

## IMPLEMENTATION SUPPORT MATERIALS

### PROPOSED LEARNING OUTCOMES FOR TO PUBLIC SECTOR ACCOUNTANCY CURRICULA

This document serves as a companion for reference for users of ‘Illustrative Example: Designing Learning Outcomes for Curricula That Cater to Public Sector Accountancy Needs’. Similarly to the Illustrative Example, it is grounded in the Learning Outcomes approach which “embodies the idea that learning and development experiences are most effective when based on what the individual needs to demonstrate”<sup>i</sup>. It aims to tangibly illustrate how International Education Standards (IESs) may be implemented and adapted to create curricula that cater to the needs of professional accountants in the public sector. Structured within the framework (of competence areas and learning outcomes) set out in the IESs, it indicates how the available competence areas and related learning outcomes pertaining to *Technical Competence (IES 2)* are applicable – whether as is or with some adjustment – and suggests some additional such outcomes that are relevant and necessary.

Just as the Illustrative Example, the proposed outcomes are substantiated by extensive research and engagement with key public sector stakeholders. The focus is on *Technical Competence* as our findings suggest that this is the area of the Standards that is most perceived to be oriented towards private sector theory and where, despite the substantial common ground, significant differences exist between the latter and its public sector counterpart. While *Technical Competence* as a subject matter falls under Initial Professional Development (IPD) standards, it is equally pertinent to the Continuous Professional Development (CPD) efforts of the professional accountant (as described in the CPD standard).

Notwithstanding the aforementioned, further research into public sector accounting education is called for, namely in (a) other areas of the IESs and (b) proficiency levels.

Competence Area / Issue	IES Learning Outcomes	Extant learning outcomes in IES 2 may be read as follows for public sector curricula	Additional Learning Outcomes for Public Sector Accountancy	Non-Authoritative Detailed Learning Outcomes (NDLOs) for Public Sector Accountancy
<p><b>(a) Financial accounting and reporting (Intermediate)</b></p> <p><b>(ACCOUNTING AND REPORTING)</b></p>	<p>(i) Apply accounting principles to transactions and other events.</p> <p>(ii) Apply International Financial Reporting Standards (IFRSs) or other relevant standards to transactions and other events.</p> <p>(iii) Evaluate the appropriateness of accounting policies used to prepare financial statements.</p> <p>(iv) Prepare financial statements, including consolidated financial statements, in accordance with IFRSs or other relevant standards.</p> <p>(v) Interpret financial statements and related disclosures.</p> <p>(vi) Interpret reports that include non-financial data, for example, sustainability reports and integrated reports.</p>	<p>(i) Apply accounting principles to transactions and other events.</p> <p>(ii) Apply <b>International Public Sector Accounting Standards (IPSAS), European Public Sector Accounting Standards</b> or other relevant standards to transactions and other events.</p> <p>(iii) Evaluate the appropriateness of accounting policies used to prepare financial statements.</p> <p>(iv) Prepare financial statements, including consolidated financial statements, in accordance with <b>International Public Sector Accounting Standards (IPSAS), European Public Sector Accounting Standards</b> or other relevant standards.</p> <p>(v) Interpret financial statements and related disclosures.</p>		<ul style="list-style-type: none"> <li>▪ Distinguish between accounting in public and private sectors</li> <li>▪ Prepare financial statements for different types of government departments, ministries, and agencies, etc. in accordance with relevant standards and laws</li> <li>▪ Prepare additional reports required by regulation to be published eg Public service performance report, Pensions report</li> <li>▪ Explain the differences between cash, modified cash, and accruals basis accounting</li> <li>▪ Assess the core issues and challenges pertaining to</li> </ul>

		<p>(vi) Interpret reports that include non-financial data, for example, sustainability reports and integrated reports.</p>		<p>the adoption of accruals-based accounting;</p> <ul style="list-style-type: none"> <li>▪ Explain how to account for “non-exchange” transactions</li> </ul>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>PUBLIC FINANCIAL MANAGEMENT</b></p>	<p><b>(b) Management accounting (Inter-mediate)</b></p>	<p>(i) Apply techniques to support management decision making, including product costing, variance analysis, inventory management, and budgeting and forecasting.</p> <p>(ii) Apply appropriate quantitative techniques to analyze cost behavior and the drivers of costs.</p> <p>(iii) Analyze financial and non-financial data to provide relevant information for management decision making.</p> <p>(iv) Prepare reports to support management decision making, including reports that focus on planning and budgeting, cost management, quality control, performance measurement, and benchmarking.</p> <p>(v) Evaluate the performance of products and business segments.</p>	<p>(i) Apply techniques to support management decision making, including product costing, variance analysis, inventory management, and budgeting and forecasting.</p> <p>(ii) Apply appropriate quantitative techniques to analyze cost behavior and the drivers of costs.</p> <p>(iii) Analyze financial and non-financial data to provide relevant information for management decision making.</p> <p>(iv) Prepare reports to support management decision making, including reports that focus on planning and budgeting, cost management, quality control, performance measurement, and benchmarking.</p> <p>(v) <b>Assess the status of public financial management in accordance with the Public Expenditure and Financial Accountability (PEFA)</b></p>	<ul style="list-style-type: none"> <li>▪ Analyze the information requirements for planning, control and decision-making in public sector entities (including different types of government departments, ministries, and agencies, etc.)</li> <li>▪ Apply costing principles to assign costs to different cost objects including activities, services, products, and programs</li> <li>▪ Apply PEFA or other relevant methodology to assess public sector performance and generate recommendations for improvement</li> <li>▪ Explain the critical role of the budgeting process as a mechanism for</li> </ul>

			<p>methodology or other relevant frameworks</p>		<p>expenditure authorization, and not just as a planning and control tool.</p>
<p><b>(c) Finance and financial management (Intermediate)</b></p>		<p>(i) Compare the various sources of financing available to an organization, including bank financing, financial instruments, and bond, equity and treasury markets.</p> <p>(ii) Analyze an organization’s cash flow and working capital requirements.</p> <p>(iii) Analyze the current and future financial position of an organization, using techniques including ratio analysis, trend analysis, and cash flow analysis.</p> <p>(iv) Evaluate the appropriateness of the components used to calculate an organization’s cost of capital.</p> <p>(v) Apply capital budgeting techniques in the evaluation of capital investment decisions.</p> <p>(vi) Explain income, asset-based, and market valuation approaches used for investment decisions, business planning, and long-term financial management.</p>	<p>(i) Compare the various sources of financing available to an organization, <b>including sales and service revenues, grants, licenses, fines, levies</b> bank financing, financial instruments, <b>bond, equity and treasury markets, and other borrowing</b></p> <p>(ii) Analyze an organization’s cash flow and working capital requirements.</p> <p>(iii) <b>Interpret of ratios in a public sector context</b> Analyze the current and future financial position of an organization, using techniques including ratio analysis, trend analysis, and cash flow analysis.</p> <p>(iv) Evaluate the appropriateness of the components used to calculate an organization’s cost of capital.</p> <p>(v) Apply capital budgeting techniques in the evaluation of capital investment decisions.</p> <p>(vi) Explain income, asset-based, and market valuation approaches used for investment decisions,</p>	<ul style="list-style-type: none"> <li>▪ <b>Interpret and explain organizational financial objectives including financial and investment policies, long and short term</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Compare pricing policies and strategies as these relate to cost recovery</li> <li>▪ Explain the different sources of revenue: tax and non-tax (service charges, sales revenues, fines, licenses, investment income, debt, and grants)</li> <li>▪ Assess the value of different sources of revenue to the government and their impact on the economy</li> <li>▪ Describe “non-exchange” transactions and explain how they are funded.</li> <li>▪ Explain how pricing strategies that have cost recovery or social objectives differ from pricing strategies that are set to maximize profit.</li> </ul>

			business planning, and long-term financial management.		
<b>(d) Taxation (Intermediate)</b>	<p>(i) Explain national taxation compliance and filing requirements.</p> <p>(ii) Prepare direct and indirect tax calculations for individuals and organizations.</p> <p>(iii) Analyze the taxation issues associated with non-complex international transactions.</p> <p>(iv) Explain the differences between tax planning, tax avoidance, and tax evasion.</p>	<p>(i) Explain national taxation compliance and filing requirements.</p> <p>(ii) Prepare direct and indirect tax calculations for individuals and organizations.</p> <p>(iii) Analyze the taxation issues associated with non-complex international transactions.</p> <p>(iv) Explain the differences between tax planning, tax avoidance, and tax evasion and the impact they have on government's ability to deliver services.</p>	<ul style="list-style-type: none"> <li>▪ Explain taxation modeling theory in terms of revenue generation, economic management, social development, and relationship to macroeconomic policy</li> <li>▪ Understand the elements of a national tax system including types of taxes and collection agencies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Estimate long-term streams of public revenues and expenditures</li> <li>▪ Explain the general types of taxes at the different government levels and the statutory basis on which they are levied</li> <li>▪ Explain the different functions within the national tax system and the annual tax collection cycle;</li> </ul>	
<b>(e) Audit and assurance (Intermediate)</b>	<p>(i) Describe the objectives and stages involved in performing an audit of financial statements.</p> <p>(ii) Apply relevant auditing standards (for example, International Standards on Auditing), and applicable laws and regulations to an audit of financial statements.</p> <p>(iii) Assess the risks of material misstatement in the financial</p>	<p>(i) Describe the objectives and stages involved in performing compliance, performance, and financial statement audits.</p> <p>(ii) Apply relevant auditing standards (for example, International Standards on Auditing, International Standards of Supreme Audit Institutions (ISSAI), and applicable laws and</p>	<ul style="list-style-type: none"> <li>▪ Explain how the broad public sector environment - including parliamentary directives, government circulars, stakeholder expectations, entity specific issues, etc. impacts audit objectives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Explain public sector auditor liability including (a) nature of legal liability, (b) circumstances giving rise to such liability and (c) parties to whom liability is owed</li> <li>▪ Compare audit roles in the public and private sectors including differences in professional liability</li> </ul>	

	<p>statements and consider the impact on the audit strategy.</p> <p>(iv) Apply quantitative methods that are used in audit engagements.</p> <p>(v) Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.</p>	<p>regulations to the different types of audits.</p> <p>(iii) Assess the risks of material misstatement in the financial statements and consider the impact on the audit strategy.</p> <p>(iv) Apply quantitative methods that are used in audit engagements.</p> <p>(v) Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.</p>	<ul style="list-style-type: none"> <li>▪ Describe the role of legislatures in scrutinizing audit reports</li> <li>▪ Describe the role of internal audit, its responsibility and accountability as well as its relationship with external audit and apply Internal Audit Standards</li> </ul>	<ul style="list-style-type: none"> <li>▪ Describe the regulatory and quality control frameworks for public sector audits</li> <li>▪ Explain the external audit roles of the Supreme Audit Institution</li> <li>▪ Compare internal and external audit roles in the public sector</li> <li>▪ Evaluate audit findings in light of other information sources and the contextual environment and generate recommendations accordingly</li> <li>▪ Describe the objectives and stages of Value-for-Money and other forms of performance audits</li> <li>▪ Apply relevant techniques to Value-for-Money and other forms of performance audits</li> <li>▪ Analyze the nature, and causes of audit risk in a public sector environment</li> </ul>
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<p><b>(f) Governance, risk management and internal control (Intermediate)</b></p>	<p>(i) Explain the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and explain the role of stakeholders in governance, disclosure, and transparency requirements.</p> <p>(ii) Analyze the components of an organization’s governance framework.</p> <p>(iii) Analyze an organization’s risks and opportunities using a risk management framework.</p> <p>(iv) Analyze the components of internal control related to financial reporting.</p>	<p>(i) Explain the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and explain the role of stakeholders in governance, disclosure, and transparency requirements.</p> <p>(ii) Analyze the components of an organization’s governance framework <b>in the context of the structure, functions, governance and accountability mechanisms of the public sector including distinctions between the legislative, judicial and managerial functions.</b></p> <p>(iii) Analyze an organization’s risks and opportunities using a risk management framework.</p> <p>(iv) Analyze the components of internal control related to financial reporting.</p>		<p>Explain how the effectiveness of corporate governance is enhanced by financial accounting internal and external audit, and audit reporting structures (internal such as audit committees</p> <ul style="list-style-type: none"> <li>▪ Explain the functions of the Auditor General (or equivalent) and the Supreme Audit Institution within the legislative oversight process</li> </ul>

<p><b>(g) Business laws and regulations (Intermediate)</b></p>	<p>(i) Explain the laws and regulations that govern the different forms of legal entities.</p> <p>(ii) Explain the laws and regulations applicable to the environment in which professional accountants operate.</p>	<p>(i) Explain the laws and regulations that govern the different forms of <b>public sector entities</b>.</p> <p>(ii) Explain the <b>general regulatory environment in the public sector, the regulatory framework of public sector audit, and the laws and regulations applicable to the specific</b> environment in which professional accountants operate.</p>		<ul style="list-style-type: none"> <li>▪ Explain the role and structure of the International Organization of Supreme Audit Institutions (INTOSAI)</li> <li>▪ Explain the different types of Supreme Audit Institution models: Westminster, Judicial, and Collegiate models.</li> </ul>
<p><b>(h) Information technology (Intermediate)</b></p>	<p>(i) Analyze the adequacy of general information technology controls and relevant application controls.</p> <p>(ii) Explain how information technology contributes to data analysis and decision making.</p> <p>(iii) Use information technology to support decision making through business analytics.</p>	<p>(i) Analyze the adequacy of general information technology controls and relevant application controls.</p> <p>(ii) Explain how information technology contributes to data analysis and decision making.</p> <p>(iii) Use information technology to support decision making through <b>business-data</b> analytics.</p>		<ul style="list-style-type: none"> <li>▪ Explain the role of ICT in a public sector environment including the impact on monitoring and oversight, efficiency, and risk</li> <li>▪ Explain the impact of ICT applications on the generation and collection of taxes and other revenues</li> <li>▪ Explain the value of ICT in the budget cycle including estimating future revenue and expenditure streams and reporting and control</li> <li>▪ Explain how the integration of central government ICT with other operational areas assists in performance</li> </ul>

				<p>management and decision-making.</p>
<p><b>(i) Business and organizational environment (Intermediate)</b></p>	<p>(i) Describe the environment in which an organization operates, including the main economic, legal, political, social, technical, international, and cultural forces.</p> <p>(ii) Analyze aspects of the global environment that affect international trade and finance.</p> <p>(iii) Identify the features of globalization, including the role of multinationals, e-commerce, and emerging markets.</p>	<p>(i) Describe the environment in which an organization operates, including the main economic, legal, political, social, technical, international, and cultural forces.</p> <p>(ii) Analyze aspects of the global environment that affect international trade and finance <b>and public funds and resources.</b></p> <p>(iii) Identify the features of globalization, including the role of multinationals, e-commerce, and emerging markets.</p>	<ul style="list-style-type: none"> <li>▪ Describe the public service environment including the nature and assortment of public services</li> <li>▪ Describe the objectives and the key elements of public financial management (PFM) systems and how they link to public sector performance</li> <li>▪ Describe the public policy setting environment including: the policy cycle, roles and responsibilities, processes, power sharing mechanisms and other institutional tools and arrangements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Describe the different types of decentralization and the different forms of administrative decentralization and economic decentralization</li> <li>▪ Describe public private partnership (PPP) arrangements including regulatory issues, types of contracts, , institutional procedures, and transparency requirements</li> <li>▪ Evaluate benefits and risks of PPP arrangements as compared to full government contracts</li> <li>▪ Describe institutional arrangements for policy setting in central government and at decentralized government levels noting the different forms of administrative decentralization</li> </ul>

<p><b>(j) Economics</b> <b>(Foundation)</b></p>	<p>(i) Describe the fundamental principles of microeconomics and macroeconomics.</p> <p>(ii) Describe the effect of changes in macroeconomic indicators on business activity.</p> <p>(iii) Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.</p>	<p>(i) Describe the fundamental principles of microeconomics and macroeconomics.</p> <p>(ii) Describe the effect of changes in macroeconomic indicators on business activity.</p> <p>(iii) Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.</p>	<ul style="list-style-type: none"> <li>▪ Describe the economic environment from a public sector viewpoint including how it relates to inter alia: revenue generation and taxation theory, social development, macroeconomic policy, and financial markets and institutions</li> <li>▪ Describe public sector budgeting including the budget cycle, budgetary reporting and control, economic implications and policy making</li> </ul>	<ul style="list-style-type: none"> <li>▪ Explain the implications of the budget deficit, surplus, or break-even for public debt</li> <li>▪ Explain how the nature and level of public debt impacts economic activity, management, and regulation</li> <li>▪ Explain the principal sources of public sector finance (e.g. taxation, charges for services, borrowing, grants) and the economic implications of each</li> <li>▪ Explain the relationship between public sector performance (including national macroeconomic policy, taxation levels, management of public resources, quality of service delivery) and socio-economic conditions</li> <li>▪ Understand key terms and issues pertaining to public debt: Fiscal constraints, methods of borrowing and implications of each</li> </ul>
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				<ul style="list-style-type: none"> <li>▪ Explain the role of public sector spending in macroeconomic management</li> </ul>
<p><b>Business strategy and management (Intermediate)"</b></p>	<p>(i) Explain the various ways that organizations may be designed and structured.</p> <p>(ii) Explain the purpose and importance of different types of functional and operational areas within organizations.</p> <p>(iii) Analyze the external and internal factors that may influence the strategy of an organization.</p> <p>(iv) Explain the processes that may be used to implement the strategy of an organization.</p> <p>(v) Explain how theories of organizational behavior may be used to enhance the performance of the individual, teams, and the organization</p>	<p>(i) Explain the various ways that organizations may be designed and structured.</p> <p>(ii) Explain the purpose and importance of different types of functional and operational areas within organizations.</p> <p>(iii) Analyze the external and internal factors that may influence the strategy of an organization.</p> <p>(iv) Explain the processes that may be used to implement the strategy of an organization.</p> <p>(v) Explain how theories of organizational behavior may be used to enhance the performance of the individual, teams, and the organization</p>		<ul style="list-style-type: none"> <li>▪ Explain the key features of public sector organizations including objectives, sources of finance, nature of relationships with other public and private sector organizations</li> <li>▪ Conduct key stakeholder analysis, and appraise the related impact on strategy considerations</li> <li>▪ Discuss the influence of other key factors including international, legal, social, environmental, economic, political, developmental, cultural, and ethical on strategy considerations</li> </ul> <p>Understand the main internal operational functions and related procedures of public sector entities such as planning, operations, procurement, monitoring and quality control</p>

				<ul style="list-style-type: none"><li>▪ Explain the legal and procedural requirements for the procurement of goods and services such as product or service specification, tendering, quality control and contractual provisions</li></ul>
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<sup>1</sup> IAESB Guiding Principles for Implementing a Learning Outcomes Approach.

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