

# PROFESSIONAL ACCOUNTANCY QUALIFICATION DETAILED SYLLABUS

## FINAL TEST OF PROFESSIONAL COMPETENCE STAGE STRATEGIC BUSINESS MANAGEMENT

### 1. INTRODUCTION AND SCOPE

CIPFA's Statement of Expertise identifies the key areas of competence and standards of performance expected of a CPFA within 5 years of initial qualification. The CIPFA Professional Accountancy Qualification is designed to provide the professional education element of CIPFA's qualification scheme, equipping newly-qualified CPFAs with the technical and managerial knowledge and skills which underpin the competences described in the Statement of Expertise. Each module of the Professional Accountancy Qualification contributes to the attainment of a range of these competences.

This module is part of the Final Test of Professional Competence stage of the CIPFA scheme. The module will deliver a series of objectives (see below) which represent the standard of attainment expected of a newly-qualified CPFA. This level of attainment, coupled with initial professional development activities, will enable the CPFA to perform to the standards specified in areas of the Statement of Expertise as described below.

All issues in this syllabus are to be considered within the live contemporary public services environment. This requires active research and a continuous appreciation of current issues.

### 2. LINKAGES

This module builds directly on the learning in the Governance & Public Policy, Accounting for Decision Making and Leadership & Management modules, in addition to drawing on prior knowledge in the Audit & Assurance and Financial & Performance Reporting modules, to create a capstone module which synthesises prior and new learning.

### 3. OVERALL OBJECTIVES

On completion of the module, the successful candidate will be able to:

- A) Discuss the theoretical nature and objectives of strategic management and strategic decision making within the contemporary reality of the public service environment. (SOE: LSM1, LSM2)<sup>1 2</sup>**

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<sup>1</sup> Note that these references link to specific areas of expertise described in the Statement of Expertise.

<sup>2</sup> As a final test of professional competence, the content of this module is cumulative, therefore no weightings have been applied to individual sections.

- B) Appraise the principles of strategic analysis and diagnosis within the contemporary reality of the public service environment. (SOE: LSM2, LSM3, SOFM3, CRPM2)**
- C) Discuss the rationale for selecting strategic options and evaluate strategic options within the contemporary reality of the public service environment (SOE: CRM2, PCM3, SOFM3, SOFM4, LSM3)**
- D) Discuss the process of managing strategic change and formulate plans addressing the organisational and environmental implications within the contemporary reality of the public service environment. (SOE: CRM1, CRM2)**

#### **4. LEARNING OUTCOMES**

- A) Discuss the theoretical nature and objectives of strategic management and strategic decision making within the contemporary reality of the public service environment.**

*The successful candidate will be able to:*

- A1) Discuss the meaning and purpose of strategic management and strategic decision making and evaluate their relevance to the contemporary public sector, including<sup>3</sup>:
  - characteristics of strategy
  - why strategy is important
- A2) Discuss the theoretical models of strategic management and strategic decision making in an organisational context, including:
  - theoretical models (planned, emergent, cultural etc.)
  - levels of strategy (corporate, business, operational).

*Related learning from other modules:*

- A1) The process of undertaking complex decisions (ADM)
- A2) Role of the manager, management levels, organisational structures, organisational culture (L&M)

- B) Appraise the principles of strategic analysis and diagnosis within the contemporary reality of the public service environment.**

*The successful candidate will be able to:*

- B1) Discuss the principles behind the elements of strategic analysis and diagnosis:
  - environmental analysis

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<sup>3</sup> Note that the specific topics identified below each learning outcome are regarded as essential knowledge for the successful candidate, but these lists should not be viewed as exhaustive.

- market analysis
  - organisational analysis
  - organisational capability.
- B2) Formulate environmental analysis, including:
- environmental complexity / dynamism
  - PESTLE scenario planning.
- B3) Appraise the market place using appropriate tools, including:
- market theory, customer/consumer analysis
  - segmentation, Porter's 5-forces.
- B4) Appraise an organisation using appropriate tools, including:
- mission statements, corporate and business objectives etc.
  - cultural analysis and stakeholder analysis
  - ethical stance and governance structures.
- B5) Appraise organisational capability using appropriate tools, including:
- organisational capability, competence
  - portfolio analysis, supplier management
  - resource audit, value chain analysis.
- B6) Determine key strategic factors and aspects of strategic analysis, including:
- SWOT analysis.

***Related learning from other modules:***

- B1) Regulatory framework, policy framework, economic policy, demographical pressure, labour market (GPP)  
Financial environment, resource allocation methods (FPR)
- B2) Cultural theory / web (L&M)  
Corporate governance, ethics (GPP and A&A)

**C) Discuss the rationale for selecting strategic options and evaluate strategic options within the contemporary reality of the public service environment.**

***The successful candidate will be able to:***

- C1) Discuss the rationale for:
- generating strategic options
  - appraisal criteria
  - evaluating and selecting strategic options.
- C2) Evaluate techniques for generating strategic options, including:
- strategic issues approach
  - competitive strategy approach
  - creativity / brainstorming
  - strategy clock

- Ansoff matrix.

- C3) Evaluate strategic options, including:
- suitability, feasibility and acceptability, including analysis of risk
  - shortlisting, benefit criteria, stakeholder reaction, scenarios, cost benefit analysis
  - issues relating to asset management and mergers and acquisitions.

***Related learning from other modules:***

- C1) Brainstorming (ADM)  
C2) Cost benefit analysis (ADM)

**D) Discuss the process of managing strategic change and formulate plans addressing the organisational and environmental implications within the contemporary reality of the public service environment.**

***The successful candidate will be able to:***

- D1) Discuss and evaluate the process of managing a strategic change within an organisational context, including:
- change tactics / management
  - behavioural / cultural aspects
  - the risks associated with implementing strategic change
  - organisational structure
  - performance monitoring, review and action.
- D2) Formulate and evaluate appropriate plans at corporate, business and operational level for implementing strategy, taking account of organisational and environmental factors, including:
- business plans / action plans / resource allocation
  - stakeholders / competitors
  - communication / promotion.

***Related learning from other modules:***

- D1) Change management, structures, culture, motivation / behaviour, human resource management (L&M)  
Performance monitoring (ADM)
- D2) Resource allocation modelling (ADM)  
Communication (L&M).