

IAESBTM

Public Sector Accounting, Reporting, & Assurance Task Force

Presentation on Issues Paper

April 2019

Bali, Indonesia

Environmental Scan

- Pressure on the public sector accountancy profession:
 - The increased adoption of IPSAS
 - The ongoing evolution of IPSAS
 - Increasing complexity of public sector finances
 - The growing focus on anti-corruption and accountability of governments, entailing the quality of public financial management and public sector transparency and integrity.

International Education Standards (IESs)

- For all “Accountants”, regardless of sector
- Gaps:
 - financial management and financial reporting,
 - audit and assurance practice, and
 - the public policy or ‘mandating environment’

Purpose

- To identify the skills and competences required by professional accountants in performing their roles in public sector accounting, financial reporting and assurance that need to be addressed by IESs.
 - **Proposed outcomes:** standards development activities (if any)

Scope

- Identify distinctive characteristics of public sector accountancy;
- Perform a gap analysis between these and extant IESs; and
- Understand the impact on learning needs.

Methodology and Resources

- **PHASE I** (June – Nov 2017):
 - Literature review
 - Stakeholder outreach:
 - Inter-American Development Bank (capacity building)
 - INTOSAI (public audit and assurance)
 - World Bank (capacity building)
 - CIPFA (public accounting and audit curriculum, role of the public sector CEO, public audit, public sector financial reporting, counter fraud)
 - IPSASB (standards setting and maintenance)
 - OECD - Organization for Economic Cooperation and Development (Standards setting and contextual differences)

Methodology and Resources

- **PHASE II (Nov 2017 to April 2018):**

In-depth analysis, including review of relevant research literature and engagement with stakeholder organizations and IPSASB:

1. Identification and high level review of relevant literature: competency frameworks, PS syllabi and government department skills
2. Detailed review of the following seven selected documents:
 - AFROSAI-E competency framework
 - INTOSAI draft competency framework
 - CIPFA Syllabus
 - Office of the AG of Ireland
 - Competency Framework of the Wales Audit Office
 - Core Competency Framework Yukon Government
 - Proficiency Requirements for Comprehensive Auditing: A Guide for Practitioners (CCAF-FCVI Inc.)
3. Identify gaps and map those to IES competence areas

Methodology and Resources

- **Phase III (April 2018 – present) :**
 - Initiated with a view to drafting a **project proposal** that identified: (1) deficiencies in competence areas and accompanying learning outcomes by a gap analysis to the IESs; (2) detailed proposals to address these deficiencies (within the standards or their support); (3) detailed questions that will be asked to global stakeholders by means of roundtables and a public consultation; and (4) the timeline of events.
 - The Task Force amended its work plan following IFAC’s decision in June 2018 to develop a new model for accounting education, to produce:
 - Non-authoritative implementation support guidance on the preparation of a public sector curriculum (Agenda item 7-2)
 - Non-authoritative learning outcomes for a public sector curriculum created - as of the October 2018 meeting (Agenda item 7-3)

Key Issues to Highlight

- Significant gap in the accounting education standard-setting space.
 - Initiatives underway to fill this gap.
 - **INTOSAI:** in the final stages of developing a competency framework for public sector professionals:
 - “Competency framework for public sector audit professionals at Supreme Audit Institutions”
 - Guide on professionalization pathways; (utilizing the INTOSAI competency framework)
 - **AFROSAI-E and PAFA:** to ‘professionalize’ accountants and auditors in the public sector.
- Valuable findings that are as complete as possible without undertaking extensive external consultation.

Our Objective

- Update on the **non-authoritative implementation support guidance** for the preparation of a public sector curriculum. (1st draft was presented at the October meeting)
- Update on the **non-authoritative learning outcomes** to accompany the implementation support guidance.

Non-authoritative Implementation Support Guidance

- Three sections:
 1. A statement on how to use the implementation support materials.
 2. Fundamental concepts that distinguish public sector from private sector (including definitions as needed to make user friendly).
 3. Table A of IES 2, explaining **how IES 2 may be used to create a curriculum** and highlighting the following per competence area:
 - The existing learning outcomes which are equally applicable to the public sector context – whether as is or subject to interpretation
 - The gaps in learning outcomes covering competence areas needed in a public sector qualification, and why
 - Guidance on how the curriculum may be adapted to fill these gaps

Non-authoritative Public Sector Learning Outcomes

- **To accompany Implementation Support Materials”**: An **example** of how IES 2 may be used to create a curriculum
 1. Applicability of existing IES 2 learning outcomes to the public sector context
 - ❖ Column 3: how the extant IESs may be interpreted for a public sector curriculum. No additions / changes are being suggested here.
 2. Additional learning outcomes not covered by extant IES
 - ❖ Column 4: **Additional** LOs that are **not subsumed within IES**
 3. Non-Authoritative Detailed Learning Outcome (NDLOs)
 - ❖ Column 5: These are the **ones similar** to what was created by ICT (also named similarly).

Public Sector LOs vs. ICT LOs: A fundamental difference

- ICT TF: Suggested granular learning outcomes that could be created within a curriculum to **meet the high level outcomes existent in IES 2.**
- Public Sector TF: in addition **adapted** several IES 2 outcomes and **created new LOs** that are **not subsumed within IES 2.**

Feedback

1. IAESB (October 2018 meeting; for Implementation Support Guidance document only)
2. INTOSAI
3. AFROSAI-E
4. Two ACCA public sector experts
5. DWG: light review
6. ICT cold team.
7. IPSASB

All appropriate comments have been incorporated.

CAG Feedback

- Non-financial performance: Include a reference to IPSASB's 3 practice guidelines for public sector (service performance, MD&A, sustainability)
- Use of verbs & ordering of the verbs in the LOs → include a point on the use of alternative verbs depending on the level of qualification
- Consider flow of NDLOs back to the high-level LOs
- Consider consistency of NDLOs across TFs as appropriate
- Questions to the Panel:
 - 'What should every professional accountant know about the PS?'
 - 'How to move from professional accountants – through CPD – to different roles?'

PROPOSED TIMELINE AND MILESTONES

Milestones	Completion Dates
Analyze comments received by the Board, CAG, and from INTOSAI-E and AFROSAI experts	April 2019
Revise the two implementation support documents in response to these comments	April/May 2019
DWG review undertaken and further amendments made as required	May 2019
Present both documents to the Board in June with a view to publishing in July 2019	June 2019
Complete the handover document for the new education panel	July 2019

- Action Requested:

1. Does the final version of the Implementation Support guidance meet the approval of the Board?
2. Does the final version of the Learning Outcomes meet the approval of the Board?
3. Based on your knowledge and experience, is there anything further that should be considered in either of the two documents submitted before they are published?
4. What is the Board's view of the proposed timeline and related milestones?