

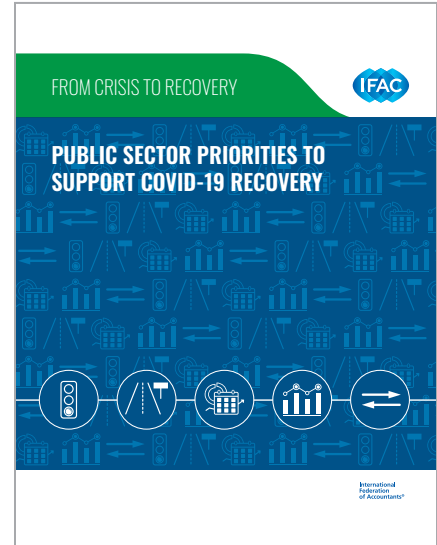
ENABLING AN EFFECTIVE PUBLIC SECTOR FINANCE WORKFORCE



Enabling an effective public sector finance workforce is particularly important in the current environment where public finance professionals play key roles in:

- Enabling **greater transparency and accountability** in the public sector, helping citizens understand how public funds are being managed and spent, and how decisions are made.
- Continuing to support governments in **recovery from the pandemic**, and responding to emerging crises.
- Supporting sustainable development and the shift to net-zero.

During its March meeting, the **PAIB Advisory Group** discussed public sector priorities and challenges for the profession across jurisdictions which vary due to the differing maturity levels of the accountancy profession in the sector, as well as local or regional specific issues. Regardless of jurisdiction, consistent messages included the need for continued advocacy to promote the value of the public sector finance workforce to both the organizations they work for and to the individuals themselves as well as the importance of investing in the workforce and skills development. The key themes discussed are summarized below.



Getting buy-in from senior managers leading frontline services is an essential requirement to improving public sector financial management. Only when the public sector finance professional is trusted and seen as a valuable addition to management teams, can they truly become an integral part of the decision-making process.

Kirsty Stanners, Head of Policy and Technical, CIPFA



THE VALUE OF THE PUBLIC SECTOR FINANCE WORKFORCE

Supporting decision making and directing resources to priority areas

Many who choose to work in the public sector do so because they have a strong desire to deliver public good. This sentiment was echoed by Kirsty Stanners, Head of Policy and Technical at CIPFA (and a technical advisor to the PAIB Advisory Group), who shared her experience from over 20 years working across a range of public finance roles, most recently as the Head of Finance Business Partnering for Police Scotland. Kirsty also shared [case study examples of CIPFA members](#) from around the world to demonstrate the variety of rewarding roles that accountants working in the public sector can have.

Drawing from her own experiences, Kirsty highlighted that as a public sector finance professional and CIPFA member, during her career she has been well placed in finance to have an overview across the organization, understand what the organization is trying to achieve, share best practice across different departments or divisions and help ensure that decisions are taken with economy, efficiency and effectiveness at their heart. In her roles, this has involved supporting those working on the frontline, such as senior police officers, teachers and social workers, who as they move up through the management hierarchy, are increasingly responsible for financial management and people management as part of their jobs.





Finance can help senior managers understand and evaluate competing demands in order to prioritize and ensure the biggest impact with the resources available. That is what allows finance professionals to provide value for money for the taxpayer and demonstrates the value of investing in the public sector finance profession.

CASE STUDY

CIPFA CASE STUDY: DATUK DR YACOB BIN MUSTAFA, ACCOUNTANT GENERAL OF MALAYSIA

“ As an accountant in public service, I...can be part of the betterment of this country. I also have the chance to participate in the policy-making process and assist government in making effective decisions that best serve our nation. ”



In a career spanning more than 30 years, Datuk Dr Yacob Bin Mustafa’s career has served in various government departments in Malaysia. He sees his role in the public sector as a way to contribute to Malaysia and highlighted the breadth of his role compared to accounting work in the commercial sector. His work involves ensuring high-quality accounts are produced and public finances are managed effectively, which helps the government in its decision making.

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INVESTING IN THE WORKFORCE AND SKILLS DEVELOPMENT

Capacity building and professionalization

For many jurisdictions, the professionalization of the public sector is the immediate priority. This involves increasing the number and capacity of skilled and competent public finance professionals, with suitable training and qualifications, and embedding strong professional and ethical standards.

The significant shift from cash to accrual reporting by governments [projected over the next 10 years](#) is a trigger in many jurisdictions for PFM reform and investment in professionalization of the finance workforce. This includes both immediate actions to train incumbents as well as longer term capacity building initiatives. Professional accountancy organizations play a crucial role in supporting these efforts.



CASE STUDY

DRIVING PFM REFORM IN RWANDA

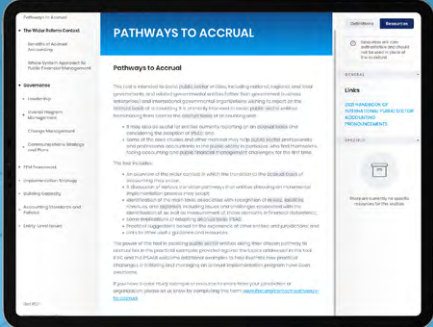
The Government of Rwanda, through the Ministry of Finance, identified the Institute of Certified Public Accountants of Rwanda (ICPAR) as its partner for developing the skills and competencies of its financial management staff. IFAC also supported these efforts through the development of an accounting technician qualification.

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PATHWAYS TO ACCRUAL

This digital platform is designed to be a practical project management tool to help governments and other public sector entities think through key aspects in a transition from cash to accrual accounting and forge their own unique paths towards sound public financial management.

ifac.org



CASE STUDY

STRENGTHENING A TRANSPARENT & ACCOUNTABLE PUBLIC SECTOR IN ZIMBABWE: HOW DO PAOS FIT IN?

The Institute of Chartered Accountants of Zimbabwe (ICAZ) sees transparency and accountability as key drivers for enhanced PFM, which in turn is a driver of national economic growth. ICAZ believes that increased accountability, ethics, and integrity comes through greater professionalism and training. It also believes that PAOs worldwide can help accountancy professionals develop stronger, broader skill sets that will enable the production of high-quality financial information, audits of this information, and the delivery of excellent financial services.

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In some jurisdictions, further advocacy is needed to highlight the importance of having accountants with the skills, ethics and public interest focus, in key positions in government departments to ensure proper management of public funds. For example, a challenge in many parts of the world, such as south Asia and Africa, is that there are often qualified accountants in government owned commercial operations, but not in government departments.

Increasing the attractiveness of the accountancy profession is a general issue across the profession, but it can be even more of a challenge in the public sector. Challenges shared ranged from

lack of a perceived career pathway, and wide salary gaps compared to the private sector, to more serious concerns in jurisdictions with high levels of government corruption, where individuals can face intimidation threats and fear for their safety.

Across the profession there is still much to do to support professionalism in the public sector, establish and promote attractive career pathways and rewarding roles and highlight the breadth of opportunities a career in public sector accountancy provides, including opportunities to make a real difference to broader economic, societal, and environmental issues.



Business partnering and skills development

For jurisdictions that already have a more established public finance workforce, the focus is on ensuring that accountants in their various roles at governance, strategic, and operational levels, have the skills as strategic business partners to enable better public service delivery and support in a range of areas such as:

- **Short, medium, and long-term financial planning** – providing decision-useful insights and information to help balance spending priorities and manage trade-offs.
- **Risk management, spend control and assurance frameworks** - ensuring value for money, but also recognizing the need to have an appropriate risk appetite and take risks, and being able to understand and respond to uncertainty, often with imperfect information. This is particularly important in the current environment with [high inflation, supply chain challenges, and geopolitical and macroeconomic uncertainty](#).



- **Policy development** – including supporting scenario planning, enhanced data analytics and evaluation of policies, for example evaluation of green finance policies (UK example [The Green Book \(2022\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/the-green-book-2022)).
- **Performance measurement** – integrating financial and non-financial information to help understand the impact of spending on social value, broader societal outcomes and the environment.

CASE STUDY

CIPFA CASE STUDY: DEVASUDA ANBLAGAN PHD, SENIOR FINANCE MANAGER AT NHS ENGLAND AND NHS IMPROVEMENT

Devasuda took her job with the National Health Service (NHS) in April 2020 and was initially focused on supporting the NHS's response to the pandemic. Before working in finance, Devasuda studied physics and was a Research Fellow at the University of Edinburgh, involved in research into perinatal and ageing brains using MRI. Devasuda became a public sector accountant to help support the improvement of the healthcare system and medical research through understanding current challenges and future demand.



“ A major challenge is that there is too much focus on short-term goals and failure to recognise that sometimes we need to choose or make short-term sacrifices to achieve greater benefit in the long term.”

More could be done to invest for the future. For example, the health service could spend more on preventative interventions early in life to avoid costly emergency interventions later. From a finance point of view, more could be done to invest in technology, where resource pressures can sometimes leave the public sector lagging behind the private sector.

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EXAMPLE: UK GOVERNMENT FINANCE FUNCTION

“ We put finance at the heart of decision making. Driving the agenda, not just keeping score. ”

The UK's Government Finance Function is a diverse community of over 10,000 people, striving to deliver 'more mature financial management, evidence-based policy and operational decision making, sophisticated forward-planning, and robust risk management.' It brings together a range of disciplines and expertise, from strategic business partners, to accountants, to risk and audit professionals, who are embedded in every government department and their organisations.

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Transferability of skills between the public and private sectors

There can be a perception among accountants and organizations that skills and competencies are not transferable between the public and private sectors. For accountants who move from the private sector into the public sector, it can be a challenge to navigate the politics, as well as the governance and transparency requirements of operating in a public sector environment. To encourage more movement between sectors, focusing on key skills and competencies that matter in the public sector is important. For example, focusing on:

- Leadership, influencing, and people skills as well as technical competencies.
- Communication skills, which are just as important as financial skills, when working within organizations to promote and improve public sector financial management. Those in senior roles will also need to communicate effectively with politicians and the public.

Conversely, those moving from the private sector to the public sector can bring valuable commercial perspectives. Secondments between the public and private sectors were suggested to encourage movement and broaden experiences and skillsets.

There is also increased public-private sector partnership and collaboration, including on infrastructure projects, healthcare, and other service delivery. At the height of the pandemic, partnerships were critical in a range of areas including vaccine development and rollout, and procurement of personal protective equipment. As governments face their greatest policy challenges and deal with increasingly complex issues, cross-collaboration between sectors is key to determining how to create value and better outcomes for society.

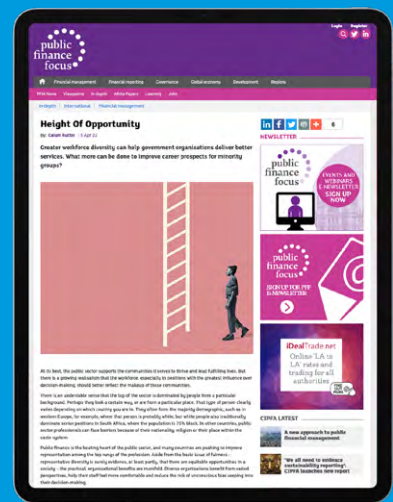


Diversity and inclusion

Diversity of the workforce is particularly important in the public sector to ensure that decisions made are representative of society as a whole. For the finance workforce, embedding diversity and inclusion into teams is an important part of making better decisions and approaching challenges from different perspectives.

CIPFA: HEIGHT OF OPPORTUNITY

At its best, the public sector supports the communities it serves to thrive and lead fulfilling lives. But there is a growing realisation that the workforce, especially in positions with the greatest influence over decision-making, should better reflect the makeup of those communities.



CASE STUDY

CIPFA CASE STUDY: CLAIRE LAKE, PARTNER AT BAIME CONSULTING (& CIPFA DIRECTOR FOR NORTH AMERICA)



“ The work I do directly impacts Canadian’s lives. I can help to ensure that funding moves around government in a more effective and efficient way.”

Claire has over 20 years of experience working in a range of industries including the public sector, financial services, IT, automotive, energy and engineering. Claire’s career started in the private sector, where she worked with governments raising money for large infrastructure projects. With this experience, Claire found she could transfer to working in the public sector, and saw public sector work as an opportunity to give something back to society. Claire commented that public sector can change working arrangements ahead of the private sector, because change is made for the right reasons

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ICAEW: SOCIAL MOBILITY: HOW AUDIT WALES IS RISING TO THE CHALLENGE

The Auditor General for Wales has launched a number of initiatives to bring people from different backgrounds into its staff and introduce them to other parts of the Welsh public sector.

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AICPA: PROMOTING EQUITY IN GOVERNMENT ENTITIES

In Canada and the United States, the public and social sectors have higher diversity in senior roles than in private industry. But with the COVID pandemic exacerbating leadership burnout, particularly amongst women, government entities must work harder than ever to support, retain, and build upon this diversity.

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KEY RECOMMENDATIONS FOR THE PROFESSION

Professional accountants play critical roles in advising governments, directing expenditure to priority areas, controlling and accounting for funds and ultimately reinforcing trust in public services and spending. And in the current environment, there has never been a greater need for the accountancy profession to apply its skills, expertise and professional integrity in the public sector. To support this, PAOs can:

- **Promote** the value that a professional finance workforce brings to public sector priorities, across a diverse range of roles.
- **Advocate** for the importance of having accountants in key positions in government departments to ensure proper management of public funds.
- **Engage** with key influencers in the public sector, which includes professional accountants working in senior political roles.
- **Support** professionalism and continued professional development of the public sector finance workforce, including development of broader skills such as business partnering and influencing.
- **Collaborate** with key stakeholders (such as governments and donor agencies) to support PFM reform programs, including supporting implementation of accrual IPSAS.
- **Highlight** the breadth of opportunities a career in public sector accountancy provides, including opportunities to make a real difference to broader economic, societal, and environmental issues.

Read more insights from IFAC's Professional Accountants in Business Advisory Group:
[*Global Priorities for Professional Accountants in Business and the Public Sector.*](#)