

IMPLEMENTATION GUIDANCE: ILLUSTRATIVE LEARNING OUTCOMES FOR THE PUBLIC SECTOR ACCOUNTANCY CURRICULA

PURPOSE

This guidance serves as a companion document for the Implementation Support Material document entitled [*Designing Learning Outcomes for Curricula that Meet Public Sector Accountancy Needs*](#). It is grounded in the Learning Outcomes approach which “embodies the idea that learning and development activities are most effective when based on what the individual needs to demonstrate”. It aims to tangibly illustrate how International Education Standards (IESs) may be implemented and adapted to create curricula that serve 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 IES 2, *Initial Professional Development - Technical Competence* (Revised) are applicable, whether as is or with some adjustment, and the document also suggests some additional learning outcomes that are relevant and necessary in a program aimed at the development of professional accountants in the public sector. The proposed outcomes are supported by extensive research and engagement with key public sector stakeholders.

AUDIENCE

The focus is on *Technical Competence* as the IAESB’s findings suggest that this area of the IESs is most perceived to be oriented towards private sector theory and where, despite the substantial common ground, significant differences exist between the private and public sectors. While IES 2 provides subject matter that falls under Initial Professional Development (IPD) standards, it is equally pertinent to the Continuing Professional Development (CPD) programs for professional accountants (as described in the CPD standard) and in particular for professional accountants moving from the private to the public sector.

USE

The document comprises three columns. The first two are exact excerpts from IES 2 (Revised). The third displays learning outcomes that are relevant to create curricula that serve the needs of professional accountants in the public sector. These learning outcomes either replicate or are adapted from IES 2 (Revised). If a learning outcome from IES 2 (Revised) is not relevant to the accounting role in the public sector per se, it is excluded from the third column. In order for a complete curriculum, additional learning outcomes to those found in IES 2 (Revised) have been suggested. These are clearly visible where no equivalent is in the IES 2 column.

Finally, some more granular learning outcomes have been added to supplement higher level learning outcomes where this has been indicated to be helpful. Such learning outcomes are indicated with a bullet point. These latter learning outcomes are intended to be illustrative rather than complete.



This publication does not constitute an authoritative pronouncement of the International Accounting Education Standards Board and does not amend the IESs. This publication is not a substitute for reading the IESs. The examples in the guidance are supplemental to the learning outcomes in the IESs, non-authoritative, non-exhaustive, intended to be information enhancing, and should not be used as a 'checklist'.

IES 2 LEARNING OUTCOMES TABLE A		LEARNING OUTCOMES FOR PUBLIC SECTOR CURRICULA
Competence Area / Issue	Learning Outcomes in IES 2 (Revised) (required in all professional accountant's curricula)	
(a) Financial accounting and reporting (Intermediate) (For Public Sector may be read as 'ACCOUNTING AND REPORTING')	(i) Apply accounting principles to transactions and other events.	Apply accounting principles to transactions and other events.
	(ii) Apply International Financial Reporting Standards (IFRSs), or other relevant standards to transactions and other events.	Apply International Financial Reporting Standards (IFRSs), International Public Sector Accounting Standards (IPSAS), European Public Sector Accounting Standards (EPSAS) or other relevant standards to transactions and other events. <ul style="list-style-type: none"> ▪ Report on "non-exchange" transactions, heritage assets, social benefits and other transactions specific to the public sector.
	(iii) Evaluate the appropriateness of accounting policies used to prepare financial statements.	Evaluate the appropriateness of accounting policies used to prepare financial statements.
	(iv) Prepare financial statements, including consolidated financial statements, in accordance with IFRSs or other relevant standards.	Prepare financial statements, including consolidated financial statements, in accordance with IFRSs, IPSAS, EPSAS or other relevant standards. <ul style="list-style-type: none"> ▪ Prepare financial statements for different types of government departments, ministries, and agencies in accordance with relevant standards and laws.
	(v) Interpret financial statements and related disclosures.	Interpret financial statements and related disclosures.
	(vi) Interpret reports that include non-financial data and information.	Interpret reports that include non-financial data and information.

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		Prepare non-financial reports required by public sector institutions. <ul style="list-style-type: none"> Prepare additional reports to be published (e.g. public service performance report, pensions report). 		
(b) Management accounting (Intermediate)	(i) Prepare data and information to support management decision making on topics including planning and budgeting, cost management, quality control, performance measurement, and comparative analysis.	PUBLIC FINANCIAL MANAGEMENT	(b) Management accounting (Intermediate)	Prepare data and information to support management decision making on topics including planning and budgeting, cost management, quality control, performance measurement, and comparative analysis.
	(ii) Apply techniques to support management decision making, including product costing, variance analysis, inventory management, and budgeting and forecasting.		Apply techniques to support management decision making, including costing, variance analysis, inventory management, and budgeting and forecasting.	<ul style="list-style-type: none"> Apply costing principles to assign costs to different cost objects including activities, services, products, and programs within the public sector.
	(iii) Apply appropriate quantitative techniques to analyze cost behavior and the drivers of costs.		Apply appropriate quantitative techniques to analyze cost behavior and the drivers of costs.	

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	(iv) Analyze data and information to support management decision making.		<p>Analyze data and information to support management decision making.</p> <ul style="list-style-type: none"> Analyze the information requirements for planning, control and decision-making in public sector entities (including different types of government departments, ministries, organizations, and agencies).
	(v) Evaluate the performance of products and business segments.		<p>Evaluate status of public financial management in accordance with the Public Expenditure and Financial Accountability (PEFA) methodology or other relevant frameworks.</p> <ul style="list-style-type: none"> Apply PEFA or other relevant methodology to assess public sector performance. Generate recommendations for improvement.
			<p>Explain the critical role of the budgeting process as a mechanism for expenditure authorization, planning, and control.</p>

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(c) Finance and financial management (Intermediate)	(i) Compare the various sources of financing available to an organization, including bank financing, financial instruments, and bond, equity and treasury markets.		<p>(c) Finance and financial management (Intermediate)</p> <p>Compare the various sources of financing available to an organization, including bank financing, financial instruments, and bond, equity and treasury markets.</p> <ul style="list-style-type: none"> ▪ Describe the objectives and the key elements of public financial management (PFM) systems and how they link to public sector performance. ▪ Compare different sources of revenue (both exchange and non-exchange) and finance available to the government and their impact on the economy and social objectives.
	(ii) Analyze an organization's cash flow and working capital requirements.		Analyze an organization's cash flow and working capital requirements.
	(iii) Analyze the current and future financial position of an organization, using techniques including ratio analysis, trend analysis, and cash flow analysis.		Analyze the current and future financial position of an organization, using techniques including ratio analysis, trend analysis, and cash flow analysis.

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	(iv) Evaluate the appropriateness of the components used to calculate an organization's cost of capital.		Evaluate the appropriateness of the components used to calculate an organization's cost of capital.
	(v) Apply capital budgeting techniques in the evaluation of capital investment decisions.		Apply capital budgeting techniques in the evaluation of capital investment decisions.
	(vi) Explain income, asset-based, and market valuation approaches used for investment decisions, business planning, and long-term financial management.		<p>Explain organizational objectives including financial and investment policies, long and short term.</p> <ul style="list-style-type: none"> ▪ Explain how the government estimates long-term streams of public revenues and expenditures. ▪ Estimate long term streams of public revenues and expenditures. ▪ Explain how pricing strategies that have cost recovery or social objectives differ from pricing strategies that are set to maximize profit.

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(d) Taxation (Intermediate)	(i) Explain national taxation compliance and filing requirements.	Explain national taxation compliance and filing requirements.
	(ii) Prepare direct and indirect tax calculations for individuals and organizations.	Prepare direct and indirect tax calculations for individuals and organizations.
	(iii) Analyze the taxation issues associated with non-complex international transactions.	Analyze the taxation issues associated with non-complex international transactions.
	(iv) Explain the differences between tax planning, tax avoidance, and tax evasion	Explain the differences between tax planning, tax avoidance, and tax evasion and the impact they have on government's ability to deliver services. Explain the principles of setting taxes. <ul style="list-style-type: none"> ▪ Describe the main taxation models in terms of revenue generation, economic management, social development, and relationship to macroeconomic policy. Explain the elements of a national tax system including types of taxes and collection agencies. <ul style="list-style-type: none"> ▪ Explain the general types of taxes at the different government levels and the statutory basis on which they are levied. ▪ Explain the different functions within the national tax system and the annual tax collection cycle.

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(e) Audit and assurance (Intermediate)	(i) Describe the objectives and phases involved in performing audits of financial statements.	Describe the objectives and phases involved in performing compliance, performance, and financial statement audits. <ul style="list-style-type: none"> ▪ Describe the regulatory and quality control frameworks for public sector audits. ▪ Describe the objectives, approaches, methodology, and technology of performance audits.
	(ii) Apply International Standards on Auditing or other relevant auditing standards, laws, and regulations to an audit of financial statements.	Apply relevant auditing standards (for example, International Standards on Auditing, International Standards of Supreme Audit Institutions (ISSAI), Institute of Internal Auditors (IIA global) standards), laws, and regulations applicable to the different types of audits.
	(iii) Assess the risks of material misstatement in the financial statements and consider the impact on the audit strategy.	Assess the risks of material misstatement in the financial statements and consider the impact on the audit strategy. <ul style="list-style-type: none"> ▪ Assess the nature and causes of audit risk in a public sector environment. ▪ Apply risk assessment methodology to public sector audit.
	(iv) Apply quantitative methods that are used in audit engagements.	Apply quantitative methods that are used in audit engagements. <ul style="list-style-type: none"> ▪ Apply quantitative techniques to value-for-money and other forms of performance audits, and to compliance audits.
	(v) Identify all relevant audit evidence, including contradictory evidence, to inform judgments, make decisions, and reach well-reasoned conclusions.	Identify all relevant audit evidence, including contradictory evidence, to inform judgments, make decisions, and reach well-reasoned conclusions.

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	(vi) Conclude whether sufficient and appropriate audit evidence has been obtained.	Conclude whether sufficient and appropriate audit evidence has been obtained.
	(vii) Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.	<p style="text-align: center;">Explain the key elements of assurance engagements and applicable standards that are relevant to such engagements.</p> <ul style="list-style-type: none"> ▪ Explain the role of the auditor and the nature of the audit work that would be carried out in a procurement process within the public sector. <p style="text-align: center;">Explain how the broad public sector environment impacts on audit objectives.</p> <p style="text-align: center;">Describe the role of legislatures in scrutinizing audit reports.</p> <p style="text-align: center;">Describe the role of internal audit, the responsibility of the function and its accountability as well as its relationship with external audit.</p> <p style="text-align: center;">Compare internal and external audit roles in the public sector.</p> <p style="text-align: center;">Compare audit roles in the public and private sectors including differences in professional liability.</p> <ul style="list-style-type: none"> ▪ 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.

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(f) Governance, risk management and internal control (Intermediate)	(i) Explain the principles of good governance, including the rights and responsibilities of owners, investors, and those charged with governance; and the role of stakeholders in governance, disclosure, and transparency requirements.	Explain the principles of good governance, including the rights and responsibilities of those charged with governance; and the role of stakeholders in governance, disclosure, and transparency requirements. <ul style="list-style-type: none"> ▪ Explain how the effectiveness of governance is enhanced by financial accounting, internal and external audit, and audit reporting structures such as public accountant committees and fiscal councils.
	(ii) Analyze the components of an organization's governance framework.	Analyze the components of an organization's governance framework in the context of the structure, functions, governance and accountability mechanisms of the public sector including distinctions between the legislative, judicial and managerial functions. <ul style="list-style-type: none"> ▪ Explain the role and structure of the International Organization of Supreme Audit Institutions (INTOSAI). ▪ Explain the functions of the Auditor General (or equivalent) and the Supreme Audit Institution within the legislative oversight process.
	(iii) Analyze an organization's risks and opportunities using a risk management framework.	Analyze an organization's risks and opportunities using a risk management framework.

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	(iv) Analyze the components of internal control related to financial reporting.	Analyze the components of internal control related to financial reporting.
	(v) Analyze the adequacy of systems, processes and controls for collecting, generating, storing, accessing, using, or sharing data and information.	Analyze the adequacy of systems, processes and controls for collecting, generating, storing, accessing, using, or sharing data and information.
(g) Business laws and regulations (Intermediate)	(i) Explain the laws and regulations that govern the different forms of legal entities.	Explain the laws and regulations that govern the different forms of public sector entities.
	(ii) Explain the laws and regulations applicable to the environment in which professional accountants operate.	Explain the general regulatory environment in the public sector, the regulatory framework of public sector audit, and the laws and regulations applicable to the specific environment in which professional accountants operate. <ul style="list-style-type: none"> ▪ Explain the different types of Supreme Audit Institution models (i.e. Westminster, Judicial, and Collegiate models). ▪ Explain the laws of data protection as they apply to data collected and used by the government.
	(iii) Apply data protection and privacy regulations when collecting, generating, storing, accessing, using, or sharing data and information.	Apply data protection and privacy regulations when collecting, generating, storing, accessing, using, or sharing data and information.

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(h) Information and communications technologies (Intermediate)	(i) Explain the impact of Information and Communications Technologies (ICT) developments on an organization's environment and business model.	Explain the impact of Information and Communications Technologies (ICT) developments on an organization's environment and business model. <ul style="list-style-type: none"> ▪ Explain the impact of ICT applications on the generation and collection of taxes and other revenues. ▪ Explain the value of ICT in the budget cycle including estimating future revenue and expenditure streams and reporting and control.
	(ii) Explain how ICT supports data analysis and decision making.	Explain how ICT supports data analysis and decision making.
	(iii) Explain how ICT supports the identification, reporting, and managing of risk in an organization.	Explain how ICT supports the identification, reporting, and managing of risk in an organization. <ul style="list-style-type: none"> ▪ Explain the role of ICT in a public sector environment including the impact on monitoring and oversight, efficiency, and risk.
	(iv) Use ICT to analyze data and information.	Use ICT to analyze data and information.
	(v) Use ICT to enhance the efficiency and effectiveness of communication.	Use ICT to enhance the efficiency and effectiveness of communication.
	(vi) Apply ICT to enhance the efficiency and effectiveness of an organization's system.	Apply ICT to enhance the efficiency and effectiveness of an organization's system. <ul style="list-style-type: none"> ▪ Explain how the integration of central government ICT with other operational areas assists in performance management and decision-making.

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	(vii) Analyze the adequacy of ICT processes and controls.	Analyze the adequacy of ICT processes and controls.
	(viii) Identify improvements to ICT processes and controls.	Identify improvements to ICT processes and controls.
(i) Business and organizational environment (Intermediate)	(i) Describe the environment in which an organization operates, including the primary economic, legal, regulatory, political, technological, social, and cultural aspects.	Describe the environment in which an organization operates, including the primary economic, legal, regulatory, political, technological, social, and cultural aspects. <ul style="list-style-type: none"> Describe the key features of public sector organizations including objectives, sources of finance, nature of relationships with other public and private sector organizations.
	(ii) Analyze aspects of the global environment that affect international trade and finance.	Analyze aspects of the global environment that affect international trade and finance, and public funds and resources.
	(iii) Identify the features of globalization, including the role of multinationals and emerging markets	Describe the public policy setting environment including the policy cycle, roles and responsibilities, processes, power sharing mechanisms, and other institutional tools and arrangements. <ul style="list-style-type: none"> Describe institutional arrangements for policy setting in central government and at decentralized government levels noting the different forms of administrative decentralization. Describe the different types of decentralization and the different forms of administrative decentralization and economic decentralization.

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		<p>Describe the public service environment including the nature and assortment of public services.</p> <ul style="list-style-type: none"> ▪ Describe public private partnership (PPP) arrangements including regulatory issues, types of contracts, institutional procedures, and transparency requirements. ▪ Describe typical benefits and risks of PPP arrangements as compared to full government contracts.
(j) Economics (Foundation)	(i) Describe the fundamental principles of microeconomics and macroeconomics.	<p>Describe the fundamental principles of microeconomics and macroeconomics.</p> <ul style="list-style-type: none"> ▪ Describe the relationship between public sector performance (including national macroeconomic policy, taxation levels, management of public resources, quality of service delivery) and socio-economic conditions.
	(ii) Describe the effect of changes in macroeconomic indicators on business activity.	<p>Describe the effect of changes in macroeconomic indicators on business activity.</p> <ul style="list-style-type: none"> ▪ Describe macroeconomic issues including economic theories; national income; inflation; unemployment; trade deficits and surpluses; the trade cycle. ▪ Explain the implications of the budget deficit, surplus, or break-even for public debt. ▪ Explain how the nature and level of public debt impacts economic activity, management, and regulation.

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	(iii) Explain the different types of market structures, including perfect competition, monopolistic competition, monopoly, and oligopoly.	Explain the economic environment from a public sector viewpoint including how it relates to revenue generation and taxation theory, social development, macroeconomic policy, and financial markets and institutions.
		Describe public sector budgeting including the budget cycle, budgetary reporting and control, economic implications and policy making. <ul style="list-style-type: none"> ▪ Describe key terms and issues pertaining to public debt: Fiscal constraints, methods of borrowing and the implications of each. ▪ Explain the role of public sector spending in macroeconomic management.
		Explain how taxation and regulations can be used to drive social / public agenda and their impact on the economy.
(k) Business strategy and management (Intermediate)	(i) Explain the various ways that organizations may be designed and structured.	Explain the various ways that organizations may be designed and structured.
	(ii) Explain the purpose and importance of different types of functional and operational areas within organizations.	Explain the purpose and importance of different types of functional and operational areas within organizations. <ul style="list-style-type: none"> ▪ Explain the main internal operational functions and related procedures of public sector entities such as planning, operations, procurement, monitoring and quality control.

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	(iii) Analyze the external and internal factors that may influence the strategy of an organization.	Analyze the external and internal factors that may influence the strategy of an organization. <ul style="list-style-type: none"> ▪ Discuss the influence of key factors including international, legal, social, environmental, economic, political, developmental, cultural, and ethical on strategy considerations. ▪ Conduct key stakeholder analysis, and appraise the related impact on strategy considerations.
	(iv) Explain the processes that may be used to implement the strategy of an organization.	Explain the processes that may be used to implement the strategy of an organization. <ul style="list-style-type: none"> ▪ 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. ▪ Compare pricing policies and strategies as these relate to cost recovery.
	(v) Explain how theories of organizational behavior may be used to enhance the performance of the individual, team, and the organization.	Explain how theories of organizational behavior may be used to enhance the performance of the individual, team, and the organization.

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