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**FUTURE PERFECT:
RESPONDING TO GLOBAL
CHALLENGES WITH
BETTER SOLUTIONS**

2008



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CIPFA: THE LEADING GLOBAL INSTITUTE ON PUBLIC FINANCE AND ACCOUNTANCY



Caroline Mawhood - Assistant Auditor General at the UK's Supreme Audit Institution – the National Audit Office.

I am delighted to be President in 2008 which is such a significant year for CIPFA internationally. As Chair of the Public Sector Committee of FEE (Federation of European Accountants), I look forward to making an additional personal contribution later in the year at our joint European Commission/FEE conference on modernising accounting in the public sector.

This year's CIPFA conference entitled 'Future Perfect' could not be a more pertinent backdrop for launching this new brochure which marks a step change in our response to global PFM¹ challenges and to devising better solutions using CIPFA's unique expertise. It embodies CIPFA Council's unanimous approval in April this year of a new International Strategy for the Institute.

The Institute is now pressing ahead with the enhancement of CIPFA's portfolio of international qualifications in response to feedback from stakeholders, particularly the World Bank. This is at the heart of our contribution to professionalisation in partner countries which will soon be rolled out for the first time in Ethiopia, where we are working with the Government, the Civil Service College and the World Bank.

For particular mention in this brochure, we have selected some of our new thinking on our model for sustainable professional capacity development and our new work on strengthening the PFM International Architecture being funded by DFID, as well as other topical technical work underway.

Finally, I would like to highlight the importance to CIPFA of DFID's new strategic funding for key areas of work recognising CIPFA as the expert body on public sector financial management issues.

¹ In this brochure PFM refers to Public Financial Management. Internationally, this term has many definitions and one of CIPFA's key priorities is to facilitate greater clarity and coherence around its usage.

AT THE HEART OF PUBLIC SERVICES

CIPFA'S STRATEGIC PURPOSE IS

'To work in the public interest to promote high standards and deliver excellence in governance and financial management throughout the public services'

CIPFA'S CHARITABLE OBJECTIVES

- Advancing public finance and promoting best practice
- Supporting and regulating members
- Educating and training student members
- Advancing and promoting co-operation between accountancy bodies

CIPFA is the only major professional accountancy body in the world which specialises in the public services and is the leading independent commentator on managing and accounting for public money.

Uniquely among the professional accountancy bodies in the UK, CIPFA has responsibility for setting accounting standards for a significant part of the economy - local government. CIPFA's 14,000 members work at the most senior levels across the spectrum of public service bodies, public companies, national audit agencies and major accountancy firms, as well as in the third sector. They are respected throughout for their high technical and ethical standards and professional integrity.

CIPFA is a registered charity with a Royal Charter. Established in 1885, we now have 350 staff. Our role is 'advancing public financial management and promoting best practice'.

CIPFA has a growing portfolio of international projects. We have a number of successful international partnerships and a close relationship with our sister body - another public sector specialist, the Institute for Public Finance and Auditing (IPFA) in South Africa.

Our development strategy 2006-2010 places a strong focus on international activity. Recognising the importance of addressing international challenges and influencing agendas more strategically and supporting implementation more robustly, we established CIPFA's International Strategy Panel, chaired by Clive Grace.

THE PROFESSIONAL INSTITUTE FOR THE PUBLIC SECTOR

PROFESSIONALISATION

CIPFA is the awarding body globally for CPFAs (Chartered Public Finance Accountants). CIPFA sets standards for their Education and Training, Discipline, Ethics and Continuing Professional Development, and for their Regulation through the setting and monitoring of Professional Standards.

SERVICES AND SUPPORT FOR MEMBERS AND STUDENTS

CIPFA's students receive dedicated learning support via our online Student Learning Centre. To assist the Continuing Professional Development (CPD) of our members, we offer the CIPFA Learning Centre (CLC) – an integrated CPD support tool, which allows access to a range of authoritative technical and management learning material.

Publications include Public Money and Management, Public Finance – CIPFA's independently edited weekly news magazine reporting on finance and accountancy developments across the public services, and a bi-monthly members' newsletter Spreadsheet, providing a forum for CIPFA news.

CIPFA also facilitates regional activities, providing the opportunity to participate in local meetings, seminars, conferences & research, addressing the key challenges facing our members today.

POLICY AND TECHNICAL SERVICES

The Policy and Technical Directorate makes a significant contribution to the intellectual capital of the Institute. Overseeing the work of the members of our technical panels, committees and Boards, the Directorate is responsible for developing a range of publications, responses, statements, bulletins and newsletters to inform CIPFA members and the wider public service audience of CIPFA's views on policy and technical issues.

IMPROVING PERFORMANCE, SUPPORTING INNOVATION

Like many charities, CIPFA has a trading company; we are particularly proud of the success of CIPFA Commercial Services and its new range of high quality advisory, information, training and consultancy services to public service organisations. These include:

- Public Financial Management and Governance related Policy Research
- Statistical, Technical Information & Benchmarking services
- Better Governance Forum and Finance Advisory Network
- CIPFA Financial Management Model
- Consultancy and Training
- Practitioner Networks and Forums.

RESPONSIBILITY FOR SETTING ACCOUNTING STANDARDS

CIPFA has an important standard setting role for certain financial and accounting issues for the local government sector that is recognised by the ASB (Accounting Standards Board) and through legislation.

CIPFA'S INTERNATIONAL PORTFOLIO



Clive Grace, Chair CIPFA International Strategy Panel

CIPFA's International Strategy Panel is chaired by CIPFA Council member, Clive Grace who has an impressive track record in leading citizen and customer focused public service organisations. His involvement in developing UK policy on international development includes initiating the Local Government Alliance for

International Development. As part of the Warwick University-led 'Shoulder-to-Shoulder' Programme in South Africa, Clive worked with senior staff and politicians in post-apartheid municipal government on performance management and strategic direction. He is an Honorary Research Fellow at Cardiff Business School.

"There is unprecedented appetite globally to improve public financial management, governance and public management generally. The storyline and challenges differ from region to region. In Africa, donors have now recognised the importance of PFM to support and facilitate service delivery and improved governance for poverty reduction. Key European institutions are demanding improved performance in their programmes and in some countries, the 'burning platform' has been created by the necessary preparation for accession to the European Union.

In the rest of the world, there is considerable demand for the development of public financial management, including professionalisation and sustainable capacity development. We are also responding to requests stemming from the global roles and influence of Brazil, Russia, India, China and South Africa. Requests for our expertise are increasingly coming not only from the Anglophone regions, but also from countries speaking Spanish, Portuguese, French and Arabic, and from Asia."

CIPFA's Chief Executive, Steve Freer; International Director, Caroline Rickatson and Assistant Director, Gordon Ferrier with a delegation from Beijing.



Steve Freer led the thinking behind CIPFA's development strategy 2006-2010 to ensure the Institute is in a strong position to respond to today's global challenges.

"Working with partners we are making a strategic contribution to sustainable development through facilitating higher standards and performance in governance and financial management."

In 2007, we strengthened our international team by appointing Caroline Rickatson to the new role of International Director to lead and oversee CIPFA's work outside the UK. Caroline joined CIPFA from DFID, following her early CIPFA career in UK public service and management consultancy. Caroline has spent considerable time overseas, particularly in Africa, where she also worked in senior government posts and developed an in-depth understanding and keen interest in working with partners and supporting country-led initiatives.

THE ACKNOWLEDGED CHAMPION OF THE PUBLIC SECTOR AND RECOGNISED EXPERT IN THE PFM INTERNATIONAL ARCHITECTURE

CIPFA is the advocate of good PFM and represents the public interest.

The PFM International Architecture

In an increasingly global economy, the accountancy profession has recognised the advantages to be gained from speaking with one voice. That voice is expressed through the International Federation of Accountants (IFAC). Through its independent boards, IFAC develops international standards on ethics, auditing and assurance, education, and public sector accounting. It also issues guidance and policy positions on topics of public interest. It has 158 member bodies and associates in 123 countries, representing more than 2.5 million accountants working across the whole economic spectrum.

CIPFA plays an active part in IFAC to ensure that public sector needs are clearly articulated and that IFAC is supported to improve the quality of public financial management through its standard setting and advisory roles.

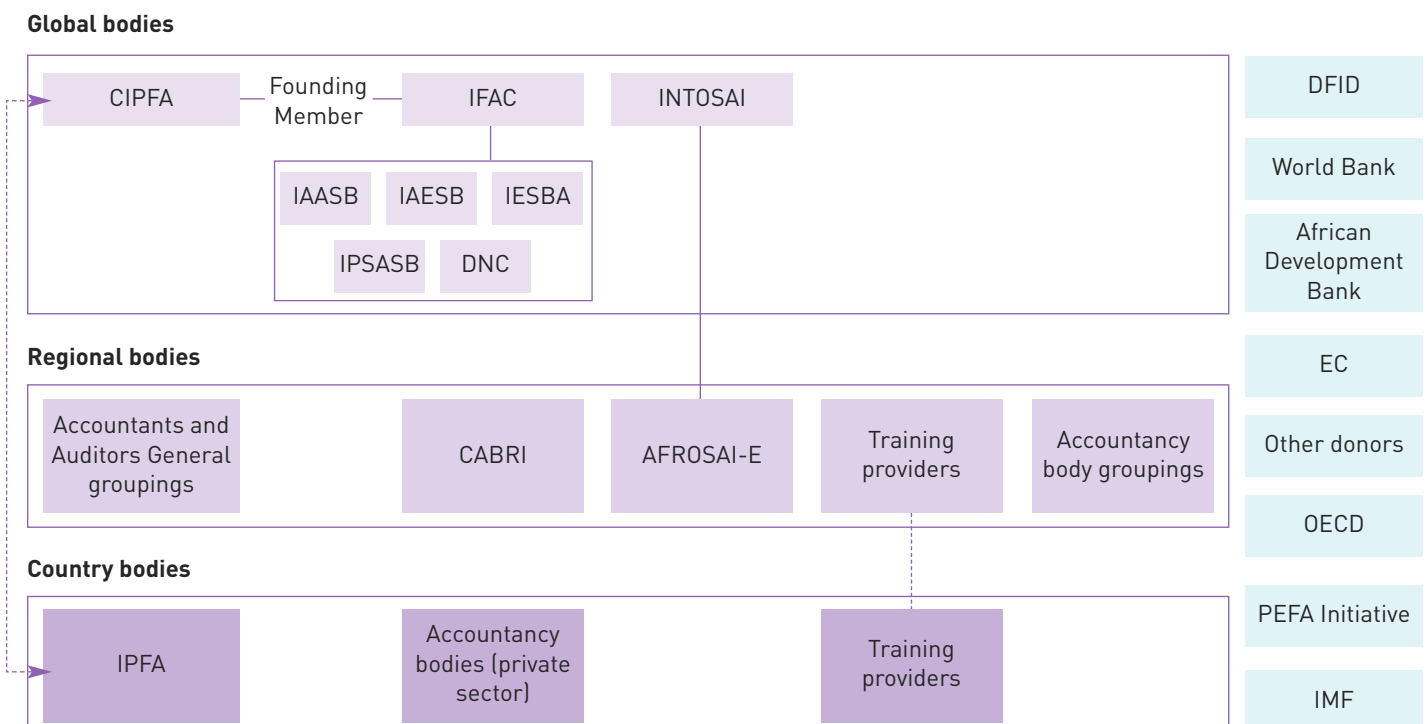
CIPFA's IFAC credentials

CIPFA is the only IFAC member specialising in the Public Sector. CIPFA is a founding member of IFAC and an original member of what is now the IPSASB (International Public Sector Accounting Standards Board).

CIPFA Chief Executive Steve Freer is a Technical Advisor to the IFAC Board. IPSASB is currently chaired by Mike Hathorn and CIPFA's Policy and Technical Director, Ian Carruthers, is a Technical Advisor. John Stanford an Assistant Director at CIPFA is seconded as a full time member of the IPSASB Secretariat. We also have members on the IFAC Professional Accountants In Business Committee and the Developing Nations Committee.

Simplified diagram of the PFM International Architecture

Key institutional elements of the PFM architecture in Sub-Saharan Africa (simplified model)



THE ACKNOWLEDGED CHAMPION OF THE PUBLIC SECTOR AND RECOGNISED EXPERT IN THE PFM INTERNATIONAL ARCHITECTURE

CIPFA is the advocate of good PFM and represents the public interest.

There is now universal agreement that effective systems of PFM are critical to reducing poverty with an unprecedented determination to understand why progress has generally been slower than planned and the desired improvements in governance and better public management have not materialised.

Strengthening PFM systems

CIPFA believes that the country-led approach promoted by international donors to achieve greater effectiveness in many of their country programmes is being undermined by gaps in donors' and practitioners' knowledge of the structure, purpose and role of the 'PFM International Architecture' and consequently by their relative lack of support for strengthening it for the benefit of partner countries. So at country level, reforms are often underperforming in terms of effectiveness, sustainability, speed and quality.

Recognising CIPFA's expert understanding of strengths and weaknesses in the international system, DFID is funding a new piece of work by CIPFA to increase the profile and appreciation of the PFM International Architecture and is using CIPFA's technical expertise to support improvements in the functioning of the global PFM system.

Global development of Public Sector Institutes

As requested by IFAC, DFID is funding CIPFA to provide public sector inputs to the IFAC guide 'Establishing and developing a professional accountancy body'. This includes identifying suitable candidate countries where public sector professional bodies might be established, either through an existing private sector professional body or from new, and advising on the technical, organisational and other support that would be necessary to enable the establishment of such bodies on a wider scale.

This is one example of the contribution CIPFA can make to the work of IFAC's Developing Nations Committee.

Improving International Standards

CIPFA believes that the improvement of International Standards should take greater account of the public sector and of developing countries. The voice of the Public Sector as a whole, and specifically that of developing countries is not being sufficiently heard nor acted upon. Therefore International Standards and associated advice, guidance and technical assistance are not contributing sufficiently towards aid and development effectiveness.

We are about to start a situation analysis on the application of the International Standards in Africa.

THE ACKNOWLEDGED CHAMPION OF THE PUBLIC SECTOR AND RECOGNISED EXPERT IN THE PFM INTERNATIONAL ARCHITECTURE

CIPFA is the advocate of good PFM and represents the public interest.

“Effective financial management of public resources is essential to achieve the objectives of development programmes. It also promotes accountability within developing countries and provides donors with assurance on the use of their funds.

(OECD/DAC Guidelines Harmonizing Donor Practices for Effective Aid Delivery 2003)

CIPFA's policy and technical work

CIPFA's range of UK and international policy research and technical programmes is an excellent platform from which to provide technical advice and support to PFM policy development and evaluation.

CIPFA's access to the intellectual capital and networks available through PMPA (Public Management Policy Association) based at our headquarters, and other partners further enhances our already strong technical resources, as well as academic analysis and frameworks.

PFM reform - Improving performance, supporting innovation

We plan to update CIPFA's previous UK initiatives and publications on subjects such as gender budgeting and sustainability reporting, now well acknowledged priorities for global development.

“There is not just a moral imperative but real efficiency gains to tackling gender equality & women empowerment”

(Chair, OECD Development Assistance Committee)

Inequalities between men and women are costly. It has been estimated that persistent gender inequality and discrimination against women due to restrictions in access to employment and education cost between \$58 billion and \$77 billion each year in the Asia-Pacific region alone.



A UNIQUE GLOBAL PORTFOLIO OF QUALIFICATIONS, EDUCATION AND TRAINING:

CIPFA offers finance and strategic management education and training of the very highest quality. In 2007 the number of new students registering with CIPFA increased by more than 20% and we are particularly proud of the high pass rates our students continue to achieve. The CIPFA qualifications remain the best choice for all finance staff working in and alongside the public services and for those who aspire to be the public finance leaders of the future.

The CIPFA Professional Qualification, leading to full membership and the 'Chartered Public Finance Accountant' - CPFA

In December 2007, responding to changing global requirements and stakeholder feedback, CIPFA Council approved a wide ranging series of recommendations designed to enhance CIPFA's portfolio of international educational qualifications. The Institute is now pressing ahead with the development of:

- a unified set of education and training standards for a single, global professional qualification – the gold standard for public financial management.
- a suite of progressive qualifications with scope for localisation, reflecting current needs in the global market but allowing for future developments;
- a delivery framework for all qualifications including the single global professional qualification, based on flexible, blended learning modalities and best practice assessment methodologies.

Early in 2008 we launched the online Student Learning Centre, delivering immediate study support and interactive learning for students wherever in the world they are based. Students may study the professional qualification solely via the Student Learning Centre or they may choose to attend our popular taught courses delivered by the CIPFA Education and Training Centre (CETC) and in universities in the UK or through our partners – local training providers in universities and colleges outside the UK.

Our education and training capacity extends far beyond the professional CPFA qualification. We offer an increasing range of qualifications to respond to the emerging challenges and priorities of public management and global development.



Working more closely with the IPFA, based in South Africa

Assistant Director at CIPFA International, Phil Sinnett was seconded to develop the IPFA (Institute for Public Finance and Auditing) in South Africa, working with them to design a qualifications framework and suite of training programmes for the public sector, initially in Africa.

Phil continues to work closely with IPFA Chief Executive Zahra Cassim, demonstrating CIPFA's commitment to developing and embedding the concept of professionalisation which includes continuing to mentor local bodies and assisting them to mature.

The relationship has so much potential that since the beginning of 2008, we have been working together to form a north-south partnership for the public sector. We are jointly developing a unique education and training package for students outside the UK – at all levels up to and including CIPFA's global professional qualification, with local tailoring as appropriate and including flexible entry level routes.

Our new collaboration demonstrates the increasingly close relationship between the two bodies.

A UNIQUE GLOBAL PORTFOLIO OF QUALIFICATIONS, EDUCATION AND TRAINING:

Partners in professional education and qualifications

The Postgraduate Diploma in Public Finance and Leadership

Together CIPFA and the highly regarded business school at Warwick University have developed a tailor-made course for executive level managers who wish to obtain full CIPFA membership. Senior managers in public services now have the opportunity to fast track to CPFA status in less than two years by completing this part-time programme. Upon successful completion of the course, graduates become full CIPFA members, entitled to use the designatory letters - CPFA.

The Certificate in Charity Finance and Accountancy

CIPFA's Certificate in Charity Finance and Accountancy was launched in 2007. This unique programme for people managing the finances of charities was developed jointly by CIPFA and the London South Bank University (LSBU). The qualification is CIPFA's contribution to improving standards of financial management and governance in the UK's growing charity sector.

CIPFA believes that globally, with many organisations in the third sector now taking on roles as public service providers, it is vital that taxpayers and donors can have confidence in the rigour, robustness and professionalism of their financial management.

The Certificate in Investigative Practice

Another recent addition to our qualification portfolio is the Certificate in Investigative Practice designed for counter fraud practitioners and delivered in the UK by Bond Solon, the leading legal training consultancy for non-lawyers.

For global development, the importance of returning stolen assets to developing countries has increased dramatically in the last few years. The critical role of forensic accounting skills in tracing these assets is now recognised. Tracing the billions of looted dollars is only part of the role of the forensic accountant. Money leaks from public and private sector organisations the world over. Two key factors determine the amount of this leakage:

- The size of the budget; and
- The strength of the internal control system.

Public sector organisations and 'checks and balances institutions' need people with forensic accounting skills to:

- Recover money lost as a result of leakages; and
- Identify control weaknesses that allow money to be lost.

The Public Audit route to our professional qualification

CIPFA is also responding to the increasing professional requirements of CIPFA members who audit public services delivered by the private sector or by government agencies constituted as companies.

Already well underway is the development of a tailored 'Public Audit route' to our professional qualification. It will blend all the strengths of CIPFA's public financial management syllabus with deeper coverage of company audit and public audit. This will enable successful students to extend their current ability to audit public bodies of any size to include private sector companies of any turnover. It is scheduled to start in January 2009.

CIPFA can make an important contribution to the work of INTOSAI and its regional working groups.

A UNIQUE GLOBAL PORTFOLIO OF QUALIFICATIONS, EDUCATION AND TRAINING:

CIPFA's portfolio of training courses and advice

A great success story for CIPFA in 2007 has been the international demand for our training services, delivered by CIPFA's own Education and Training Centre (CETC).

CETC has rapidly expanded its education and training capacity to support the growing recognition of the significant role the public sector has in developing and emerging states. CETC now has a suite of training courses as well as qualifications, designed from CIPFA's grassroots experience - especially in Europe and in Africa.

PEFA training

The PEFA (Public Expenditure and Financial Accountability) initiative was set up in December 2001 to support a Strengthened Approach to PFM reforms. A number of partner countries and donors have embraced this approach and the PEFA assessment tool has become the preferred PFM diagnostic for most because of its broad coverage and robust evidence base. By the end of 2008, PEFA assessments will have been carried out in some 90 countries.

Recognising the importance of delivering high quality and up to date courses, and with support from DFID, we have expanded our experience of leading and developing the delivery of PEFA training courses and we are helping the PEFA secretariat develop a community of practice.

Our CETC staff have already delivered PEFA training courses in India and Armenia. In July they will run a course funded by the Swiss State Secretariat for Economic Affairs (SECO) in Tanzania.



PEFA training in Delhi

European Court of Auditors

CIPFA's recent successes include winning a contract to provide training for the European Court of Auditors. Initially this involved developing and delivering a series of training courses on the use of the Court's Performance Audit Module. Five courses have already been provided with a further eight scheduled for 2008.

A UNIQUE GLOBAL PORTFOLIO OF QUALIFICATIONS, EDUCATION AND TRAINING:

International partners in professional education

CIPFA offers a portfolio of international PFM qualifications for the public sector. These include Certificates and Diplomas in public sector accounting and internal auditing.

The Center of Excellence in Finance (CEF) was established in January 2001 on the initiative of the Slovenian Ministry of Finance and in close cooperation with Ministries of Finance of other countries in South East Europe. CEF recognises the urgent need for capacity development in public financial management in the countries of the region to cope with the challenges of implementing much needed reforms.

Member countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Montenegro, Romania, Serbia, Slovenia.



**Jana Repanšek, Deputy Director,
Center of Excellence in Finance, Ljubljana**

Local Partners: Center of Excellence in Finance

As Europe expands it is critical that a high standard of professionalism and ethical behaviour is embedded in the financial management practices of new member states. CIPFA's experience of capacity development in public service institutions and of stimulating the development of professionalism in the public sector is increasingly sought after.

In partnership with the Center of Excellence in Finance, our Certificate and Diploma in Public Sector Accounting and Auditing has been delivered in Slovenia, Slovakia, Albania and Croatia. Funding from the World Bank for similar programmes in Macedonia, Moldova and Kosovo has recently been secured.

CIPFA's public financial management capacity development model

Since 2006, CIPFA has been working as part of DFID's PFM Reform Programme to build capacity for delivery of our international qualifications. This is a good example of CIPFA's approach to working with local institutions - collaborating with the Lesotho Institute of Accountants and the Centre for Accounting Studies, as the local professional accountancy body and our local training partner respectively. A distinguishing feature of this work, which is financed by Irish Aid, is the way in which we are complementing the World Bank's Institutional Development funding for the Lesotho Institute.

Successful students in Lesotho

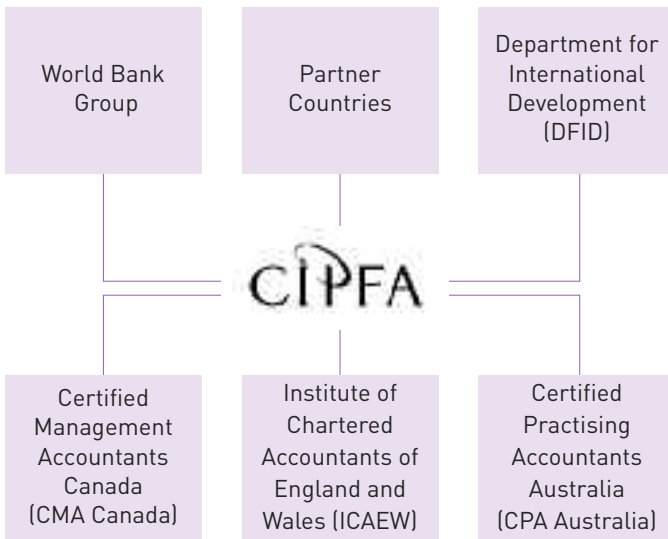
The first group of graduates from CIPFA's International Certificate and Diploma received their certificates in May.



The first-prize winner - Lineo Nokoane, receives her award.

PARTNERSHIPS AND COLLABORATION

Partnering for Results



In pursuit of CIPFA's charitable objective to enhance and promote cooperation between accountancy bodies, we have relationships with a wide range of fellow IFAC members, including the ICAEW, CMA Canada and CPA Australia.

Last year, CIPFA signed an MoU with the ICAEW to provide a platform for closer collaboration. A key driver for CIPFA is our belief in improving international standards and working more broadly in the public interest. We are discussing priorities for international collaboration.

In Canada, CIPFA has negotiated a close partnership with a sister body, the CMA. Responding to pressures to improve public financial management the two Institutes have developed a single education programme which leads to the award of two professional designations. The programme was successfully piloted in Ontario in 2006 and 2007. Plans are in place for it to be rolled out in Quebec and Alberta in 2008.

DFID and CIPFA have signed a new Accountable Grant Agreement. It came into effect on 1 April 2008 and runs until 31 March 2011. The Goal of the Agreement is to have international PFM systems contributing more effectively to poverty reduction, and its Purpose is to strengthen the role and impact of the international PFM system.

Five Objectives have been set under the Agreement:

Objective 1:

Strengthen the PFM International Architecture

Objective 2:

Contribute to improving International Public Sector Accounting and Auditing Standards in developing countries

Objective 3:

Develop capacity to achieve improved PFM in developing countries

Objective 4:

Raise awareness in the UK about the importance of DFID's work on PFM for poverty reduction

Objective 5:

Provide technical advice to inform DFID policy development and evaluation

IMPROVING PERFORMANCE, SUPPORTING INNOVATION

Future Perfect: responding to global challenges with better solutions

CIPFA believes that PFM capacity development, improved governance and better public management only happen within a wider and longer term framework under professional oversight such as that provided by CIPFA.

CIPFA is the only public sector Institute in the world and this factor together with the UK's own track record in public service reform and in improving public management puts us in a very strong position and in demand to respond to the many and diverse global challenges.

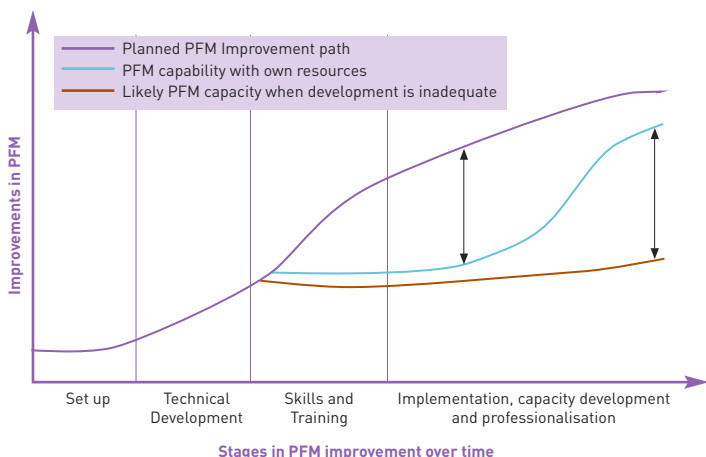
PFM Reform Improvement Roadmap

CIPFA has extensive international experience and expertise in the development and implementation of schemes of capacity building and stimulating professionalism. High quality professional education and training schemes need to be underpinned by practical work experience, ethics and peer networks - all are essential prerequisites to ensure that the improvements in PFM are sustained in the medium to longer term.

Many PFM reform programmes have been designed and implemented without proper understanding and planning for capacity development. Short term technical improvements have been achieved but real and long lasting improvements in governance remain elusive.

The following schematic depicts the typical capacity development gap which can emerge in the absence of properly designed PFM improvement roadmaps.

PFM Improvement Roadmap



CIPFA's three-phased approach to capacity development

We hope that an envisaged Trust Fund for capacity development in Africa will enable countries to take advantage of CIPFA's global professional qualification framework and enhanced training portfolio, as well as our three-phased approach to capacity development.

CIPFA's recommended approach:

- (1) working with and supporting local partners to deliver a CIPFA style training scheme;
- (2) mentoring local public sector professional bodies (or divisions of other bodies) to develop the full range of professional services - including Discipline Schemes, Codes of Ethics, CPD and member services, and mentoring the training institutions;
- (3) establishing a network of public sector bodies (or divisions of bodies) within the global profession.

"To achieve lasting improvements in living conditions for large numbers of people, the capacity and accountability of public institutions needs to be strengthened."

(Making Governance Work for the Poor, DFID July 2006)

IMPROVING PERFORMANCE, SUPPORTING INNOVATION

Future Perfect: responding to global challenges with better solutions

Professionalisation of Accountants and Auditors in Ethiopia

CIPFA has been selected to assist the Ethiopian Civil Service College to develop a 'cross-sector' approach to development of the accounting and auditing professions.

CIPFA's role in Ethiopia will be to support the development of the newly established Institute for Certifying Accountants and Auditors (ICAA) in its mission to professionalise accounting and auditing. As well as providing our framework education and training scheme we are also advising on the adoption of an appropriate accounting and auditing standards framework and on governance structures for the new body. The 'cross-sector' approach to the project provides an opportunity for CIPFA to develop its international collaboration with the ICAEW. This work is supported by a multi donor group, which includes the World Bank.



**Caroline Rickatson meeting with Dr. Haile Michael Abera
President, Ethiopian Civil Service College**

CIPFA's 'whole system approach'

An important component of CIPFA's public interest concern is the establishment of an enabling environment for growth, which includes embedding improved governance dimensions as well as balanced cross-sector financial management.

One of CIPFA's USPs is that we design 'the whole system'. Since its inception in the UK, CIPFA has played a critical role in designing and underpinning effective public sector governance structures. Unlike most technical assistance deliverers and trainers we are able to help specify and build a localised infrastructure within which financial managers can work effectively to deliver self-sustaining results. This creation of an embedded and self-sustaining 'legacy' is a defining hallmark of CIPFA's approach.

PEFA – moving from diagnostics to strengthening country-led reform processes

In March 2008, CIPFA became an accredited provider of PEFA training.

We are very pleased to be the first organisation outside the PEFA secretariat to be accredited as a partner for delivering PEFA training worldwide. This will increase the quality of training and the pool of providers – particularly for English speaking countries where CIPFA has greatest expertise.

CIPFA is now very well placed to make an important and effective contribution to the Strengthened Approach in which the PEFA Assessment Framework was developed. We envisage a key role for us in strengthening partner countries' knowledge and ability to participate more vigorously, and in developing greater partner country leadership capability in the process.

A key driver of CIPFA's work is our belief in moving from diagnostics to implementing and supporting other elements of the Strengthened Approach – a country-led, well designed and resourced PFM reform strategy with coordinated IFI-donor support.

"PEFA is a partnership between the World Bank, the European Commission, the UK's Department for International Development, the Swiss State Secretariat for Economic Affairs, the French Ministry of Foreign Affairs, the Royal Norwegian Ministry of Foreign Affairs, the International Monetary Fund and the Strategic Partnership with Africa.

PEFA aims to support integrated and harmonized approaches to assessment and reform in the field of public expenditure, procurement and financial accountability."

IMPROVING PERFORMANCE, SUPPORTING INNOVATION

Future Perfect: responding to global challenges with better solutions

CIPFA's Development Strategy places a particularly strong focus on increasing our international activity, responding to the changing and more global nature of the PFM profession. Working in the public interest, CIPFA aims to promote a deeper understanding of PFM and its fundamental importance in driving forward improvements in public sector organisations and the delivery of results.

Our key priorities internationally include:

mainstreaming international work across the Institute

making our intellectual capital more accessible;
ensuring that learning and development is a two way process so that the UK and other OECD countries learn from developments led overseas;

responding to global requirements for professional qualifications and training

pressing ahead with key education and training initiatives in Africa, Europe, Canada and other selected focus countries;
leading a discussion on CIPFA's 'whole system approach' and its potential contribution to improving international understanding of professionalisation in the public sector;

supporting international poverty reduction efforts, including through our new agreement with DFID

facilitating greater clarity and coherence around PFM and its contribution to better governance, and sharing CIPFA's new work on the development of a high level principles statement on the Director of Finance role;

contributing CIPFA's vast experience of UK local government governance arrangements and accounting guidance to the international development fiscal decentralisation debate;

updating CIPFA's earlier initiatives and publications on subjects such as gender budgeting and sustainability reporting, now well acknowledged priorities for global development; and

strong, effective partnering for results

nurturing existing and developing new partnerships and collaborative arrangements to play a fundamental part in CIPFA's strategy for improving performance and supporting innovation in public financial management, on a global scale.

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Information on CIPFA's international activities may be found at:

<http://www.cipfa.org.uk/international/>

During the coming year, CIPFA will enhance its main website and establish an upgraded international PFM portal. Our aim is to provide better access to the technical excellence and intellectual capital of the Institute and make it more readily available to external users.

CIPFA'S INTERNATIONAL MEMBERS, PROJECTS AND PARTNERSHIPS

