



Think Ahead



International  
Federation  
of Accountants®



**A GLOBAL GUIDE FOR PROFESSIONALISATION IN PUBLIC SECTOR FINANCE**

# About ACCA

**ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.**

We're a thriving global community of **241,000** members and **542,000** future members based in **178** countries and regions, who work across a wide range of sectors and industries. We uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in **our purpose**. In December 2020, we made commitments to the **UN Sustainable Development Goals** which we are measuring and will report on in our annual integrated report.

We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. We're a not-for-profit organisation.

**Find out more at: [www.accaglobal.com](http://www.accaglobal.com)**

---

# About IFAC

**The International Federation of Accountants (IFAC) is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies.**

Comprised of 180 members and associates in 135 jurisdictions, IFAC represents more than 3 million accountants in public practice, education, government service, industry and commerce.

Over four decades, IFAC has represented the global profession and supported the development, adoption, and implementation of international standards that underpin the contributions of today's global accountancy profession. IFAC has maintained a long-term approach to building and strengthening a global accountancy profession that supports transparent, accountable, and sustainable organizations, financial markets, and economies.

**More information is here [www.ifac.org](http://www.ifac.org)**

# Public financial management reforms

The years since the Global Financial Crisis have seen a drive for governments to implement financial reporting reforms in the public sector and begin to improve accountability, transparency, governance, and integrity of government revenues and spending. For many governments, the initial push in the earlier years of this drive was to move from cash-based to accruals-based accounting. However, this push rarely addressed one of the key aspects of any financial reforms – the need to have

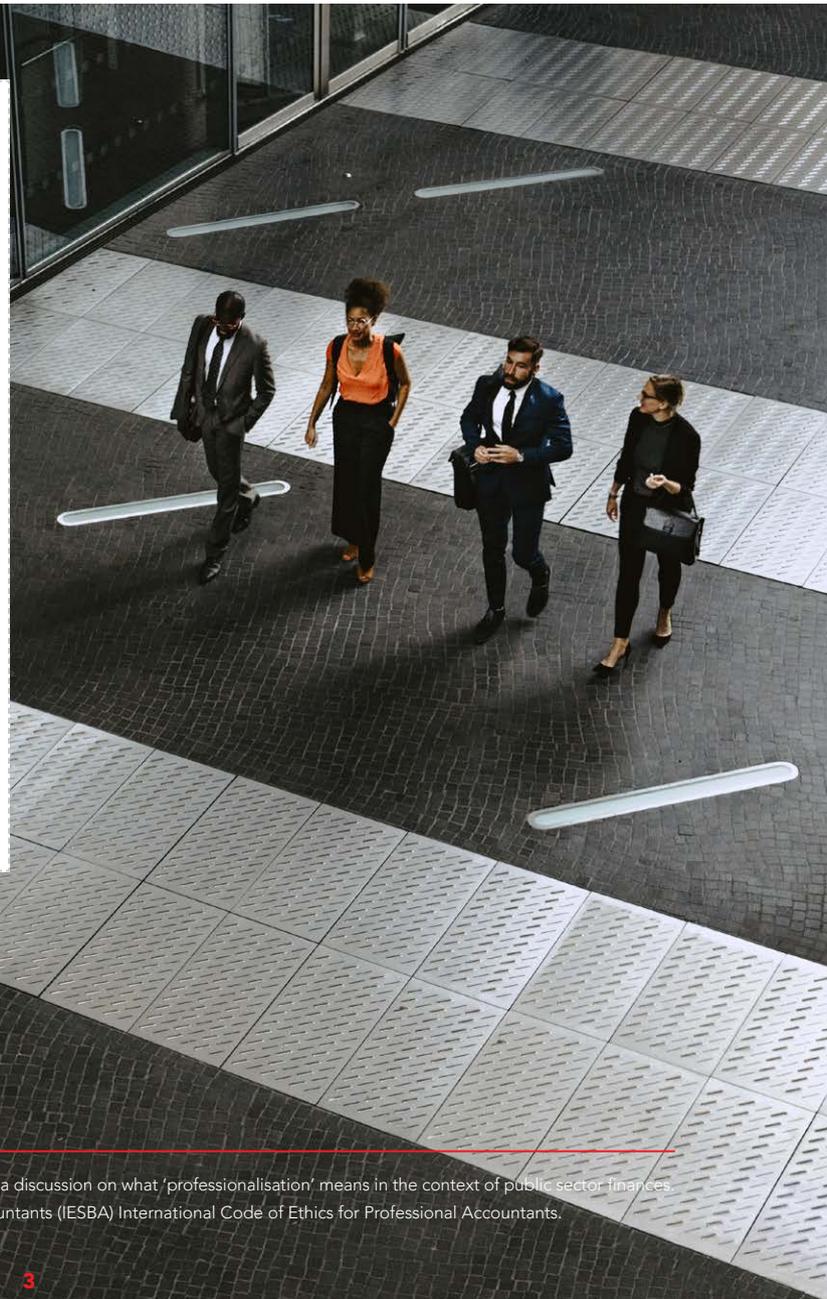
the right people, skills and knowledge as well as structures, systems and processes to help drive through the desired public financial management (PFM) reforms.

A key step in this process is for governments to professionalise public sector finance functions and build their financial capacity and capabilities as part of the wider PFM improvements. Professionalisation of the workforce is one of the most important aspects of the PFM journey.

**This guide considers a broad definition of what professionalisation means in the context of public sector finances.<sup>1</sup>**

*Professionalisation is achieved by increasing the number and capacity of skilled finance staff, with suitable training and recognised qualifications, who are members of and subject to regulation by a professional accountancy organisation (PAO), are acting in the public interest, and are required to abide by internationally recognised professional and ethical standards.<sup>2</sup>*

*At an advanced level, professionalisation includes consideration for the learning and development needs of public finance staff and the career paths available within the public sector; chief finance officer roles provide accountability for departments and agencies; and a finance leadership team collaborates through a government-wide strategy to increase the effectiveness of financial management, maintain control over government spending, revenues and borrowing, and achieve long-term sustainable economic growth.*



1. Interviews with key stakeholders, held when researching this report, included a discussion on what 'professionalisation' means in the context of public sector finances.  
2. For example, this includes the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants.

# Benefits of professionalisation

Professionalisation brings credibility, trust and confidence in public finances by creating systems and processes for accountability, transparency, governance and external scrutiny. A set of professionally qualified, skilled and competent individuals bring wide value to public sector finances. A professionalised workforce within a finance function supplies more than accounting information – resourced appropriately and used effectively they can achieve the following benefits.

## Benefits for the individual

- The opportunity to gain a recognised professional qualification and related training
- Development of professional knowledge, technical and soft skills
- The ability to communicate complex information in simple terms and to support and influence policymakers
- Support from a professional accountancy organisation (PAO), including receiving continued professional development (CPD) to keep abreast of current trends and remain ‘future ready’
- Diverse options for a successful career path (creating opportunities to become a future senior leader, eg chief financial officer, finance director, chief executive)
- Increased remuneration
- A rewarding career facilitating a personal contribution to society and to the overall public good.

## Benefits for the government

- Access to a trained workforce leading to improved overall financial management discipline across government departments
- Internationally recognised professional and ethical standards that help set the culture and behaviours needed for a reduction in fraud and corruption
- Reliable budgetary control, improved spending controls, accurate financial forecasting, and effective risk management
- Better management of short-term costs and planning for long-term liabilities
- Better quality information to enable evidence-based decision-making that elucidates the impact of potential policies (such as net-zero targets through, for example, public procurement contracts or public investment in sustainable, environment initiatives to boost productivity)
- Ability to collect more revenue through improved tax administration

- Improved oversight and scrutiny of public finances and public spending (eg through a well-resourced, independent, and professional Supreme Audit Institution)
- Internal and external assurance frameworks to assess and test the quality and integrity of information, that both income and expenditure have been applied for the purposes intended and to optimise the effectiveness of public services
- Better management of resources to improve service delivery (doing more with the same or reduced budgets).

## Benefits for the economy

- Fiscal credibility (ie professional advice and stewardship that results in the responsible management of public finances)
- The transparency, accountability and integrity of public finance information, leading to trust and confidence in public spending
- Better outcomes and use of public funds (eg improved education and health outcomes for the jurisdiction)
- More transparent and credible information that can increase investment and access to finance through a reduced cost of capital – supporting economic growth, creation of jobs, increased wealth and poverty alleviation
- Ethical commitment to an anti-corruption strategy can contribute to combating corruption and related economic crimes (such as money laundering, bribery, tax evasion and fraud), leading to economic growth, human development and, ultimately, to achieving the UN SDGs.

**AN ECONOMY SUSTAINABLE IN THE LONG TERM GIVES CONFIDENCE TO THE MARKET AND INVESTORS, WHICH PROMOTES STABILITY AND GROWTH.**

## The journey to full professionalisation

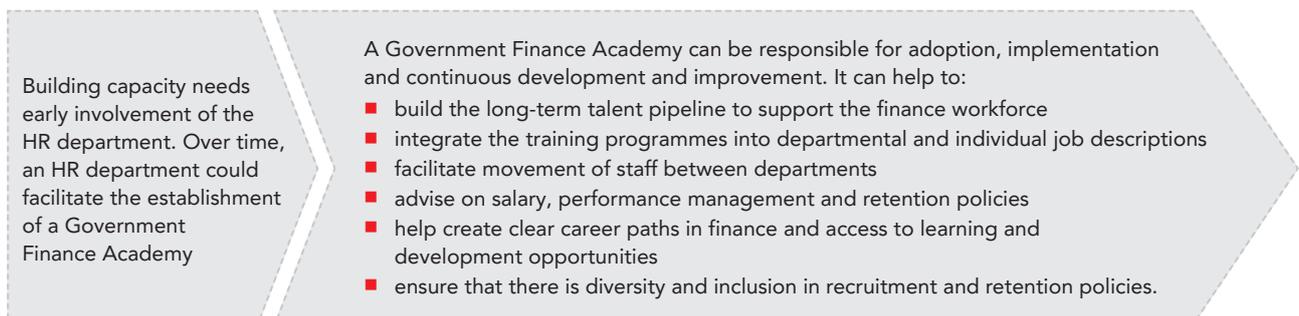
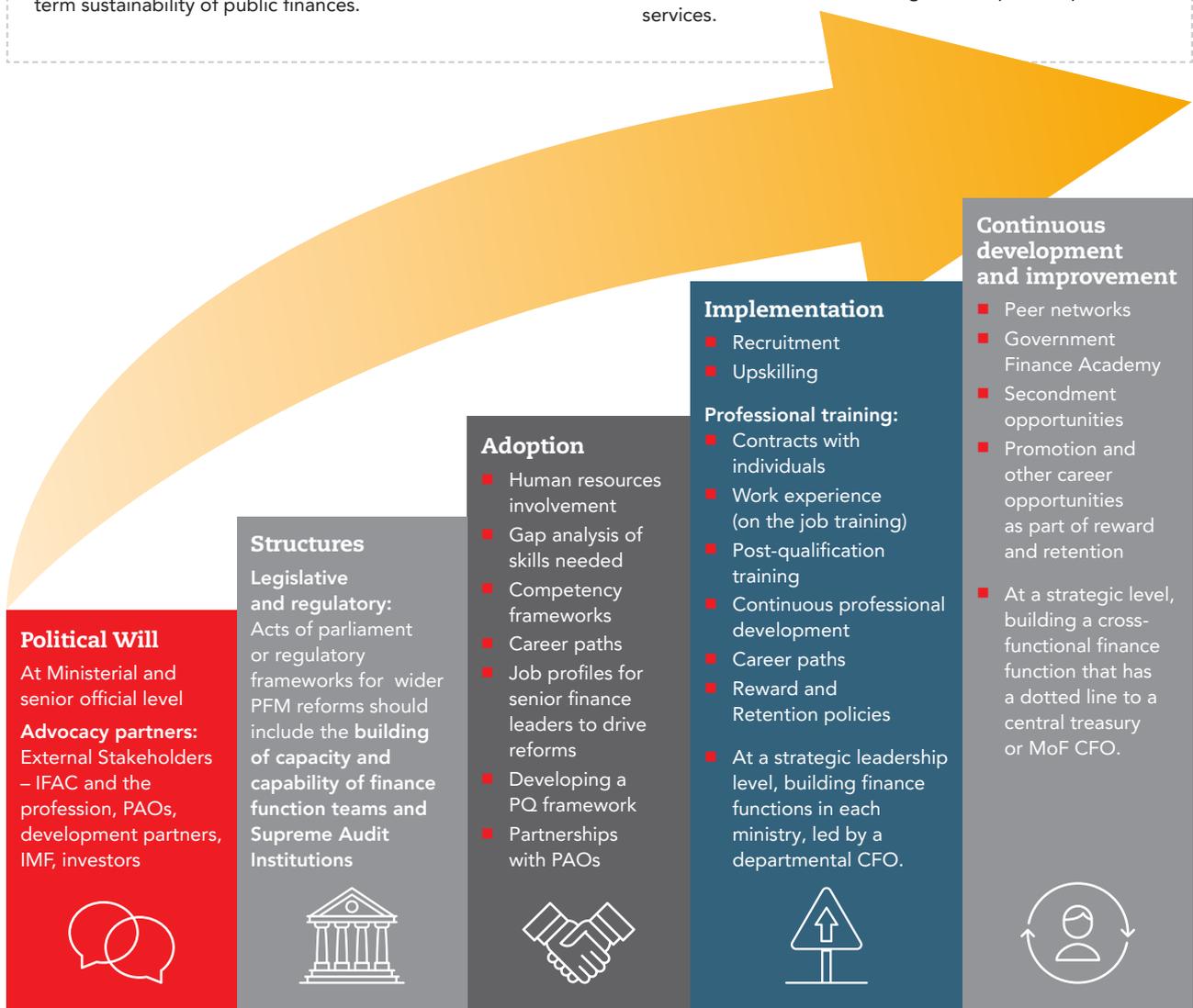
### Key enablers in achieving professionalisation

Finance activities can be intertwined with organisational culture and behaviours. Political and power relationships will have a significant impact on how finance professionals are seen, how finance activities are implemented and how information is interpreted and used.

With an increase in the frequency of economic crises, the focus must remain on improving PFM and advocating for professionalisation of the workforce. This will support governments to manage economic stability and the long-term sustainability of public finances.

### Key potential advocates are:

- The accountancy profession – IFAC, PAOs, accountancy firms
- Auditors General concerned with the external scrutiny of government spending
- Development partners, who often provide funds to support economies
- International Monetary Fund, which may provide loans to countries during economic crises
- Investment partners who want to invest in a country
- Citizens, whose taxes are being used to provide public services.



# The journey to professionalisation

This section includes case studies demonstrating how some governments have approached their journey to professionalisation.

## Political will to drive through reforms

Political leadership and commitment for professionalisation is the most important factor for sustaining PFM reforms over time, until changes are embedded in the PFM system. In some countries, there is a lack of recognition that change is needed at all. In other countries, PFM reforms have concentrated on moving from cash-based to accrual-based accounting, supported by private sector firms, with little effort made to professionalise the internal public finance staff or provide opportunities for training for professional qualifications. Lack of progress or of a career path or other incentives can lead to low staff motivation and high staff turnover.

In these instances, where professionalisation is not at the forefront of PFM reforms, it is important for there to be advocates championing the need for change. Sometimes, the drive for reform and pressure on politicians can come from both external and internal stakeholders.

### Tanzania: Laying the foundations

Professionalisation has been part of the Tanzanian reforms in several professions, including public sector finance.

The professionalisation of individuals starts early in their education – at school level. Funding this allows the right values and behaviours to be instilled early in young minds. As students progress in their educational aspirations, funding is provided to cover the cost of their education, via loans by the Ministry of Finance through a consolidated fund for students who want to get accountancy qualifications.

The Controller and Auditor General is a key advocate to the Parliament (and the public) on the need for good-quality financial information and a good-quality auditor's report to provide credibility assurance for that information.



## Structures

### Building strong finance functions

When there is commitment for PFM reforms and professionalisation, it is important to build these into legislation and other regulatory frameworks for stability, and to give confidence to stakeholders, investors and the markets. Over time, as governments mature in their professionalisation, they may build strong cross-departmental finance functions to support the whole of government.

**In the UK**, the Government Resources and Accounts Act 2000 requires government financial statements to be prepared in accordance with Generally Accepted Accounting Principles. In 2014, after a cross-government Financial Management Review, the Government Finance Profession (now known as the Government Finance Function) was established. The Government Finance Academy, which provides the training and development to help improve financial skills, capability and talent across the Government Finance Profession, was launched in February 2016.

The report *Managing Public Money* underpins the fiduciary duties of all those responsible for handling public money (including ministers, Parliament, the Treasury, government departments, and the Comptroller and Auditor General) to work to high standards of probity, and the need for the public sector to work in harmony with Parliament (HM Government 2012/2022).



## Adoption

### Identifying the skills gap

Before embarking on a professionalisation programme, performing a gap analysis will reveal the current and future needs of the finance function, the level of existing resources, the need to upskill and/or recruit, and the ability to access more resources over time.

The roles and related competencies needed must be identified. This may require building talent from the bottom up, starting at junior to mid-tier levels – developing individuals who can support the preparation of financial information at an operational level.

While building the finance workforce, the involvement of a public service commission or a human resources department will be key to ensuring equity, justice and fair pay in recruitment and retention policies.

#### Cyprus: The sovereign debt crisis created urgency for change

As part of its response to an economic crisis in 2014, the Treasury in Cyprus took steps to professionalise the finance function, including a **skills gap analysis** to identify the skills essential for better and sustainable management of public finances. Key staff attributes included:

- core leadership skills – having strategic vision, being forward looking, collaborative and inquisitive (ie knowing the right questions to ask and issues that need consideration)
- organisational skills: strategic planning, risk assessment, stakeholder management, performance management
- technical skills – financial management techniques for evaluating resources, priorities and risk assessments; accounting; financial reporting; budgeting, planning and forecasting (with the ability to convey information in a comprehensive and understandable way to enable decision-making)
- cultural and behavioural standards – ethical and moral values and behaviours.

#### Philippines: Developing a competency framework

In 2013, the government of Philippines developed a PFM Competency Model for government finance professionals (Philippine Public Financial Management 2013). The **competency model** covers five main groups of PFM disciplines: budgeting, procurement, accounting, auditing and cash management. A roadmap was developed identifying the key actions required to implement the model:

- initial training and development to help realise the benefits of the model
- integration of the model into government-wide human resource policies and procedures
- mapping the framework into existing grading structures to align with job descriptions
- addressing gaps in capacity
- identifying the required level of internal and external training, and
- creating a more effective learning and development environment which empowered staff to take responsibility for their own learning.



### Matching skills and systems: ACCA supporting PFM reform in Pakistan

Following the implementation in Pakistan of the World Bank's 'Project for Improving Financial Reporting and Accounting', public finance leaders identified that PFM people capabilities needed to be enhanced so they could work effectively in this new environment and meet public expectations of better public services.

While a great deal of effort had been focused on improving operational functions and systems, very little had been done to upskill the teams using them, so they understood the fundamental principles behind effective PFM. This needed to be carried out in a sustainable and measurable way that supported the talent management cycle of recruitment, recognition, reward and retention. This focus on professionalising the staff was seen as a critical part of the Pakistan government's strategy.

In August 2016, ACCA worked with the Finance Secretaries of Balochistan, the Federally Administered Tribal Areas, Khyber Pakhtunkhwa, the Governance and Policy Program of Balochistan, and the Auditor General of Pakistan to identify the precise PFM capability gaps. Once the gaps were identified, ACCA developed the Public Financial Management Professional Accredited Programme (PFM PAP) for government staff deployed on PFM work across provincial government departments in Pakistan.

The PFM PAP is a digital-enabled qualification with learning modules and assessment, which builds competencies that enhance careers, incentivise staff, and provide longer term benefits that impact retention. Furthermore, the PFM PAP can be used as a recruitment and induction tool for talented young professionals who wish to enter the public sector, thereby forming an integral part of a changed approach to talent management and professionalism.

### Professionalisation in Africa

The [African Professionalisation Initiative](#) (API) is a partnership between accountants general, SAIs and PAOs across the continent, whose goal is to address the shortage of accountancy professionals in the public sector and 'Grow the capacity of professional accountants and auditors equipped to support accountability, transparency and good governance in the public sector' (API n.d.). The API has developed a [competency framework](#) and a learning curriculum for public sector finance staff (API 2021).

The World Bank's Foundational Accounting and Financial Management Skills Enhancement Program (FASE) will develop qualified accounting technicians (ATs) for Africa's public and private sectors (CFRR 2021). The programme, funded by the Ministry of Finance of Austria, focuses on two streams of activities:

1. supporting five African French-speaking countries (Burkina Faso, Cote d'Ivoire, Morocco, Tunisia, and Senegal) to design or revise and offer AT qualifications.
2. developing an AT Qualification for Africa, which will be made available to African governments.





## Implementation

### Strategic financial leadership

When managing PFM reforms, it is important to have suitably qualified leaders driving reforms from the top down.

In some countries, although the public sector employs finance professionals, they are not always in leadership positions, resulting in a lack of recognition of the value that finance teams bring to the sustainability of long-term public finances.

While it is important to develop finance professionals across the team, with a range of skills at different levels, good practice requires senior members to have strategic financial management skills. These skills help drive PFM reforms, support the delivery of high-quality public services, and allow governments to plan for and mitigate the challenges of the day.

#### Cyprus: Resourcing skills from the private sector

The Cypriot Treasury carefully considered the structures for its financial leadership teams.

**It increased the number of qualified accountants at middle and senior level** – qualified senior financial leaders, recruited from the private sector, introduced a deeper level of skills, knowledge, and experience to support and drive reforms from the top down

**It made structural changes to enable efficient management of public funds** – each line ministry has a finance team led by one or two professional accountants. One is the equivalent of a CFO, and has two reporting lines:

- a direct reporting line to the departmental minister to monitor line ministry priorities
- a 'dotted' reporting line to the Treasury, enabling alignment with the wider government priorities.

#### Successes from this approach

- The number of qualified accountants increased from 20 (7%) of total of staff in 2005, to 100 (33%) in 2022: staff quota remains the same (therefore limited cost) but the financial management skills were increased.
- A career path was created for individuals, with competitive remuneration – achieving 100% retention.
- Political buy-in was rapid because professional accountants (with the right skills, who were able to add value quickly at a critical time) were brought in from the private sector.

- During the sovereign debt crisis, finance leaders advised and supported the rest of the government to ensure that core public service delivery continued, and citizens had access to financial support where necessary.
- Credible information brought back trust and confidence in the financial figures.
- Markets are more willing to provide finance at reasonable interest rates to the government.
- Professional accountants continue to use financial management techniques to add value to overall decision-making and can deliver the right information to politicians to empower them to effect their policies.

While managing the sovereign debt crisis was not easy, the learning gained, the strategic financial leadership skills brought in, and the structures put in place equipped the Cypriot government to respond better to the COVID-19 pandemic. Though the issues were different, the consequences to the public were similar, and the finance teams were able to react to and mitigate them in a more structured way.

#### Looking ahead

The Cypriot government's finance professionalisation journey is by no means over, but a foundation is in place through which government finance professionals will continue to learn and develop.

#### UK Government Finance Function

Managing Public Money states (In Annex 4.1) that *'It is government policy that all departments should have professional finance directors reporting to the permanent secretary with a seat on the departmental board, at a level equivalent to other board members. It is good practice for all other public sector organisations to do the same, and to operate to the same standards'* (HM Government 2012/2022).

To support the whole of the government finance community, a Government Finance Function (GFF) has been set up (HM Government Finance Function 2022). This is a diverse collection of over 10,000 people working in finance, covering every department and public body. The function also brings together the disciplines and expertise of technical accountants, business partners, planning and performance leads, risk managers, internal auditors, and spending policy teams.

A finance leadership group oversees the GFF – it comprises finance representatives from each government department and is led by a head of Government Finance Function.

## Professional training

A professionalisation programme will include professional training, work experience, post-qualification training and CPD. It is also important to have recruitment and retention programmes, which include clear career pathways, appropriate opportunities and incentives that motivate staff.

### Malaysia: Professionalising the Supreme Audit Institution

The Auditor General's Office in Malaysia has a professionalisation programme for its staff, resulting in an increase in the number of qualified accountants since 2012. The professionalisation programme includes:

- commitment and support from the Comptroller and Auditor General
- the ability for auditors to access a professional qualification and the related training
- access to further learning and continuing professional development
- the ability for auditors to move around within the department to gain experience
- access to peer network support (knowledge sharing and training courses) through the INTOSAI Development Initiative (IDI 2022).

Professionalisation has brought a greater independence to the audit process and has increased the quality of audit work. Even so, retention has been a challenge, as there are limited career opportunities because of budget constraints.

### Professionalisation in Tanzania

Important aspects of finance professionalisation in Tanzania include:

- training and certification – via employers and with PAOs
- registration with the Board of Accountants and Auditors, through which individuals are regulated and subject to monitoring
- on-the-job training, which helps to build practical experience and knowledge
- departments must have a qualified accountant at CFO level. All the CFOs report to the Accountant General, who is responsible for the supervision of all public sector accountants.

#### Controller and Auditor General

Professionalisation includes having a responsibility to the citizens for how public money spent. The Auditor General's Office provides this scrutiny over public finances.

#### Successes include:

- improved quality of financial information and better decision-making
- increased revenue collection, resulting in more resources for public services
- recruitment and retention – improved salaries, career opportunities (including promotion) and access to training to develop new skills and undertake further qualification programmes
- increase in the number of qualified accountants to 400, including about 10% with an IPSAS diploma
- the audit of the financial statements under IPSAS has been undertaken for many years – issues have arisen, but these are adequately addressed
- retention programmes include continued training, career development and opportunities, including reward and benefit systems.

**'ABOVE ALL, PROFESSIONAL ACCOUNTANTS MUST HAVE INTEGRITY, AND THEY MUST WORK WITH THE PUBLIC INTEREST IN MIND. AUDIT BRIDGES THE GAP BETWEEN GOVERNMENT AND CITIZENS – EXTERNAL SCRUTINY IS IMPORTANT TO BUILD PUBLIC TRUST AND CONFIDENCE IN THE USE OF PUBLIC MONEY'.**

**CHARLES KICHERE, CONTROLLER AND AUDITOR GENERAL, TANZANIA**



## Continuous development and improvement

The journey to professionalisation does not end when there is commitment and a programme to recruit and/or train finance professionals. The skills and qualities that may be required at the start of the professionalisation journey will change over time. Although building trust and confidence in the financial figures may have been the minimum level of requirement initially, as finance teams mature and are more embedded into day-to-day operations, it is important to go beyond the core figures, and review competing priorities to identify the most important area and then consider where resources will have the biggest impact, how service delivery can be improved and how to maximise value within constrained budgets. Early scrutiny by internal or external auditors or peers may provide opportunities to make further improvements. External auditors providing such scrutiny will need to consider how best to separate any early scrutiny activities from the actual audit to avoid self-review risks – one way might be to have separate audit teams provide the early scrutiny.

**THE JOURNEY TO PROFESSIONALISATION DOES NOT END WHEN THERE IS COMMITMENT AND A PROGRAMME TO RECRUIT AND/OR TRAIN FINANCE PROFESSIONALS. THE SKILLS AND QUALITIES THAT MAY BE REQUIRED AT THE START OF THE PROFESSIONALISATION JOURNEY WILL CHANGE OVER TIME.**

### NHS Wales: Learning from others

The Wales NHS Finance Academy, as part of its own continuous learning and improvement work, learns from others through:

- internal cross-government networks (Finance Director Forum):
  - monthly meetings
  - discussion and exchange of information about challenges and pressures, and ways of mitigating associated risks
  - ensuring individuals are not operating in isolation
  - allowing for self-regulation
- external Networks: best practice learning can also come from building relationships outside the organisation, to understand:
  - alternative approaches to finance
  - how finance teams are developed
  - the effectiveness of systems and processes in place to support information and decision-making
  - how others influence internal client groups
  - who needs to be influenced
  - how to drive efficiencies through the systems
  - ways of creating insights to support decision-making
  - approaches to reporting on organisational achievements to build credibility.

### Finance business partners improving public service delivery

The role of finance functions can change. Once the consistency and integrity of information have been established, it's important to review the role of the finance function continuously and consider how it can add value to decision-making and creating efficiencies. As finance business partners, staff can influence more efficient decisions and outcomes by:

- providing insights into short-, medium-, and long-term financial planning
- supporting risk management, spending controls and assurance frameworks
- measuring performance and suggesting improvements to systems and processes, with alternative approaches to / options for public service delivery
- becoming the problem-solvers – through presenting information in different ways (rather than focusing on overspends).

**Malaysia: building networks**

By demonstrating the value of their work, the Auditor General’s Department has built relationships with key stakeholders:

- the Public Services division (equivalent to a human resources department) – to continue to build on its professional training programme, recruitment and retention
- the Public Accounts Committee (PAC) – the Auditor General’s reports directly to Parliament and the PAC
- professional bodies – for CPD and other training courses
- regulatory bodies (such as the Anti-Corruption and Enforcement Agency) – to exchange information and intelligence
- the Federal Reserve Bank, which is interested in the audited information (particularly government performance and long-term commitments).

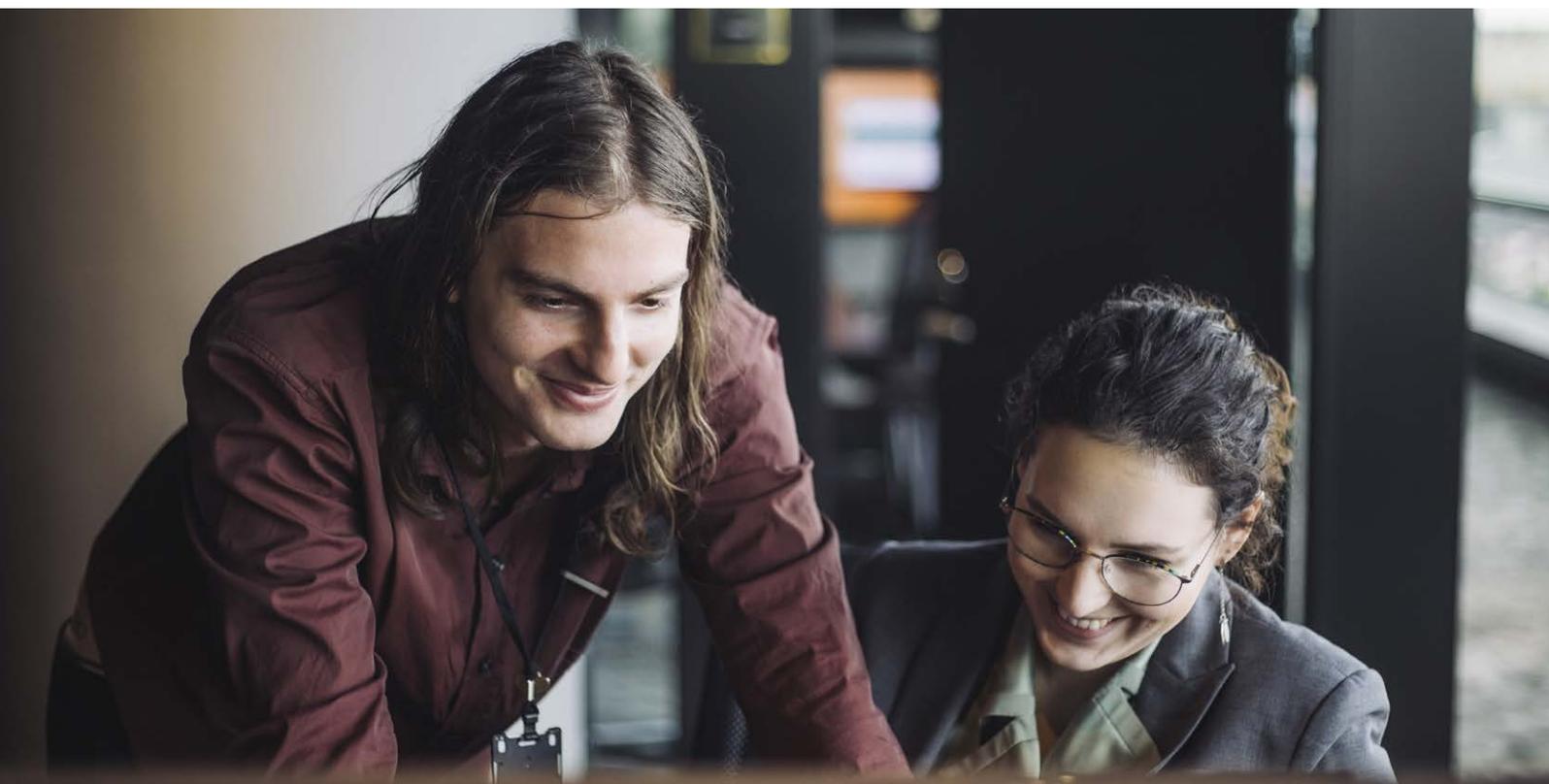
**UK centres of excellence**

The UK Government Finance Function sets out to achieve better outcomes across government by developing staff capabilities, driving continuous improvement, developing centres of excellence for specialist activities to drive quality and consistency across government, setting cross-government strategies and finance and assurance standards. Specialist centres of excellence include:

- the Government Internal Audit Agency,
- UK Government Investments (the Corporate Finance Centre of Excellence),
- the Tax Centre of Excellence
- the Technical Accounting Centre of Excellence, and
- the Risk Management Profession.

**UK National Audit Office**

As part of the continuous development and improvement of the work of the UK National Audit Office (NAO), auditors can now provide early scrutiny over financial analysis and even systems and processes, enabling the best decisions to be made for use of public money. Influencing design at this point rather than providing post-implementation scrutiny can prove highly effective. At the same time, auditors need to maintain their independence and objectivity should they be required, at a later date, to evaluate government performance in a relevant area (ie self-review risk).



# References

API (African Professionalisation Initiative) (2021), 'API – Competencies Framework – 2021'. Downloadable from <<https://professionalisation.africa/downloads/download-info/608/>>, accessed 25 October 2022.

API (n.d.), 'Overview of the Initiative' [website statement], <<https://professionalisation.africa>>, accessed 24 October 2022.

CFRR (Centre for Financial Reporting Reform, World Bank) (2021), 'FASE' [website overview] <<https://cfr.worldbank.org/programs/fase>>, accessed 25 October 2022.

HM Government (2012/2022), *Managing Public Money*. Downloadable from <<https://www.gov.uk/government/publications/managing-public-money>>, accessed 24 October 2022.

HM Government Finance Function (2022), *Government Finance Function Strategy 2022–2025*. Downloadable from <<https://www.gov.uk/government/organisations/government-finance-function>>, accessed 24 October 2022.

IDI (INTOSAI Development Initiative) (2022), 'IDI's New Initiative on Human Resources, Ethics, Gender and Inclusiveness' [website] <<https://www.idi.no>>, accessed 25 October 2022.

IESBA (2022), *Handbook of the International Code of Ethics for Professional Accountants*. Downloadable for purchase from <<https://www.ethicsboard.org/international-code-ethics-professional-accountants>>, accessed 24 October 2022.

Philippine Public Financial Management (2013), 'Capacity Building (CB)' [website article] <<https://pfm.gov.ph/projects/capacity-building-cb/>>, accessed 24 October 2022.

