Key foundations for high-quality reporting: Good practices of monitoring and enforcement, and compliance

Presented by

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CIPFA – supporting PAOs around the world

Building a public sector focus for the accountancy profession

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October 2014
CIPFA has led calls for stronger government accounting and audit ...
The global public finance picture is changing...

**Figure 3: Government accounting around the world in five years**

- **142% increase in the application of accrual accounting.**
- **50% of non-OECD countries plan to transition to accrual accounting.**

Source: PWC, Towards a new era in government accounting and reporting, April 2013.
Governance is also under the spotlight...

Achieving the Intended Outcomes
While Acting in the Public Interest at all Times

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

B. Ensuring openness and comprehensive stakeholder engagement

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

D. Determining the interventions necessary to optimize the achievement of the intended outcomes

E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it

F. Managing risks and performance through robust internal control and strong public financial management

G. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

IFAC/CIPFA
International Governance Framework
And <IR> is coming soon...

Public sector to get integrated reporting

A global body is to be created to help public sector organisations develop integrated reporting – reporting that incorporates both financial and other relevant information, including ESG. The new initiative, which will include inputs from investors, is to be christened the Public Sector Pioneer Programme, and will be formed jointly the International Integrated Reporting Council (IIRC) and the UK-based Chartered Institute of Public Finance and Accountancy (CIPFA).

Its main aim will be to ‘pioneer the implementation of integrated reporting across the various different types of bodies in the public sector to demonstrate how it can be applied’. However, its founders also hope that public sector bodies can use the group to share their experiences of integrated reporting with the private sector.

The IIRC said that although public sector organisations already publish a wide range of data on their social and environmental impacts, few present a ‘complete and coherent picture’ of how this links into their economic performance.

The decision to launch the programme follows a CIPFA scoping study of the issues involved in applying integrated reporting in the public sector. It concluded that integrated reporting principles ‘can readily be applied in the public sector, although there are some sector-specific issues to be considered in more detail to facilitate this’.

CIPFA/IIRC Public Sector Pioneer Network
Hence IFAC and donors are putting PAOs under pressure to ensure PFM is a priority...

The Ten Key Areas of Focus for MOSAIC PAO Development Activities

8. Supporting PAO Orientation To The Public Sector
Although same PAOs maintain a strong public sector membership and undertake services and activities to support public sector accountancy and financial management, many PAOs struggle to identify how they can support the public sector. Development assistance focused on developing guidance and support to PAOs in orienting themselves toward the public sector may be effective in enhancing the capacity and involvement of PAOs in this area.
CIPFA has developed an institute to institute offer of assistance...

A package designed to help PAOs build their services to public sector members including:

- A co-branded professional training programme for public servants to become professionally qualified
- CIPFA international publications, products and services
- Help with establishing and developing effective branches and a Centre of Excellence for public sector members
- Membership options for PAO members working in or with the public sector with access to support/benefits
Centre of excellence members will receive ...

- Access to PFM thought leadership materials
- Online CPD and learning opportunities

- Weekly Public Finance International newsletter
- Specific white papers such as a guide to moving from cash to accruals

All accessed via a co-branded PFM Centre of Excellence portal
Lesotho

Over the years analyses of the PFM system in Lesotho have consistently revealed a system that was “largely dysfunctional and in need of substantial reform”. Critically, there have been grossly inadequate numbers of suitably qualified and skilled public finance personnel throughout government.

Since 2006 CIPFA has been working with stakeholders in Lesotho to professionalise PFM in the country. By the end of 2010 more than 350 students had enrolled on a PFM training programme. Training is provided locally, by the Centre for Accounting Studies, while the Lesotho Institute of Accountants (LIA) manages examinations and commissions the marking of students’ examination scripts.

In 2013 CIPFA produced a syllabus for LIA’s professional qualifications with a specific public sector stream.
PAOs are using CIPFA to help with their public sector orientation...

CIPFA has supported ICASL with syllabus design and delivery of IPSAS training

CIPFA and ICAN have co-badged a training programme for Government staff in Nigeria
CIPFA’s aspirations for the public sector include ...

- Global PFM qualifications
- Global approach to PFM capacity building
- Global PFM products and services
- Global PFM community
- Global PFM thought leadership
- Global PFM donor funding

In short a Global PFM profession
CIPFA and Ghanaian accountants link up to promote PFM

By Judith Ugwumadu | 19 August 2014

CIPFA has partnered with a Ghanaian accountancy institute to promote good public financial management practices in the West African nation.