAMIC REPUBLIC OF) | Iranian Association of Certified Public Accountants |
| 68. | IRAN (ISLAMIC REPUBLIC OF) | The Iranian Institute of Certified Accountants |
| 69. | IRAQ | Iraqi Union of Accountants and Auditors |
| 70. | IRELAND | Accounting Technicians Ireland |
| 71. | IRELAND | Chartered Accountants Ireland |
| 72. | IRELAND | The Institute of Certified Public Accountants in Ireland |

| | Country | IFAC Member/Associate |
|------|--|---|
| 73. | ISRAEL | Institute of Certified Public Accountants in Israel |
| 74. | ITALY | Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili |
| 75. | JAMAICA | The Institute of Chartered Accountants of Jamaica |
| 76. | JAPAN | The Japanese Institute of Certified Public Accountants |
| 77. | JORDAN | Arab Society of Certified Accountants |
| 78. | JORDAN | Jordanian Association of Certified Public Accountants |
| 79. | KAZAKHSTAN | Chamber of Auditors of the Republic of Kazakhstan |
| 80. | KENYA | Institute of Certified Public Accountants of Kenya |
| 81. | KOREA, REPUBLIC OF | Korean Institute of Certified Public Accountants |
| 82. | KOSOVO | Society of Certified Accountants and Auditors of Kosovo (SCAAK) |
| 83. | KUWAIT | Kuwait Association of Accountants and Auditors |
| 84. | KYRGYZSTAN | Union of Accountants and Auditors |
| 85. | LATVIA | Latvian Association of Certified Auditors |
| 86. | LEBANON | Lebanese Association of Certified Public Accountants (LACPA) |
| 87. | LESOTHO | Lesotho Institute of Accountants |
| 88. | LIBERIA | The Liberian Institute of Certified Public Accountants |
| 89. | LITHUANIA | Lithuanian Chamber of Auditors |
| 90. | LUXEMBOURG | Institut des Réviseurs d'Entreprises |
| 91. | LUXEMBOURG | Ordre des Experts-Comptables du Luxembourg |
| 92. | MACEDONIA, THE FORMER YUGOSLAV REPUBLIC OF | Institute of Certified Auditors of the Republic of Macedonia |
| 93. | MADAGASCAR | Ordre des Experts Comptables et Financiers de Madagascar |
| 94. | MALAWI | The Society of Accountants in Malawi |
| 95. | MALAYSIA | Malaysian Institute of Accountants |
| 96. | MALAYSIA | The Malaysian Institute of Certified Public Accountants |
| 97. | MALTA | The Malta Institute of Accountants |
| 98. | MAURITIUS | Mauritius Institute of Professional Accountants |
| 99. | MEXICO | Instituto Mexicano de Contadores Públicos, A.C. |
| 100. | MOLDOVA, REPUBLIC OF | Association of Professional Accountants & Auditors of the Republic of Moldova |
| 101. | MONGOLIA | Mongolian Institute of Certified Public Accountants (MonICPA) |
| 102. | MONTENEGRO (REPUBLIC OF) | Institute of Accountants and Auditors of Montenegro |
| 103. | MOROCCO | Ordre des Experts Comptables du Royaume du Maroc (Morocco) (Certified Public Accountants Association) |
| 104. | NAMIBIA | Institute of Chartered Accountants of Namibia |
| 105. | NEPAL | The Institute of Chartered Accountants of Nepal |
| 106. | NETHERLANDS | Koninklijk Nederlands Instituut van Registeraccountants (Royal NIVRA) |
| 107. | NEW ZEALAND | New Zealand Institute of Chartered Accountants |
| 108. | NICARAGUA | Colegio de Contadores Públicos de Nicaragua |

| | Country | IFAC Member/Associate |
|------|------------------------------|--|
| 109. | NIGERIA | The Institute of Chartered Accountants of Nigeria |
| 110. | NORWAY | Den Norske Revisorforening (DnR) |
| 111. | PAKISTAN | Institute of Cost and Management Accountants of Pakistan |
| 112. | PAKISTAN | Pakistan Institute of Public Finance Accountants |
| 113. | PAKISTAN | The Institute of Chartered Accountants of Pakistan |
| 114. | PANAMA | Colegio de Contadores Públicos Autorizados de Panamá |
| 115. | PAPUA NEW GUINEA | Certified Practising Accountants Papua New Guinea |
| 116. | PARAGUAY | Colegio de Contadores de Paraguay |
| 117. | PERU | Junta de Decanos de Colegios de Contadores Publicos del Peru |
| 118. | PHILIPPINES | Philippine Institute of Certified Public Accountants |
| 119. | POLAND | Accountants Association in Poland |
| 120. | POLAND | National Chamber of Statutory Auditors |
| 121. | PORTUGAL | Ordem dos Revisores Oficiais de Contas (OROC) |
| 122. | ROMANIA | Corpul Expertilor Contabili si Contabililor Autorizati din Romania (CECCAR)/The Body of Expert and Licensed Accountants of Romania |
| 123. | ROMANIA | The Chamber of Financial Auditors of Romania |
| 124. | RUSSIAN FEDERATION | Audit Chamber of Russia |
| 125. | RUSSIAN FEDERATION | Russian Collegium of Auditors |
| 126. | RUSSIAN FEDERATION | The Institute of Professional Accountants of Russia |
| 127. | SAUDI ARABIA | Saudi Organization for Certified Public Accountants |
| 128. | SENEGAL | Ordre National des Experts Comptables et Comptables Agréés du Sénégal |
| 129. | SERBIA (REPUBLIC OF) | Serbian Association of Accountants and Auditors |
| 130. | SIERRA LEONE | The Institute of Chartered Accountants of Sierra Leone, (ICASL) |
| 131. | SINGAPORE | Institute of Certified Public Accountants of Singapore |
| 132. | SLOVAKIA | Slovenska Komora Auditorov |
| 133. | SLOVENIA | The Slovenian Institute of Auditors |
| 134. | SOUTH AFRICA | The South African Institute of Chartered Accountants |
| 135. | SOUTH AFRICA | The South African Institute of Professional Accountants |
| 136. | SPAIN | Instituto de Censores Jurados de Cuentas de España |
| 137. | SRI LANKA | Association of Accounting Technicians of Sri Lanka |
| 138. | SRI LANKA | Institute of Certified Management Accountants of Sri Lanka |
| 139. | SRI LANKA | The Institute of Chartered Accountants of Sri Lanka |
| 140. | SWAZILAND | Swaziland Institute of Accountants |
| 141. | SWEDEN | Far |
| 142. | SWITZERLAND | Treuhand-Kammer - Swiss Institute of Certified Accountants and Tax Consultants |
| 143. | TANZANIA, UNITED REPUBLIC OF | National Board of Accountants and Auditors (NBAA) |

| | Country | IFAC Member/Associate |
|------|---------------------|--|
| 144. | THAILAND | Federation of Accounting Professions |
| 145. | TRINIDAD AND TOBAGO | The Institute of Chartered Accountants of Trinidad & Tobago |
| 146. | TUNISIA | Ordre des Experts Comptables de Tunisie |
| 147. | TURKEY | Expert Accountants' Association of Turkey |
| 148. | TURKEY | Union of Chambers of Certified Public Accountants of Turkey (TÜRMOB) |
| 149. | UGANDA | Institute of Certified Public Accountants of Uganda |
| 150. | UKRAINE | Ukrainian Association of Certified Accountants and Auditors |
| 151. | UKRAINE | Ukrainian Federation of Professional Accountants and Auditors |
| 152. | UNITED KINGDOM | Association of Accounting Technicians (AAT) |
| 153. | UNITED KINGDOM | Institute of Financial Accountants |
| 154. | UNITED KINGDOM | The Association of Chartered Certified Accountants |
| 155. | UNITED KINGDOM | The Chartered Institute of Management Accountants (CIMA) |
| 156. | UNITED KINGDOM | The Chartered Institute of Public Finance and Accountancy |
| 157. | UNITED KINGDOM | The Institute of Chartered Accountants in England & Wales |
| 158. | UNITED KINGDOM | The Institute of Chartered Accountants of Scotland |
| 159. | UNITED STATES | American Institute of Certified Public Accountants |
| 160. | URUGUAY | Colegio de Contadores, Economistas y Administradores del Uruguay |
| 161. | UZBEKISTAN | National Association of Accountants and Auditors of Uzbekistan |
| 162. | VIETNAM | Vietnam Accounting Association |
| 163. | ZAMBIA | Zambia Institute of Chartered Accountants |
| 164. | ZIMBABWE | The Institute of Chartered Accountants of Zimbabwe |

Appendix 2: IMF Emerging and Developing Economies

As at April 2010

Note: Countries in **bold** have at least one IFAC member body

| Emerging and Developing Economies | | |
|-----------------------------------|-------------------------------|---|
| Afghanistan, Islamic Republic of | Colombia | Indonesia |
| Albania | Comoros | Iran, Islamic Republic of |
| Algeria | Congo, Democratic Republic of | Iraq |
| Angola | Congo, Republic of | Jamaica |
| Antigua and Barbuda | Costa Rica | Jordan |
| Argentina | Côte d'Ivoire | Kazakhstan |
| Armenia | Croatia | Kenya |
| Azerbaijan | Djibouti | Kiribati |
| Bahamas, The | Dominica | Kosovo |
| Bahrain | Dominican Republic | Kuwait |
| Bangladesh | Ecuador | Kyrgyz Republic |
| Barbados | Egypt | Lao People's Democratic Republic |
| Belarus | El Salvador | Latvia |
| Belize | Equatorial Guinea | Lebanon |
| Benin | Eritrea | Lesotho |
| Bhutan | Estonia | Liberia |
| Bolivia | Ethiopia | Libya |
| Bosnia and Herzegovina | Fiji | Lithuania |
| Botswana | Gabon | Macedonia, Former Yugoslav Republic of |
| Brazil | Gambia, The | Madagascar |
| Brunei Darussalam | Georgia | Malawi |
| Bulgaria | Ghana | Malaysia |
| Burkina Faso | Grenada | Maldives |
| Burundi | Guatemala | Mali |
| Cambodia | Guinea | Mauritania |
| Cameroon | Guinea-Bissau | Mauritius |
| Cape Verde | Guyana | Mexico |
| Central African Republic | Haiti | Moldova |
| Chad | Honduras | Mongolia |
| Chile | Hungary | Montenegro |
| China | India | |

Emerging and Developing Economies

| | | |
|-------------------------|--------------------------------|----------------------------|
| Morocco | Samoa | Timor-Leste |
| Mozambique | São Tomé and Príncipe | Togo |
| Myanmar | Saudi Arabia | Tonga |
| Namibia | Senegal | Trinidad and Tobago |
| Nepal | Serbia | Tunisia |
| Nicaragua | Seychelles | Turkey |
| Niger | Sierra Leone | Turkmenistan |
| Nigeria | Solomon Islands | Uganda |
| Oman | South Africa | Ukraine |
| Pakistan | Sri Lanka | United Arab Emirates |
| Panama | St. Kitts and Nevis | Uruguay |
| Papua New Guinea | St. Lucia | Uzbekistan |
| Paraguay | St. Vincent and the Grenadines | Vanuatu |
| Peru | Sudan | Venezuela |
| Philippines | Suriname | Vietnam |
| Poland | Swaziland | Yemen, Republic of |
| Qatar | Syrian Arab Republic | Zambia |
| Romania | Tajikistan | Zimbabwe |
| Russia | Tanzania | |
| Rwanda | Thailand | |

Appendix 3: Educational Frameworks in the United Kingdom

National Qualifications Framework (NQF)

The NQF sets out the level at which a qualification can be recognised in England, Wales and Northern Ireland. Only qualifications that have been accredited by the three regulators for England, Wales and Northern Ireland can be included in the NQF. This ensures that all qualifications within the framework are of high quality, and meet the needs of learners and employers.

Qualifications and Credit Framework (QCF)

A new framework for creating and accrediting qualifications in England, Wales and Northern Ireland. It will give a wider range of learners the opportunity to get the qualifications they need, in a way that suits them. QCF qualifications are designed with the help of employers so learners can be assured that they are gaining skills that employers are looking for. The QCF recognises smaller steps of learning and enables learners to build up qualifications bit by bit, helps learners achieve skills and qualifications that meet industry needs, and enables work-based training to be nationally recognised.

Qualifications by Level across the NQF and QCF

| Level | Examples of NQF qualifications | Examples of QCF qualifications |
|--------------|---|---|
| Entry | Entry level certificates English for Speakers of Other Languages (ESOL) Skills for Life Functional Skills at entry level (English, maths and ICT) | Awards, Certificates, and Diplomas at entry level Foundation Learning Tier pathways at entry level Functional Skills at entry level |
| 1 | GCSEs grades D-G BTEC Introductory Diplomas and Certificates OCR Nationals Key Skills at level 1 NVQs at level 1 Skills for Life | BTEC Awards, Certificates, and Diplomas at level 1 Functional Skills at level 1 OCR Nationals Foundation Learning Tier pathways NVQs at level 1 |
| 2 | GCSEs grades A*-C BTEC First Diplomas and Certificates OCR Nationals Key Skills level 2 NVQs at level 2 Skills for Life | BTEC Awards, Certificates, and Diplomas at level 2 Functional Skills at level 2 OCR Nationals NVQs at level 2 |

| Level | Examples of NQF qualifications | Examples of QCF qualifications |
|-------|--|--|
| 3 | A levels GCE in applied subjects International Baccalaureate Key Skills level 3 NVQs at level 3 BTEC Diplomas, Certificates and Awards BTEC Nationals OCR Nationals | BTEC Awards, Certificates, and Diplomas at level 3 BTEC Nationals OCR Nationals NVQs at level 3 |
| 4 | NVQs at level 4 BTEC Professional Diplomas, Certificates and Awards | BTEC Professional Diplomas Certificates and Awards HNCs NVQs at level 4 |
| 5 | HNCs and HNDs NVQs at level 5 BTEC Professional Diplomas, Certificates and Awards | HNDs BTEC Professional Diplomas, Certificates and Awards NVQs at level 5 |
| 6 | National Diploma in Professional Production Skills BTEC Advanced Professional Diplomas, Certificates and Awards | BTEC Advanced Professional Diplomas, Certificates and Awards |
| 7 | Diploma in Translation BTEC Advanced Professional Diplomas, Certificates and Awards | BTEC Advanced Professional Diplomas, Certificates and Awards |
| 8 | Specialist awards | Award, Certificate and Diploma in strategic direction |

Framework for Higher Education Qualifications (FHEQ)

The FHEQ has been designed by the higher education sector, and describes all the main higher education qualifications. It applies to degrees, diplomas, certificates and other academic awards granted by a university or a higher education college (apart from honorary degrees and higher doctorates).

The FHEQ broadly corresponds with levels 4 to 8 of the National Qualifications Framework, in terms of the demands the qualifications place on learners.

| FHEQ level | Examples of qualifications |
|------------|---|
| 4 | Certificates of higher education Higher national certificates |
| 5 | Diplomas of higher education Foundation degrees Higher national diplomas |
| 6 | Bachelors degrees Bachelors degrees with honours Graduate certificates and diplomas Professional Graduate Certificate in Education |

| FHEQ level | Examples of qualifications |
|------------|---|
| 7 | Masters degrees Integrated masters degrees Postgraduate certificates Postgraduate diplomas |
| 8 | Doctoral degrees |

Appendix 4:

Case Study: Tanzania – Application of a Qualifications Framework

This case study refers to a pilot commissioned by a joint venture between AFROSAI-E, ESAAG and FAAGWA, and financed by grant aid from the World Bank. The pilot focuses on developing appropriate education and training arrangements for accountants, auditors, budget staff and others to work in PFM in the public sector in Tanzania.

This case study provides an example of how QFs can be used to meet the needs of the local PFM environment.

Early discussions with stakeholders suggested a simple set of criteria should form the basis for the (generic) accreditation mechanism. The basic principles considered include the following:

- relevance to the particular needs of the public sector
- accessibility for participants (to include mode of study)
- sustainability, in that it must be more than a 'one-off' teaching/learning opportunity
- cost that is affordable to the public sector
- presence in the country.

The development of a QF aimed to provide:

- **the learner** with the knowledge, understanding, skills and ability to apply the techniques that they will need to be successful in their work in PFM
- **the employer** with lifelong learners who are confident and independent, literate, numerate, multi-skilled, with a respect for the environment and the ability to participate in their work as critical and active employees
- **the public sector** with professionally qualified, skilled staff, able to make a positive contribution to improving financial management in the public sector, to add value to their departments and to contribute to the efficiency and productivity of government activities.

The central element of this pilot project related to Component 3: to define a matrix of 'exit level' ('learning') outcomes that:

- describe all aspects of PFM
- are based on core workplace functions
- define the knowledge that must be obtained
- differentiate between job levels.

Entry Requirements

Entry requirements were specified to be consistent with existing requirements in Tanzania (defined through the existing local professional body – the National Board of Accountants and Auditors (NBAA)).

Recognition of Prior Learning

Situation: many officials may already have achieved learning outcomes comparable to some or all of the desired exit-level outcomes (through other learning opportunities or through work experience).

Decision 1: candidates for the professional qualification with some prior learning could choose to be assessed through a process of ‘recognition of prior learning’ to identify learning outcomes already achieved and to identify gaps in desired exit-level outcomes that they still need to fill in order to obtain the qualification.

Decision 2: normally officials following the route of ‘recognition of prior learning’ would be required to undertake a summative assessment and present evidence of workplace competence. In translating the reference QF into the Chartered Public Accountant (CPA) qualification in Tanzania, there was recognition of the need to integrate the route of ‘recognition of prior learning’ with the local professional body’s existing policy and procedures relating to exemptions.

Exit-level (or Learning) Outcomes

Two ideas underpin and influence the design of the QF for Tanzania:

- that PFM is a broader discipline than just accounting and auditing
- that there are four key levels in the PFM environment in Tanzania that should form the focus of the immediate qualification programme.

These two ideas form the basis for mapping identified required learning outcomes (adapted to reflect current practices in Anglophone Africa) for the four levels of PFM in Tanzania against seven subject themes to form a matrix. The matrix is populated with detailed learning outcomes, and thereby defines the knowledge that should be in place at each level. Not all of the four levels identified require learning outcomes for all themes.

| Finance Levels: | Finance Clerk | Technician | Section Head | Chief Finance Officer |
|--|--|------------|--------------|-----------------------|
| Themes: | | | | |
| Planning, Budgeting and Budget Execution | Identified and described learning outcomes, eg Prepare accounting information for managers | | | |
| Accounting and Financial Reporting | | | | |
| Audit | | | | |
| Procurement | | | | |
| IT | | | | |
| Public Finance and Administration | | | | |
| Self-management, Management and Leadership | | | | |

Each learning outcome is broken down into specific outcomes which represent the elements of knowledge that are required to satisfy the overall learning outcome. The elements of knowledge have assessment criteria that would then be the basis on which individuals would be measured.

| | Learning Outcome | Specific Outcome |
|--|---|---|
| Planning, Budgeting and Budget Execution | Prepare accounting information for managers | Know and understand the nature and theory of management accounting Know and understand cost classification and behaviour Classify and code costs Account for material costs Calculate and record labour costs Account for overhead costs Determine product costs Record transactions in a cost accounting system |

| Learning Outcome | Specific Outcome | Assessment Criteria |
|---|--|--|
| Prepare accounting information for managers | Know and understand the nature and theory of management accounting | The nature and environment of management accounting can be explained The objectives of cost and management accounting information can be explained The difference between financial and management accounting can be described The relationship between financial and management accounting can be described The importance of non-financial information in the decision-making process can be explained The role of the management accountant in the management process can be explained |

Next Step

The key accountancy body in Tanzania (NBAA) focuses its qualification on the private sector but is keen to evolve and embrace public sector financial management needs. An analysis of the CPA syllabus designed by the NBAA reveals subjects already studied by financial managers in the private sector. The learning outcomes of the CPA syllabus could then be mapped against the learning outcomes derived from the matrix developed for public financial managers.

Gaps in the CPA syllabus (with respect to PFM) and redundancies (those learning outcomes not specifically required in the public sector context) could then be identified. Changes necessary to develop the CPA syllabus to meet PFM requirements are then revealed.

Proposed Changes

| Existing CPA (T) | | Public Sector Stream | |
|------------------|---|----------------------|-------------------------------------|
| P.20 | Contemporary issues in accounting | GP.20 | Contemporary issues in PFM |
| P.17 | Public finance and taxation | GP.17 | Public policy making |
| P.16 | International finance | GP.16 | Public sector budgeting |
| P.15 | Financial reporting II | GP.15 | Public Sector Accounting & auditing |
| T.07 | Principles of economics and taxation | GT.07 | Introduction to Public Sector |
| T.06 | Elements of Cost Accounting procurement and supplies management | GT.06 | Public Sector Budgeting & SCM |

Source: CIPFA Tanzania SCDI Pilot Final Report Annex

Three options emerged for taking the overall QF forward, to offer:

- an enhanced syllabus, where all candidates from both the private and the public sector study and are assessed in all subjects
- two separate streams of study and assessment for public and private sector candidates to achieve the same qualification
- two separate qualifications.

Each of the different options provides advantages and benefits to individuals and employing sectors; however, at the time of the preparation of this guidance (December 2010), no final decision is on the table about which option will be taken forward.

Learning Points from this Pilot

It is essential to have clear and detailed understanding of the local skills and knowledge required of a public finance professional, and to map these requirements against a model reference syllabus (eg the SCDI matrix approach). The methodology needs explaining to all key stakeholders and some practical workshops should be offered to allow time to deliberate and discuss details.

The identification of key stakeholders is crucial to the entire project. All relevant organisations must have the chance to contribute at the earliest opportunity, otherwise there will be a series of repeated activities and constant adjustments to allow for late-requested changes.

There needs to be wide consultation on the development of the matrix-type project, to ensure that all parties obtain a joint understanding of the requirements of a PFM qualification. This includes senior stakeholders (to ensure buy-in) and specialists, to assure the congruence of detailed specifications.

At all stages, key stakeholders must signal their agreement with the work to date and with future proposals. Failure to gain and keep this comprehensive approval will result in difficulties over non-acceptance by potentially influential parties.

Assessment Criteria

Because assessment practices must be open, transparent, fair, valid, and reliable and ensure that no participant is disadvantaged in any way whatsoever, an integrated assessment approach is incorporated into the QF.

A variety of methods must be used in assessment and tools and activities must be appropriate to the context in which the individual is working. Where it is not possible to assess the individual in the workplace or on the job, simulations, case studies, role-plays and other similar techniques should be used to provide a context appropriate to the assessment.

As the nature of the SCDI QF is competence based, the learner is required to be able to perform activities within an occupation as well as to transfer skill and knowledge to a new situation. In assessing competence, evidence needs to be collected that the learner:

- has the essential knowledge and understanding which underpins competence
- has the ability to carry out practical activities and operate effectively in the workplace.

This requires an integrated approach to learning, teaching and assessment.

The term 'integrated assessment' means that theoretical and practical components should be assessed together. Assessors and moderators should make use of a range of formative and summative assessment methods. Assessors should assess and give credit for the evidence of learning that has already been acquired through formal and informal learning and work experience.

Indicative Learning Outcomes of SCDI Syllabus

| Planning | Accounting | Audit | PFM | IT | Procurement | Management |
|--|--|---|--|---|---|--|
| Utilise management accounting techniques for decision making | Explain the external financial reporting framework for the public sector | The appropriate use of different techniques for audit environments can be identified and employed | Appreciate and explain the causes and implications of public borrowing and debt, their significance in the management of the economy, and their influences in the workings and regulation of the financial markets | Explain and describe the management of information technology resources | Implementation of Supply Chain Management framework in the entity | Define the outcomes and benefits to be achieved with performance measurement |
| Apply a range of investment appraisal techniques to given scenarios | Analyse financial statements for a range of public sector entities within the conceptual framework | The principles of performance auditing can be applied | Describe the sources of public and private finance, and of financial assistance available to public service organisations, and evaluate their respective merits and demerits to those organisations | Describe the strategic role of information technology in the organisation | | Describe the objectives and nature of strategic management and strategic decision making |
| Apply and evaluate the different approaches to internal and external pricing | Demonstrate an understanding of consolidated financial statements for the public sector | The principles of a forensic audit can be applied | Describe the factors that influence public policy making | Identify and explain information technology control requirements | | Explain and apply the principles of strategic analysis and diagnosis |
| Account for and assess the risk to the entity of differing courses of action | Report financial and performance information | The role of information technology and systems in auditing both as a tool for auditing and as an audit environment can be evaluated and applied | Demonstrate, through analysis, an understanding of the environment in which policy making takes place with particular emphasis on factors that significantly impinge on policy making | | | Analyse and explain the rationale and apply techniques to generate, evaluate, and select strategic options |

| Planning | Accounting | Audit | PFM | IT | Procurement | Management |
|---|--|------------------------------------|---|----|-------------|---|
| Detail the benefits and costs of applying performance measures, discussing their application in attaining an organisation's goals | Discuss the detailed application of current statute, regulation and professional standards of practice to the public sector and demonstrate this through preparation and interpretation of the key external financial statements for public sector organisations | Use of audit reports in monitoring | Consolidate knowledge of actors, structures and environments into a critical understanding of public policy strategic decision making processes | | | Understand the process of managing strategic change and create plans addressing the organisational and environmental implications |
| Discuss and apply management accounting techniques in order to promote the concept of an efficient organisation | Identify and appraise regulatory mechanisms for measuring performance in public service organisations | Role of management in auditing | Demonstrate an understanding of the principles of good governance and ethical behaviour within the public and not-for-profit sectors, including the notions of accountability, transparency, integrity and the public good. | | | Lead organisations and manage achievement of organisational aims |
| Prepare, analyse and monitor a departmental/ministry budget | Compute and discuss the implications of the corporation tax liability of a trading company operated by a public sector organisation, and select tax-efficient strategies for it | | | | | Analyse requirements and problems, determine appropriate approaches and techniques, and formulate plans for meeting decision-makers' needs. |

| Planning | Accounting | Audit | PFM | IT | Procurement | Management |
|--|---|-------|-----|----|-------------|---|
| Understand international PFM issues, trends and developments | Explain the principles of value added/sales tax (VA/ST) and apply these principles to public sector organisations | | | | | Apply professional and technical skills, knowledge and techniques to facilitate organisational problem solving and decision making |
| | | | | | | Evaluate the implications of findings from technical analyses for an organisation and, using judgement, formulate appropriate recommendations |
| | | | | | | Organise, present and communicate information, analyses, conclusions and recommendations effectively |
| | | | | | | Organise and manage activities and resources to meet defined requirements within time constraints |

| Planning | Accounting | Audit | PFM | IT | Procurement | Management |
|----------|------------|-------|-----|----|-------------|--|
| | | | | | | Identify the benefits and costs of applying performance measures and discuss their application in attaining an organisation's goals |
| | | | | | | Lead and direct a value for money finance function, which promotes effective financial management policies and practices for an organisation |

Appendix 5: Mutual Recognition - Canada

Mutual Recognition Agreement

CIPFA announced in 2004 the signing of a Mutual Recognition Agreement (MRA) with Certified Management Accountants of Canada (CMA Canada), a body which shares CIPFA's interest in the advancement of financial and strategic management. The MRA's objective was to establish the arrangements whereby qualified members of each body will be recognised as members of the other.

CIPFA Members Seeking CMA Membership

Qualified CIPFA members, to become members of CMA Canada, must:

- have completed university-level courses in the subjects of company taxation or other law as prescribed by CMA Canada
- at the completion of studies, be permanent residents or citizens of Canada
- if residing in the province of Quebec, be subject to the French language requirement
- have completed at least two years of relevant experience at management level while employed in Canada
- be of good standing and without any outstanding disciplinary charges or complaints in the course of investigation
- have met any special requirements to be able to operate in public practice, whether required by CMA Canada or by law.

CMAs Seeking CIPFA Membership

CMA members seeking CIPFA membership will need to:

- have a university degree or equivalent recognised by CIPFA
- be legally entitled to work in the UK or be a UK citizen
- produce a CPD plan covering UK company law and taxation over a minimum of 18 months with documented evidence
- have two years of relevant work experience in the UK (which can be backdated)
- be of good standing with no disciplinary cases outstanding (a letter confirming this from CMA Canada will be required).

CMA/CIPFA Dual Qualification and Designations

CIPFA and CMA Canada have a dual qualification which provides Canadian public sector employees with comprehensive financial management and leadership training.

Appendix 6: Verb Table

| Skill Level 3 (lowest) | | Skill Level 2 | | Skill Level 1 (highest) | |
|------------------------|--|--|--------------------------------|--|--|
| Knowledge | Comprehension | Application | Analysis | Synthesis | Evaluation |
| Define State | Classify Describe Explain Recognise | Apply Calculate Demonstrate Interpret Make entries Record | Analyse Identify Prepare | Determine Formulate Present Manage Communicate | Appraise Assess Compare Discuss Evaluate |

| Verb | Definition |
|--------------|--|
| Analyse | Examine and interpret, separate into its parts to identify |
| Apply | Use to solve a problem |
| Appraise | Estimate the value or quality |
| Assess | Estimate the worth, quality or likelihood |
| Calculate | Find out by using a mathematical technique |
| Classify | Arrange systematically |
| Communicate | Succeed in conveying information |
| Compare | Estimate the similarity between one thing and another |
| Define | State or explain precisely |
| Demonstrate | Show evidence of, describe and explain by use of examples |
| Describe | State what something is like in words |
| Determine | Find out or calculate precisely |
| Discuss | Examine or write about by means of argument, express opinions, challenge and offer counter-arguments |
| Evaluate | Find out or state the value of |
| Explain | Show the meaning of |
| Formulate | Express clearly and exactly |
| Identify | Recognise a specific, relevant example or instance |
| Interpret | Explain the meaning of in a specified way |
| Make entries | Construct, create or prepare entries |
| Manage | Have under effective control |
| Prepare | Make or get ready for use (complexity will vary across syllabuses) |

| Verb | Definition |
|-----------|--|
| Present | Offer or reveal for acceptance |
| Recognise | Identify from previous knowledge or experience |
| Record | Set down in writing |
| State | Express specifically |

Appendix 7: Examples of Learning Activities

Attending a formal course of training or conference in a specialised area, or participating in a seminar discussion in a topical area.

Speaking at a conference, presenting accountancy as a career to graduates, providing briefings to journalists on technical subjects related to professional expertise.

Carrying out directed self-learning, for example through following an online programme of study or using interactive software to explore the application of techniques in the workplace, eg how to use Excel for creating complex financial models.

Preparing technical advisory briefings for a technical committee, or participating in a technical committee developing guidance or similar.

Writing and publishing professional, academic or technical articles and books; writing examination texts or learning material used to train others.

Training others, perhaps part of an in-house support group, in the application of technical skills, or directing discussions of complex financial issues in a mutual problem-solving environment.

Additional formal study – for example, a course in project management skills for financial managers.

Carrying out research, including reading professional and academic literature for application in a professional role. Relevant professional literature may include highly technical papers, for example exploring classification of complex expenditure programmes, management texts which have application to the role of the individual, eg carrying out staff appraisals, or a discussion of current topical developments in a particular area of public sector activity.

Taking further professional examinations or submitting to further tests of professional expertise. An individual may wish to explore preparation of charity accounts with the aim of achieving a certificate to meet the statutory requirements of a new role.

The constraint is that one single repetitive activity should not constitute a member's total CPD activity. The total activity should comprise a number of different elements which seek to address different competencies and should also be different in nature, eg a mixture of attending courses, writing an article and speaking at a conference.

Appendix 8: Overview of comparisons between CIPFA/ CIMA/ACCA Professional Qualifications

CIPFA has undertaken a desk-based review of the published syllabi of the major international accountancy membership bodies, comparing their content with the SCDI Model PFM content requirements. An estimate of the percentage of the published syllabus that maps to the SCDI requirements has been made (“Applicability”), together with the percentage of the content that can be adapted to meet specific local variations in practice (“Customisation”).

| SCDI Model PFM Qualification | CIPFA Professional Qualification (CPFA) – International Certificate and Diploma (ICD) variant | | CIMA | | ACCA | |
|--|---|---------------|---------------|---------------|---------------|---------------|
| | Applicability | Customisation | Applicability | Customisation | Applicability | Customisation |
| Planning, budgeting and budget execution | 100% | 75% | 75% | 0% | 50% | 0% |
| Accounting and financial reporting | 100% | 75% | 50% | 0% | 75% | 0% |
| Auditing, both internal and external | 100% | 50% | 10% | 0% | 80% | 0% |
| Procurement | 100% | 100% | 75% | 0% | 80% | 0% |
| Information technology | 100% | 25% | 75% | 0% | 50% | 0% |
| Public finance and administration | 100% | 75% | 20% | 0% | 20% | 0% |
| Management and self-management | 100% | 75% | 50% | 0% | 50% | 0% |

Notes:

1. The SCDI headings, whilst generic in terminology, are expressed in more detail in Appendix 3.
2. The key determinants in applying the comparisons are **applicability** to the public sector and *customisation*, whereby local regulations can be incorporated into the final qualification.
3. CIMA and ACCA rely heavily on standardised Computer-Base Exams (CBEs) that allow for little local customisation, testing knowledge rather than application.
4. See www.cimaglobal.com/Study-with-us/How-CIMA-differs-from-other-qualifications/CIMA-vs-CIPFA for an overview of the differences between CIMA and CIPFA, particularly the emphasis on different elements of accountancy and audit.



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