

1st July 2014

Dear Colleague

New CIPFA Professional Qualification (PQ) Syllabus

I am writing to invite your comments, as a present or potential CIPFA sponsoring employer, on our proposals for a new CIPFA professional qualification (PQ) syllabus.

Last year, we had more new start students than at any time for decades; with strong international growth, and we remain the qualification with the highest rate of members achieving senior leadership positions. The global need for strong public financial management and governance in the developed and developing world means there has never been a better time to enter the profession and make a difference in the public interest, for example we see CIPFA students in 40 countries alone through the United Nations Development Programme (UNDP).

The pace of growth has continued this year, but we are determined to provide the highest quality to our gold standard qualification and member benefits for accountants working in and around public service in the UK and overseas. Since joining the institute as CEO last October, therefore, we have reviewed our market position and portfolio of qualifications and services. Our refreshed approach to PQ training is at the heart of this.

Following extensive engagement with many employers and stakeholders CIPFA Council has endorsed a strong, clear direction of travel for the PQ syllabus (summary attached for your information). This proposal has been developed to meet the needs of a changing workplace, but also to widen the availability of our training. Before finalising these proposals I would greatly appreciate your comments. In the UK, we have been cognisant of a number of considerations when shaping this proposal, most notably:

- To better reflect the needs of UK public finance practitioners, in particular, for a wider range of commercial skills, the increasing involvement of private and third sector bodies in public service delivery and the growth of integration initiatives of one kind or another across UK public services.
- To remain both a financial management and an audit qualification, with greater portability between the public and private sectors.
- To equip students to meet the requirements of the new local public audit act through local audit ROB status and to reactivate our companies act ROB status so that we uniquely equip professionals with enhanced skills to sign off both public and private sector accounts.
- To incorporate academically sound and commercially attractive entry routes for holders of other qualifications, including members of other accountancy bodies of equivalent standing seeking a fast track (two module maximum) top-up route; holders of 'relevant' degrees; and a stronger alignment of the Certificate stage of the PQ with AAT Level 4 to provide for smoother automatic progression for AAT entrants to the remaining stages of the PQ.
- As the home of public service accountancy, to provide easier and streamlined routes to CIPFA membership for more experienced professionals qualified with other chartered



INVESTOR IN PEOPLE

bodies of equivalent standing and who work in public service financial management and audit.

As we implement these syllabus changes, we are of course also considering how to deliver the best possible learning experience for CIPFA students and the teaching arrangements to support this. We are expanding our CIPFA Learning Hub approach to ensure a flexible mix of college, work based and online tuition through a wider range of outlets to meet employers' and students' needs. Any thoughts you might have on this from your perspective will also be very welcome.

Additionally, we are undertaking a review of the workplace experience scheme, the Practical Experience Portfolio (PEP), to help exam-qualified students complete their portfolio and proceed to membership, by placing greater emphasis on the role of the employer, through mechanisms such as formal training agreements, employer accreditation schemes and the use of qualified accountants as mentors/supervisors.

I look forward to receiving your views on the proposed new syllabus to ensure it meets the needs of your organisation. PQ magazine only recently cited CIPFA as offering the best value for money for employers and students. Although cheaper than other bodies we maintain the highest standards and you will know that we work hard with our students and maintain strong pass rates.

I hope that some of the broader context, regarding expanding provision and reviewing our PEP scheme, assists in setting out a clear direction for how the CIPFA PQ will better support your organisations and students. Your views will be welcome either in writing or by whatever means best suits you. I and the team here are of course always happy to meet you in your workplace if that suits you too.

Students commencing their studies in 2015 as certificate entrants will be the first to benefit from the new syllabus as they progress through the qualification. We are also developing a range of CPD products for existing CPFAs wishing to adopt some of the new elements of the syllabus into their ongoing development, and I will write to you about this later in the year.

With best regards,

Yours sincerely

A handwritten signature in black ink that reads "Rob Whiteman". The signature is written in a cursive, slightly stylized font.

Rob Whiteman
Chief Executive

New Professional Qualification (PQ) Syllabus

Overview (as at 1 July 2014)

Professional Certificate (PC)

Financial Accounting (FA)	<ul style="list-style-type: none">• Accounting frameworks, principles and concepts• Professional ethics, values and attitudes• Financial systems and accounting records• Recording transactions and double-entry bookkeeping• Sole trader financial statements• Basic limited company financial statements
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Management Accounting (MA)	<ul style="list-style-type: none">• Management information• Costing methods• Costing applications• Budgeting methods• Budgetary control
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Company Financial Reporting (CFR)	<ul style="list-style-type: none">• Financial reporting frameworks• Accounting and financial reporting policies• Application of International Financial Reporting Standards (IFRS)• Financial statements preparation• Group accounts• Financial statements interpretation
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Audit and Assurance (AA)	<ul style="list-style-type: none">• Legal & regulatory auditing frameworks• Ethical behaviour• Audit planning & risk assessment• Audit testing• Audit evidence• Audit opinions• External & internal audit• Reporting
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Notes:

- *Affiliate membership subject to meeting workplace experience requirements*
- *AAT Level 4 exemption from PC (with a bridging paper covering elements of CFR & AA to assist further progression as appropriate)*
- *Most university accounting & finance degree holders would be exempt whole of Professional Certificate*

Professional Diploma (PD)

Taxation (T)	<ul style="list-style-type: none">• Business taxation• Employment and self-employment• VAT• Local taxation• Tax systems and principles• Comparative tax systems• International tax issues
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Governance and Law (GL)	<ul style="list-style-type: none">• Constitutional law• Law of public administration• Corporate governance• Ethics• Company legal structure• Law of contract & tort• Business law
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Strategy and Policy Development (SPD)	<ul style="list-style-type: none">• Approaches to strategy & policy development• Strategic analysis & objectives• Stakeholder consultation and analysis• Strategic options, evaluation & choice• Strategy implementation planning• Marketing• Sustainability• Organisational configuration, structures, (de)centralisation, partnering, shared services, alliances, networks, mergers & acquisitions
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<p>Financial Management (FM)</p>	<ul style="list-style-type: none"> • Financial strategy & financial management objectives • Financial management environment • Sources of finance • Performance measurement • Working capital management • Treasury management • Capital project appraisal, including managing risk • Pricing
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<p>Public Services Financial Reporting (PSFR)</p>	<ul style="list-style-type: none"> • Public services financial reporting framework (IFRS & sector codes) • Public service regulation • Financial reporting – local government • Financial reporting – NHS • Financial reporting – central government • Financial reporting – charities • Financial reporting – overview of other public bodies • Consolidated accounts (including whole of government accounts) • Analysis of financial statements of public bodies
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Business Skills and Change Implementation (BSCI)	<ul style="list-style-type: none">• Commissioning• Procurement• Commercial contract negotiation and management• Project management – organisation, planning, controlling & IT projects• IT projects• Programme management• Risk management• Process improvement• People management• Implementing change
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Notes

- *Associate membership subject to meeting workplace experience requirements*

Strategic

Strategic Public Finance (SPF)	<ul style="list-style-type: none">• Role of the CFO• Financial strategy for public service organisations• Financial strategy for partnership and integration• Financial risk management & financial instruments• Ethical investment• Sources of public finance – taxation, charging, grants, bidding, public borrowing, PFI, donors• Business case development and evaluation• Public service investment appraisal• Financial modelling• Public service performance measurement
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Strategic Case Study (SCS)	<ul style="list-style-type: none">• Half day single case study assessment with extensive pre-seen material• Testing application and integration of skills and knowledge from other PQ modules and professional judgement• Application to public services scenarios• Case scenarios focused particularly on the strategic business partnering role and shared services of finance professionals• Emphasis on a range of scenarios, including multi-agency service integration settings and shared services
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Notes:

- *Full CPFA status subject to completion of workplace experience requirements*
- *Two module fast track route for members of other bodies (such as ICAEW, ICAS, ACCA...) to be based on PSFR and SPF*

New Public Audit Qualification (PAQ)

PAQ students would do the same PC, PD and Strategic modules as PQ students plus at Strategic stage:

Advanced Public Audit (APA)	Public audit focused, with detailed coverage of practical implications of Local Audit and Accountability Act's requirements, including: <ul style="list-style-type: none">• Legal, regulatory and quality assurance frameworks• Ethical and professional conduct requirements• Audit planning, evidence, evaluation and review• Audit reporting• VFM audit• Other public audit work, eg smaller authorities, grant certification, forensic audits, links with the public...• Current developments relevant to public audit
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Proposed Company Audit Qualification (CAQ)

For the proposed CAQ, students would do the same PC, PD and Strategic modules as PQ students, except they would complete an Advanced Corporate Financial Reporting module instead of PSFR and an extra Advanced Company Audit module at Strategic stage instead of APA.

The CAQ is under development with FRC for the required RQB status for availability in 2015 for existing CPFAs wishing RI status.

Advanced Company Audit (ACA)	As per APA but focused on the requirements of the Companies Act 2006.
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