

CIPFA\

Key competencies

For public sector
finance professionals

cipfa.org/training

The **Chartered Institute of Public Finance and Accountancy** (CIPFA) is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, major accountancy firms and other bodies where public money needs to be effectively and efficiently managed. As the world's only professional accountancy body to specialise in public services, CIPFA's qualifications are the foundation for a career in public finance. We also champion high performance in public services, translating our experience and insight into clear advice and practical services. Globally, CIPFA leads the way in public finance by standing up for sound public financial management and good governance.

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Welcome

Helping public finance professionals respond to the challenges of today and prepare for the issues of tomorrow is core to CIPFA's mission. Identifying and mastering key competencies is a vital first step on a lifelong-learning journey.

Practitioners must also swiftly and strategically adapt to new regulations, for example the Redmond Review and its impact on public sector audit in the UK, or the UN's Sustainable Development Goals with their ambitious 2030 targets.

In addition, the profession must future-proof itself against the disruption and change we see throughout the working world. For example, technological advances and innovations, such as artificial intelligence and machine learning, are transforming processes and practice.

At CIPFA we believe this dynamic context must be matched with a dynamic approach to the development of skills, behaviours and work practices. Lifelong learning and a commitment to continuing professional development helps public finance practitioners sharpen, refresh and update their knowledge and skills, from technical accounting proficiency to leadership, influencing and negotiating.

People are an organisation's most important asset and our priority is to support a robust, resilient and ethical public finance profession. This is why we have sought to bring together the full range of knowledge, skills and approaches – the key competencies – we believe are required by public finance practitioners, in this document.

Given the rich diversity of career pathways within the public finance profession, it is not the case that everyone will need all the competencies listed. But our hope is that they will serve as an invaluable 'conversation-starter', used by public sector organisations, and the finance professionals working within them, to help identify their training needs.



Rob Whiteman, CBE
Chief Executive, CIPFA

Identify your training needs

CIPFA has brought together the key competencies we believe are required by public finance practitioners working both within and alongside the public sector.

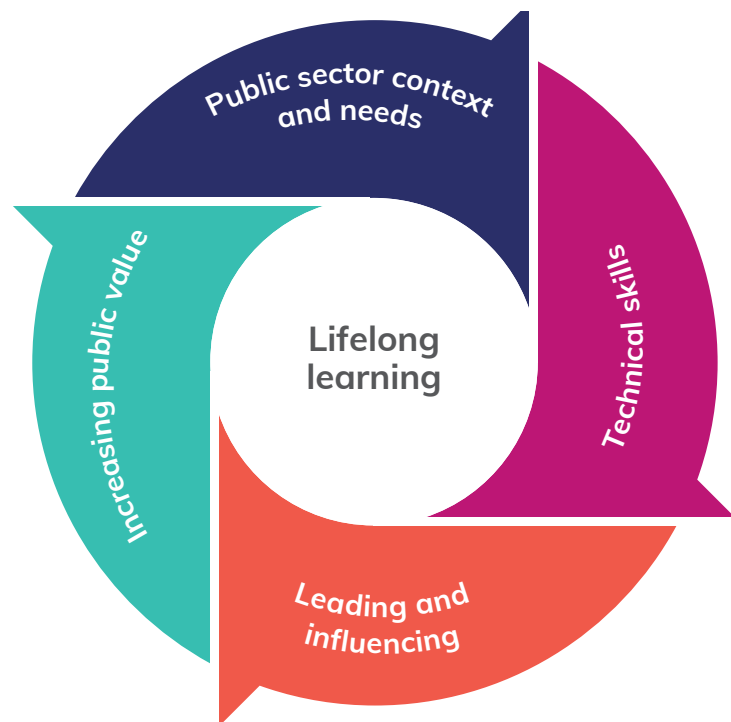
This model is not meant to be used as a formal, rigid 'route map'. Instead, it has been designed to stimulate thinking and discussion, and aid planning in relation to career pathways and the development needs of those tasked with all aspects of public financial management.

As you read through the document, consider to what extent you – or people within your organisation – need the various competencies, taking into account job roles, seniority and chosen career pathways. Then ask yourself to what extent these competencies already exist. This will in turn highlight potential learning and development gaps – thereby helping you plot the way forward.

The model reflects the realities public finance practitioners operate in and sets out the competencies required in four core thematic areas, illustrated in the image on the right.

Some scenarios are presented on [page 12](#) to further guide you on how to use this document, while CIPFA's comprehensive range of courses, listed according to these same four themes, can be found in our Learning and Development directory and on our website:

cipfa.org/learndevelopdirectory
cipfa.org/training



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|---|---|--|---|
| <ul style="list-style-type: none"> ■ Political awareness Value for money Financial reporting Decision-making Accountability Governance Risk management Commercial understanding Counter-fraud Sector specific | <ul style="list-style-type: none"> ■ Financial accounting Management accounting Audit Costing Procurement Counter-fraud Data | <ul style="list-style-type: none"> ■ Strategy and governance Collaboration Business partnering Communication and impact Innovation and change | <ul style="list-style-type: none"> ■ Stakeholder relationships Value for money Investment appraisal Strategic thinking Commercial understanding Benchmarking Delivery models Reorganisation |
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Public sector context and needs

Public sector environments are inherently political and value-driven, imposing pressures and risks quite distinct from those seen in the corporate world. Finance practitioners need to understand and respond to this context and ensure they keep the public interest at the heart of decision-making.

COMPETENCIES

Political and sector awareness

- Understands the political environment and its impact on the organisation in relation to the way decisions are made and success measured.
- Interprets the impact and potential outcomes of public services funding announcements, policy and regulatory changes, as well as opportunities to deliver services through new arrangements such as partnerships.
- Understands current opportunities and challenges within the public sector and how organisations are responding – benchmarking their own practice against others.
- Engages with the policy debate and influences and/or supports decisions.
- Is able to make short, medium and long-term plans that factor in possible changes in the wider political and economic environment.

Value for money and delivering social value

- Focuses on efficient and effective use of often 'inelastic public resources'.
- Understands societal outcomes as drivers of long-term strategies.
- Ensures best outputs and value for money rather than, profit and/or shareholder value.

Public service financial reporting

- Understands the financial accounting and reporting requirements for the public sector, in own country, as well as global trends (eg towards adoption of IPSAS).
- Understands how public sector reporting requirements differ from those of the private sector.

Decision-making

- Makes decisions in a way that maintains transparency and engagement with citizens.
- Provides leaders and managers with information for better decision-making – enabling improved targeted services.

Accountability and transparency

- Understands the importance of public sector audits, internal audit, the role of supreme audit institutions, and the use of accountancy firms in audit.
- Understands the budget setting process, budget management and the interaction with local tax setting (where relevant), and the impact of good financial management on public service delivery.
- Acts in the public interest at all times and understands the need for financial accountability, challenge and scrutiny.
- Ensures that citizen (or beneficiary) involvement, integrity and the absence of corruption are at the heart of own and organisational practice.
- Understands funding sources and their objectives and reporting requirements and achieving a balance between these and more locally driven priorities.

Governance

- Understands the public sector context and statutory requirements for governance.
- Advocates robust assurance and control arrangements.
- Implements good practices in transparency, reporting and audit, to deliver effective accountability.
- Ensures that the organisation is appropriately constituted and structured and operates appropriate governance processes and controls.
- Ensures that ethical standards in public life are embedded in the organisation's culture.
- Is able to implement appropriate processes to support the board (or similar) in its role.

Risk management

- Understands risk culture – appetite and tolerance.
- Ensures financial resilience through proactive assessment of risk, implementation of controls and taking mitigating action.
- Understands risk and reward in relation to collaborative and commercial projects.
- Ensures a culture of positive risk management.

Counter-fraud, anti-bribery and corruption

- Understands the law and best practice relating to anti-bribery and corruption controls and ensures these are implemented and widely understood within the organisation.
- Understands the fraud risks faced by public bodies and is able to conduct an entity-wide fraud risk assessment and response plan.
- Is able to effectively analyse data to support fraud identification and fraud risk management.

Commercial understanding within the public sector

- Understands the role, importance and accounting practices of state owned enterprises.
- Understands income generation options and related risk and reward.
- Understands the importance of commercial suppliers to the public sector and evaluating their financial resilience.
- Is adept with private sector accounts and their use within commercial offshoots and subsidiaries.
- Possesses influence and negotiation skills and can facilitate and engage with 'productive competitive dialogue'.
- Understands the procurement cycle and the scope and features of good contract management.

Sector specific

- Has knowledge and understanding of the specific strategic and operational context for public financial management within different sectors, including, as examples, local government, central government, NGO, state-funded healthcare and police.

Questions to think about:

- Do you (or your staff) understand the current policy context and the opportunities and challenges it presents?
- Are the ethical standards in public life embedded in the organisation's culture?
- Are citizens' interests placed at the heart of staff and organisational practice?
- Are you (or your staff) able to evaluate the financial resilience of a commercial supplier?

Technical skills

Proficiency in areas such as financial accounting, management accounting and audit are the bedrock of a career in public financial management. Practitioners also need to adapt to changing investment environments, keep abreast of new accounting standards and continually refine their use of data and technology.

COMPETENCIES

Financial accounting

- Accounting standards:
 - Understands and is able to apply the accounting standards applicable to regulatory requirements in their own region (eg IFRS, IPSAS).
- Treasury management:
 - Understands the economic environment, interest rates and the importance of economic forecasting.
 - Understands and can implement a treasury management strategy, including cash flow management, debt management and investment strategies.
- Pension management:
 - Understands the regulations and standards relating to pension schemes.
 - Understands and manages the liability risks to which pension funds are exposed, including longevity, inflation and interest.
 - Understands and implements responsible investment strategies.
- Reporting:
 - Understands changes in regulatory, legal and ethical frameworks and standards for financial reporting in the public sector.

- Understands the benefits of integrated reporting, including non-financial resources such as human, social and intellectual capital, and environmental and governance performance.

Management accounting

- Is able to produce monthly performance reports to facilitate effective decision making and performance monitoring.
- Is able to use a range of costing techniques.
- Technology and data in finance:
 - Understands developments, opportunities and challenges in technology relating to public finance.
- Finance business partnering:
 - Demonstrates a strong desire to innovate and add value.
 - Influences and appropriately challenges non-finance colleagues for whom you are providing a service.
 - Understands the operations, opportunities and challenges of the organisation.
 - Holds a commercial outlook, demonstrating accountability towards organisational goals.

- Property and asset management:
 - Is able to assess the demand for capital expenditure from land and buildings estate, and implement a capital strategy for assets.
 - Understands regulations and standards relating to property and assets and ensures compliance.
 - Conducts accurate capital asset valuations for land and buildings.

Audit

- Understands how regulations and professional standards in internal and external audit underpin audit work in the public services.
- Understands the key stages of audit work, including planning, documentation, testing and reporting, and can undertake thorough internal audits which support governance as well as provide risk-based assurance within the organisation.
- Understands wider mechanisms for assurance and scrutiny.
- Understands the law and best practice relating to anti-bribery and corruption controls and the fraud risks faced by public bodies.

Counter-fraud and anti-bribery and corruption

- Anti-bribery and corruption:
 - Understands the law and best practice relating to anti-bribery and corruption controls and ensures these are implemented and widely understood within the organisation.
- Counter-fraud:
 - Understands the fraud risks faced by public bodies and is able to conduct an entity-wide fraud risk assessment and response plan.
 - Is able to undertake an effective and fair investigation into potential fraud and report findings and recommendations.
 - Understands the fraud risks faced by public bodies and is able to effectively analyse data to support fraud identification and fraud risk management.

Procurement

- Legal and governance:
 - Understands the legal and governance context for procurement and contract activities in the public sector.
 - Understands the law and best practice relating to anti-bribery and corruption controls.
- Contract planning and management:
 - Understands the procurement cycle and the scope and features of good contract management.
 - Plans and agrees clear KPIs and deliverables.
 - Negotiates effectively to ensure best value for money.
 - Builds effective relationships with suppliers, confidently handling difficult conversations where required.
- Business cases:
 - Understands the purpose of, and the process for compiling and reviewing, a business case.
 - Advocates standardised processes, templates and reporting mechanisms in compiling robust business cases.
- Technology in procurement:
 - Understands developments, opportunities and challenges in technology relating to procurement.

Questions to think about:

- Are you (or your staff) ready to respond to the technology and data developments that will affect the public finance profession?
- Does the organisation have the appropriate numbers of specialists for its needs?
- Is the organisation able to provide opportunities for staff to develop new specialisms?
- Are you (or your staff) able to ensure your specialist knowledge and skills are kept up to date?

Leading and influencing

Collaborating, influencing, inspiring and challenging: strong financial leadership is as much about working with people as working with numbers. Practitioners need to win trust, create impact, and foster a positive and ethical values-driven culture, as well as developing an approachable and supportive management style.

COMPETENCIES

Communication and impact

- Influences, engages and inspires.
- Is articulate and credible and achieves the trust of others.
- Provides clarity and direction to others in times of uncertainty or ambiguity and is a strong and effective voice in representing departmental or organisational views.
- Is able to report financial information clearly to non-finance leaders, including the board.
- Is willing to make, communicate and implement difficult decisions based on accurate evidence and reflect varied advice/viewpoints.
- Understands how to clearly communicate sometimes complex financial information to others using easy-to-understand media and language.
- Challenges effectively and gives and receives constructive feedback.
- Negotiates effectively to ensure optimum balance between best outcomes and best value for public funds.

Innovation and change

- Drives a culture of, and seeks opportunities for, change, efficiency and innovation.
- Articulates the need for change (with data) and wins hearts and minds.
- Sets clear future vision and direction with drive, pace and connections, in order to make things happen.

Strategy and governance

- Fosters a positive, flexible and creative organisational culture that has proper regard for all relevant national and local policies, procedures and legislation.
- Champions a culture of effective governance and risk management.
- Determines policy objectives to ensure an organisation has clear purpose and direction.
- Understands the importance of the CFO's role on the board.

Collaboration

- Works closely with elected and appointed members of the board and/or stakeholders.
- Builds external networks and relationships, identifying and establishing joint working initiatives with colleagues from other public, private and not-for-profit organisations.
- Builds internal networks and actively seeks opportunities to collaborate with other departments.
- Understands effective strategies for conflict resolution.

High-performing teams

- Is approachable and supportive and focuses on the development of team members.
- Recognises and develops talent and implements effective performance management arrangements.
- Is proactively engaged with and informed about the activities of team members.
- Develops, motivates and empowers staff to deliver team and corporate objectives.
- Actively monitors and manages the performance of the organisation, team and the individuals within it.

Business partnering

- Demonstrates a strong desire to innovate and add value.
- Is able to influence and appropriately challenge non-finance colleagues for whom you are providing a service.
- Understands the operations, opportunities and challenges of colleagues in other departments for whom you are providing a service.
- Holds a commercial outlook, displaying accountability toward organisational goals.

Questions to think about:

- Are you (or your staff) able to provide clarity and direction when things are uncertain or ambiguous?
- What are you (or your staff) doing to identify and nurture talent in your teams?
- Are internal networks as strong as they could be?
- Are you (or your staff) equipped to influence and challenge non-finance colleagues?
- Is the organisation actively developing a pipeline of future leaders?

Increasing public value

Delivering value for money to the public requires practitioners to challenge themselves and embrace innovation, including digitisation, regulatory reform and commercial challenges. That means being able to think differently, understand and manage risk and reward, develop and evaluate business cases and strike productive commercial partnerships.

COMPETENCIES

Stakeholder relationship management

- Understands stakeholders, what they value and how to meet these requirements.

Investment and spending appraisal

- Understands and uses a range of techniques to assess the attractiveness and viability of an investment.

Plans and implements projects of strategic value

- Creates impact and value through development and scrutiny of business cases.
- Is able to define clear outcomes and clearly communicate these to all stakeholders.
- Understands robust project initiation and management tools and techniques.
- Takes data driven decisions.

Service delivery models – options and implications

- Understands the pros and cons of alternative service delivery models.
- Is capable of recognising when outside input is needed and facilitates sharing of skills.
- Is aware of the ongoing and future impact of outsourcing.
- Can seek out and maintain productive commercial partnerships with both stakeholders and service providers.

Commercial understanding within the public sector

- Understands the role, accounting practices and importance of state owned enterprises.
- Understands income generation options and related risk and reward.
- Understands the importance of commercial suppliers to the public sector and how to evaluate their financial resilience.
- Is adept in dealing with private sector accounts and their use within commercial offshoots and subsidiaries.

- Has the negotiation skills to create a 'productive competitive dialogue'.
- Understands the procurement cycle and the scope and features of good contract management.

Benchmarking

- Benchmarks own organisational performance against that of others and keeps up to date with innovative practices.

Mergers and re-organisations

- Understands the legal implications of mergers and re-organisations.
- Actively manages the implications of people, performance and culture in relation to mergers and re-organisations.

Value for money

- Understands the need to assess the value for money of public sector spending and drives:
 - **economy** – minimising the cost of resources used or required (inputs) – spending less
 - **efficiency** – the relationship between the output from goods or services and the resources to produce them – spending well
 - **effectiveness** – the relationship between the intended and actual results of public spending (outcomes) – spending wisely.

Questions to think about:

- Are you (or your staff) able to assess the attractiveness and viability of an investment?
- Are you (or your staff) confident using private sector accounts and do you know how they are used in public sector offshoots and subsidiaries?
- Can you (or your staff) develop and scrutinise a business case?
- Do you (or your staff) understand project management tools and techniques?

Key competencies in action

The following hypothetical scenarios illustrate just some of the ways this document can be used to guide learning and development activity.



Scenario 1:
Charlie

Charlie qualified as a CIPFA member five years ago and has been working in a local police force where she does invoicing and credit checks. She knows that she has sound technical proficiency and understands the political context in which she operates, but she is less confident about her people skills.

Looking at the Key Competencies together with her line manager, Charlie realises that her leadership and influencing skills need to be developed, particularly those regarding communication and impact and business partnering. The following CIPFA programmes would help Charlie progress towards her goal of being promoted into a management position:

Leadership Development Programme:
cipfa.org/ldp

Finance Business Partnering:
cipfa.org/fbp



Scenario 2:
Imran

Imran qualified in the private sector and has been working with a large firm for ten years. After volunteering as a school governor, he's interested in moving into the public sector and is seeking an opportunity within local government. While he has some knowledge of the public sector context from his volunteering, he is seeking more structured knowledge of public sector politics – concepts such as value for money and social value, as well as the transparency requirements surrounding decision making.

The Key Competencies help Imran scope out the gaps in his knowledge and directs him to some introductory training that will help him prepare for a move into public sector accounting, for example:

Introduction to Local Government Finance:
cipfa.org/essentials

Finance Skills: Governance and Accountability:
cipfa.org/financeskillsformanagers



Scenario 3:
Alex

Alex's NHS trust has made a strategic choice to adopt a commercial approach and is investigating a series of investments that could generate reliable future revenue streams without exposing the organisation to unnecessary risk. Alex's role in the finance team will involve scoping and evaluating these investments and requires him to be more conversant with private sector accounts, a new area of activity for him.

In preparation for this shift in emphasis, Alex reviews the Key Competencies, which help him pinpoint areas where he needs to develop his knowledge and skills. He is steered towards courses that will ensure he is more commercially adept and confident at managing risk and reward, including:

Diploma in Commercial Skills:
cipfa.org/commercialskillsdiploma

Diploma in Contract Management:
cipfa.org/contractmanagement



Scenario 4:
Prisca

Prisca is chief financial officer for a local authority that is experiencing an increase in fraudulent activity. While confident that recently introduced detection measures are working well, she is aware that preventing fraud before it takes hold is also essential. She considers the many ways fraud can impact an organisation and the teams who are likely to be targeted.

Looking at the Key Competencies and considering the fraud expertise already present within her internal audit team, she sees that some general fraud awareness training for all staff would significantly improve the authority's fraud defenses, while managers within the finance and procurement teams would benefit from a more comprehensive introduction to counter fraud. Courses she considers include:


Finance Skills: Fraud Awareness:
cipfa.org/financeskillsformanagers

Accredited Counter Fraud Technician:
cipfa.org/acfttech

This document is intended to stimulate thinking and discussion, aid career planning and support the development needs of those tasked with all aspects of public financial management.

If you have any feedback on the document itself or would like to discuss related learning and development options, please contact us:

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