

DIPLOMA IN INTERNATIONAL PUBLIC FINANCIAL MANAGEMENT

MODULE SYLLABUS: PUBLIC SECTOR FINANCIAL REPORTING

1. MODULE PROFILE

Public Sector Financial Reporting (PSFR) is one of four modules comprising the CIPFA Diploma in International Public Financial Management (Dip IPFM). This is the second qualification in CIPFA's integrated suite of qualifications, the other qualifications being:

- Certificate in International Public Financial Management (Cert IPFM), comprising three Certificate stage modules
- Advanced Diploma in International Public Financial Management (Adv Dip IPFM), comprising four Advanced Diploma stage modules
- Professional Qualification in International Public Financial Management (PQ IPFM), comprising two Strategic stage modules

PSFR is designed to provide candidates with the technical knowledge and skills required to perform financial reporting responsibilities within the public sector.

The module takes the candidate through the key IPSAS financial reporting standards. It also covers the processes required for the preparation of financial statements and various aspects of performance reporting within the public sector.

The learning outcomes for this module are designed to reflect the financial and performance reporting tasks found in typical job descriptions of financial accountants within the public sector.

2. LINKAGES

The positioning of this module within the overall programme is based on the aim of building directly on the knowledge and skills gained in the Cert IPFM Financial Accounting module. It is also linked to Corporate Financial Reporting in the Adv Dip IPFM.

3. OVERALL AIMS

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

- A) Describe the external financial reporting framework for the public sector (15%);**
- B) Prepare the key external financial statements for public sector organisations, applying relevant accounting standards (70%);**
- C) Discuss the regulatory framework for measuring performance in public sector organisations. (15%).**

4. LEARNING OUTCOMES

OVERALL AIM A

Describe the external financial reporting framework for the public sector.

LEARNING OUTCOMES

The successful candidate will be able to:

A1) Describe the nature of public sector organisations and their objectives:

- Objectives of public sector organisations and comparison with private sector organisations;
- Sources of finance for public sector organisations;
- Relationships between organisations within the public sector;
- Relationships between public sector and private sector organisations;
- Role of financial and non-financial objectives in public sector organisations and comparisons with the private sector.

A2) Explain the objectives of external financial reporting within the public sector:

- Impact of externally set financial objectives and financial targets;
- Users, their needs and the impact on financial reporting;
- Financial accountability in the public sector and its impact on external financial reporting;
- Consolidation of external financial statements in the public sector and the role of whole-of-government accounts.

A3) Discuss the role and significance of International Public Sector Accounting Standards (IPSAS) in public sector accounting and financial reporting:

- Development, content and coverage of International Public Sector Accounting Standards (IPSAS) and their impact on financial accounting and reporting;
- Approaches to adopting IPSASs.

OVERALL AIM B

Prepare the key external financial statements for public sector organisations, applying relevant accounting standards.

LEARNING OUTCOMES

The successful candidate will be able to:

- B1) Explain and apply the accounting treatment for transactions required by IPSASs as detailed in the Appendix to this syllabus**
- B2) Discuss and apply the requirements of the IPSAS 'Financial reporting under the cash basis of accounting':**
- Presentation and disclosure requirements;
 - Consolidation;
 - Foreign currency;
 - Budget information;
 - External assistance;
 - Preparation of consolidated statement of cash receipts and payments;
 - Preparation of statement of comparative budget and actual amounts.
- B3) Apply accounting principles and techniques in the preparation of accruals-based single entity financial statements for public sector organisations (excluding Government Business Enterprises):**
- Statement of financial performance;
 - Statement of financial position;
 - Cash flow statement;
 - Statement of changes in net assets/equity.
- B4) Identify types of organisational combinations and prepare appropriate accounting adjustments for consolidated accounts for a group in the public sector:**
- Controlled entities;
 - Associates;
 - Joint ventures;
 - Other public-private arrangements.
- B5) Prepare the consolidated statement of financial performance and statement of financial position for a public sector group consisting of one subsidiary or one associate.**

OVERALL AIM C

Discuss the regulatory framework for measuring performance in public sector organisations.

LEARNING OUTCOMES

The successful candidate will be able to:

C1) Explain and evaluate the tools used to measure performance in public sector organisations:

- Performance indicators;
- Performance targets;
- Government Finance Statistics;
- PEFA and related performance measurement tools and techniques;
- Reports on Observance of Standards and Codes (ROSC);
- Voluntary self-regulation;
- Other current mechanisms e.g. value for money studies, public service agreements, sustainability reporting and the CIPFA Financial Management model.

C2) Discuss and apply key techniques in the interpretation of financial and non-financial information in public sector organisations:

- Ratio analysis;
- Implications for the public sector organisations of publicly available financial information.

C3) Discuss the use of performance measures within the public sector:

- Practical meaning and implications of performance measurement;
- Interpretation of performance indicators;
- The role of civil society organisations in evaluating performance.

5. EXAMINABLE STANDARDS

NB: The following table is intended to provide a general indication only of the extent to which knowledge and application of each standard may be tested in the PSFR examination. Syllabus guidelines, learning materials and the specimen examination paper will provide further detail on the specific aspects of each standard that candidates should focus their attention on and the style of examination question that they are likely to encounter. Similar information is also provided in the table for the Financial Accounting module to show progression between the two modules.

EXAMINATION STATUS OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSASs)						
IPSAS	Financial Accounting at level			Public Sector Financial Reporting at level		
	A	B	C	A	B	C
Financial Reporting Under the Cash Basis of Accounting	Not examinable			X		
Preface to International Public Sector Accounting Standards	Not examinable			Not examinable		
IPSAS 1 Presentation of Financial Statements			X	X		
IPSAS 2 Cash Flow Statements			X	X		
IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors	Not examinable			X		
IPSAS 4 The Effects of Changes in Foreign Exchange Rates	Not examinable			Not examinable		
IPSAS 5 Borrowing Costs	Not examinable				X	
IPSAS 6 Consolidated and Separate Financial Statements	Not examinable				X	
IPSAS 7 Investments in Associates	Not examinable				X	
IPSAS 8 Interests in Joint Ventures	Not examinable				X	
IPSAS 9 Revenue from Exchange Transactions	Not examinable				X	
IPSAS 10 Financial Reporting in Hyperinflationary Economies	Not examinable			Not examinable		
IPSAS 11 Construction Contracts	Not examinable			Not examinable		
IPSAS 12 Inventories		X		X		
IPSAS 13 Leases	Not examinable				X	

IPSAS	Financial Accounting at level			Public Sector Financial Reporting at level		
	A	B	C	A	B	C
IPSAS 14 Events after the Reporting Date	Not examinable			X		
IPSAS 15 Financial Instruments: Disclosure and Presentation	Not examinable			Not examinable		
IPSAS 16 Investment Property	Not examinable				X	
IPSAS 17 Property, Plant and Equipment		X		X		
IPSAS 18 Segment Reporting	Not examinable					X
IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets	Not examinable			X		
IPSAS 20 Related Party Disclosures	Not examinable					X
IPSAS 21 Impairment of Non-Cash-Generating Assets	Not examinable				X	
IPSAS 22 Disclosure of Financial Information about the General Government Sector	Not examinable					X
IPSAS 23 Revenue from Non-Exchange Transactions	Not examinable				X	
IPSAS 24 Presentation of Budget Information in Financial Statements	Not examinable					X
IPSAS 25 Employee Benefits	Not examinable					X
IPSAS 26 Impairment of Cash-Generating Assets	Not examinable				X	
IPSAS 27 Agriculture	Not examinable			Not examinable		
IPSAS 28 Financial Instruments: Presentation	Not examinable					X
IPSAS 29 Financial Instruments: Recognition and Measurement	Not examinable					X
IPSAS 30 Financial Instruments: Disclosures	Not examinable					X
IPSAS 31 Intangible Assets	Not examinable				X	

Levels of knowledge required for examinations

Level A: A thorough knowledge with a solid understanding of the subject matter and some experience in its application in practice sufficient to: exercise reasonable professional judgement in the application of the subject matter in those circumstances generally encountered in practice; and recognise when the assistance of a specialist may be required. This level of knowledge is lower than that of a specialist.

Level B: A working knowledge with a broad understanding of the subject matter and a modicum of experience in its application sufficient to: apply the subject matter in straightforward circumstances; and identify issues requiring professional attention in more complex situations.

Level C: a general knowledge with a basic understanding of the subject matter and training in its application sufficient to: identify significant issues; evaluate their potential implications or impact; and recognise that additional work or advice may be required to be performed by a person technically competent in this area of expertise. This level of knowledge is significantly greater than that of a layperson.

[END OF SYLLABUS]