



Developing a Minimum Competency Framework for Public Sector Finance Professionals

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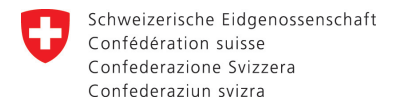


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Public Sector Accounting and Reporting Program

PULSAR Program is co-funded by:



What is Competence?



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“the ability to perform a work role to a defined standard with reference to working environments”

- Framework for International Education Standards

Capabilities that demonstrate competence –

Towards Competent Professional Accountants IEP 2, IFAC Education Committee



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- Attitudes (for example, professional demeanor/values);
- Behavioral skills (for example, leadership);
- Broad business perspective (for example, strategic/critical thinking);
- Functional skills (for example, risk analysis);
- Technical knowledge (for example, audit);
- Intellectual skills (for example, knowledge, understanding, application, analysis, synthesis and evaluation).

Developing a competence-based approach -

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- Identify the performance outcomes expected at work;
- Specify the capabilities (knowledge, skills, professional values and attitudes) required to demonstrate competence;
- Specify IT skills;
- Identify a small number of common key functional areas (financial reporting, auditing, management accounting, taxation and so on);
- Consider the need for, and define, specialist roles as appropriate, for example, treasury management;
- Break these roles down into as many units and elements as may be required for assessment purposes and add a manageable number of performance criteria and range indicators to each element, bearing in mind the needs of workplace appraisal systems;
- Specify desirable related knowledge areas, for example, law, economics and so on;
- Decide on an appropriate assessment strategy. If examinations are used, they will probably require a more detailed curriculum framework useful for examiners and candidates. If workplace assessment is favored, consideration should be given to using simulations.

Methods for Identifying Job Competencies

Towards Competent Professional Accountants IEP 2, IFAC Education Committee



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Step 1: Methods for Identifying Job Competencies

- Interviews, usually with employers and employees;
- Surveys, for example, using postal questionnaires;
- Workshops of various kinds, including group interaction; and
- Various other techniques, including direct observation.



Methods for Identifying Job Competencies

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Step 2: Building the Framework

- Framework Structure
- Specifying Competencies
- Level of Detail
- Levels of Competence



Methods for Identifying Job Competencies

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Step 3: Developing Competencies and Capabilities

- Academic and Professional Education
- On-the-Job Training and Development
- Assessing Competences and Capabilities
- Assessment Methods – Validity, reliability, cost benefit to employers

PFM Knowledge Domains - *World Bank Public Financial Management Staff Capacity Development Initiative (PFM-SCDI)*



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- 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.



Example: The US Model
Core Competencies for Accountants - *Accountant*
(GS-510) Competency Model, U.S. Office of Personnel
Management

Example: The US Model - Core Competencies for Accountants

Accountant (GS-510) Competency Model, U.S. Office of Personnel Management



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Defined Core Competencies:

- General Accounting (Private Sector framework – US GAAP)
- Federal Accounting (Public Sector framework – US Government GAAP)
- Basic Government Accounting/Operations
- Planning, Budgeting and Accountability/Business Practices
- General Management
- Information Technology
- General/Leadership skills

Example: The US Model - Core Competencies for Accountants

Accountant (GS-510) Competency Model, U.S. Office of Personnel Management



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	CORE COMPETENCIES Knowledge of, Ability to Use, or Skill in Using)	Levels			LEARNING OBJECTIVES	DEVELOPMENTAL ACTIVITIES
		1	2	3		
A. General Accounting						
1	Generally Accepted Accounting Principles (GAAP) and concepts	X	X	X	Obtain general understanding of traditional accounting practices, operations, and procedures	Courses: <ul style="list-style-type: none">• Various accounting Other Activities: <ul style="list-style-type: none">• Conferences/Seminars• Current professional literature• Publish articles• Presentations• Serve on panels and committees• Complete certification program (e.g. CPA, CMA, CIA, CGFM)
		X	X	X	Acquire knowledge on the different methods of accounting including accrual, obligation, and cost methods	
		X	X	X	Interpret and apply existing, new, or revised accounting principles and concepts to make accounting reports more accurate and more closely comply with requirements	
B. Federal Accounting						
2	Federal accounting concepts and standards, including cost accounting	X	X	X	Acquire knowledge of Federal accounting principles and concepts	Courses: <ul style="list-style-type: none">• Basic Federal Accounting Principles• Federal Management Training Seminars• Appropriations Law• U. S. Standard General Ledger (SGL)• Federal accounting standards including FASAB and other standard-setting bodies• Accrual World• Government accounting principles• Managerial cost accounting• JFMIP annual conferences
	Basic accounting concepts and principles including agency budget procedures and system(s) relationship with financial management	X	X	X	Acquire general understanding of: <ul style="list-style-type: none">• Federal accounting concepts and appropriation process• Federal financial/accounting standards	
		X	X	X	Accurately record documents for reporting purposes (e.g., budget reports,	

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Accountant (GS-510) Competency Model, U.S. Office of Personnel Management



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	CORE COMPETENCIES Knowledge of, Ability to Use, or Skill in Using)	Levels			LEARNING OBJECTIVES	DEVELOPMENTAL ACTIVITIES
		1	2	3		
					agency reports, financial reports)	<ul style="list-style-type: none"> OMB Circulars and Bulletins Treasury's annual government financial management conference Professional association meetings <u>Sources of Funding</u>
			X	X	Understand the principles and possible application of cost accounting in the Federal government	
			X	X	Assess impacts on agency/organization policies, systems and procedures and provide substantive analysis and recommendations	<ul style="list-style-type: none"> Appropriations Reimbursable work Revolving funds Non-appropriated fund activities Trust funds Gifts/donations Cooperative Work Deposit funds Special funds
			X	X	Analyze Federal legislation and policies and provide management with substantive analysis and recommendations	
					Understand accounting terminology and application.	
		X	X	X	Appropriately apply accounting principles and procedures to work products	Work Experience: <ul style="list-style-type: none"> Analyze proposed federal legislation, policies, and/or guidance and develop appropriate implementation plans and changes to local policies and procedures Review new/revised federal legislation, policies, and/or guidance and develop appropriate implementation plans and changes to local policies and procedures
		X	X	X	Understand the functions of agency financial systems	
		X	X	X	Efficiently retrieve, use and analyze information pertinent to daily work	<ul style="list-style-type: none"> Detail to office coordinating agency cost accounting Projects involving analysis of cost and/or performance data

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	CORE COMPETENCIES Knowledge of, Ability to Use, or Skill in Using)	Levels			LEARNING OBJECTIVES	DEVELOPMENTAL ACTIVITIES
		1	2	3		
3	Federal Financial Statements and Reports	X	X	X	Acquire general understanding of Federal financial reporting	Courses: <ul style="list-style-type: none">Unlocking key reportsRevenue Standard/Form and Content StatementsFundamentals of Federal Financial StatementsAudited financial statementsAccountability reportsCentral reports such as 133, 2108, etc.SF 224: Statement of TransactionsContents and purposeImpact/connection to GAAP, FASAB, etc. Work Experience: <ul style="list-style-type: none">Prepare and/or analyze financial statements
		X	X	X	Acquire knowledge of the components of the agency/organization's financial statement and financial reports	
		X	X	X	Identify the requirements of Federal financial statements and reports	
		X	X	X	Prepare and analyze reports	
			X	X	Draft narrative sections and prepare explanatory tables, graphs, and charts that report program performance, including financial statements, based on the requirements of the GPRA and other legislation for inclusion in Department/Agency wide Accountability Reports to the President, the Congress and the taxpayers. (Prepare and/or analyze narratives, footnotes, and performance measures for financial statements and/or financial reports.)	
C. Basic Government Accounting/Operations						
4	Missions, functions, and organizational structure of the agency and its offices	X	X	X	Understand the organization's mission in context of its legislative mandates and Administration priorities for the agency	Courses: <ul style="list-style-type: none">Internal orientation briefings

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Accountant (GS-510) Competency Model, U.S. Office of Personnel Management



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	CORE COMPETENCIES Knowledge of, Ability to Use, or Skill in Using)	Levels			LEARNING OBJECTIVES	DEVELOPMENTAL ACTIVITIES
		1	2	3		
			X	X	<p>Acquire knowledge of the agency/organization's structure, mission, functions, and major components</p> <p>Comprehend how the agency is organized to achieve its mission</p> <p>Create a shared vision of the organization; promotes wide ownership; champions organizational change</p>	<p>Work Experiences:</p> <ul style="list-style-type: none"> Read and discuss with supervisor agency authorizing legislation and agency mission statements Rotational assignments, including finance office
5	Mission and functions of central agencies such as OMB, Treasury, GSA and OPM play in government operations	X	X	X	<p>Acquire knowledge of the roles and missions of the central agencies and other service providers and how they interface with your agency</p> <p>Comprehend the relationships of central agencies to agency operations</p> <p>Maximize support for agency mission by working with central agencies</p>	<p>Courses:</p> <ul style="list-style-type: none"> Federal government operations Public administration <p>Work Experiences:</p> <ul style="list-style-type: none"> Details to central agencies Projects working on functions requiring interaction with central agency staff
6	Agency accounting policies and procedures	X	X	X	<p>Acquire knowledge of agency/organization:</p> <ul style="list-style-type: none"> Accounting policies and procedures Agency financial reporting 	<p>Courses:</p> <ul style="list-style-type: none"> Financial policy Standard accounting codes and entries

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	CORE COMPETENCIES Knowledge of, Ability to Use, or Skill in (Using)	Levels			LEARNING OBJECTIVES	DEVELOPMENTAL ACTIVITIES
		1	2	3		
			X	X	Develop, implement, maintain, and document accounting procedures to meet changing requirements	Work Experience: Demonstrate and apply proficiency with accounting policies and procedures in daily work
7	Public laws, executive orders, OMB circulars, bulletins, agency directives, Comptroller General decisions and court opinions governing the agency's management processes	X	X	X	Comprehend and incorporate legislative and administrative requirements into all work products	Courses: <ul style="list-style-type: none"> • Appropriations law • Budget formulation Work Experience: <ul style="list-style-type: none"> • Details to planning, budget, and finance offices.
8	Audits and formal reviews		X	X	Acquire experience in dealing with auditors, including preparation for audits, working with auditors, commenting on audit reports, and developing corrective action plan	Work Experience: <ul style="list-style-type: none"> • Basic financial audits • Auditing standards • GAO reports • Compliance reviews • FMFIA • Internal controls reviews • Financial statement audit reviews
9	Management Controls (Internal Controls)	X	X	X	Acquire a general understanding of the importance of a strong system of management controls	Courses: <ul style="list-style-type: none"> • Basic accounting course which includes discussion of the issues of management control • Management controls Work Experience: <ul style="list-style-type: none"> • Demonstrate and apply proficiency with
		X	X	X	Acquire knowledge in management control concepts and principles	

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	CORE COMPETENCIES Knowledge of, Ability to Use, or Skill in Using)	Levels			LEARNING OBJECTIVES	DEVELOPMENTAL ACTIVITIES
		1	2	3		
			X	X	Acquire an understanding of how management controls reasonably ensure that: <ul style="list-style-type: none"> Financial integrity is maintained for the recording of transactions and the recording of results Transactions are executed in accordance with management's general or specific authorization Resources are safeguarded against waste, loss, and misuse 	management control concepts in daily work <ul style="list-style-type: none"> Annual assurance memorandum Management control reviews Review of management controls reporting of external audits System development System process review
			X	X	Identify and implement appropriate general controls and application controls	
			X	X	Establish management controls	
			X	X	Assess, improve and correct management controls	
			X	X	Apply checks and balances to transactions and procedures to ensure data integrity and regulatory compliance	
			X	X	Monitor and evaluate systems of management controls with appropriate documentation, identify deficiencies, and assist in correcting deficiencies	
					Develop, implement, maintain, and	

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	CORE COMPETENCIES Knowledge of, Ability to Use, or Skill in Using)	Levels			LEARNING OBJECTIVES	DEVELOPMENTAL ACTIVITIES
		1	2	3		
			X	X	document management control policies and procedures	
D. Planning, Budgeting, and Accountability/Business Practices						
10	Planning and Evaluating	X	X	X	Plans and coordinates with others	Courses: <ul style="list-style-type: none"> • Customer service • Creative decision making • Leadership • GPRA • Business process re-engineering • Project management
			X	X	Understanding of the major components and the requirements of the agency's strategic plan	
				X	Establishes policies, guidelines, plans, and priorities	
				X	Identifies required resources	
				X	Monitors progress and evaluates outcomes	
				X	Improves organizational efficiency and effectiveness	
			X	X	Acquire knowledge and experience in project management	
11	Specific agency/organization business practices	X	X	X	Acquire knowledge of principles and processes of business practices	Courses: <ul style="list-style-type: none"> • Computer security awareness

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	CORE COMPETENCIES Knowledge of, Ability to Use, or Skill in Using)	Levels			LEARNING OBJECTIVES	DEVELOPMENTAL ACTIVITIES
		1	2	3		
			X	X	Knowledge of business practices as they relate to the financial system(s). Apply principles and processes of business practices to include: <ul style="list-style-type: none"> • Procurement policies and procedures • Property management • Travel • Budget concepts • Cost control • Management controls • Fiscal procedures • Performance measurements • Customer service • Quality control • Ethics/Financial Stewardship 	<ul style="list-style-type: none"> • Customer service • Industry training courses Work Experience: <ul style="list-style-type: none"> • Rotational assignments are strongly encouraged • Business process reengineering initiatives • Participation in industry interest group meetings
12	Basic budgeting and program concepts and principles including agency budget procedures and relationship with financial management system(s)	X	X	X	Understand budget terminology and application	Courses: <ul style="list-style-type: none"> • Federal budget process • Budget formulation • Budget presentation • Budget execution Work experience: <ul style="list-style-type: none"> • Rotational assignments to planning, budgeting, finance, and program organizations are strongly encouraged
		X	X	X	Acquire knowledge of agency's general budget principles, operations, and procedures	
			X	X	Understand the functions of agency financial systems	
		X	X	X	Appropriately apply budget principles	



Input into a Core Competency Framework for Public Sector Accountants

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Question for the group - Which public sector accounting positions should a core competency framework cover?

Input into a Core Competency Framework for Public Sector Accountants



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Each Group will be assigned one of the key positions identified and asked to report back tomorrow morning to address -

- Which core competencies are most relevant to the position?
- How can each of these core competencies best be developed?
- How can each of these core competencies best be assessed?



End of Day 1
Thank you!