

Think Ahead

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Enhancing Financial Capability in the Public Sector



**“...no longer business as usual...
Governments are facing rapid
changes and unprecedented
challenges...”**

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**Why is financial
capability in the
Public Sector
critical...**

The need

- Research has shown there is a greater demand for accountability and transparency in the Public Sector
- Increased need for professional accountants as organisations seek to professionalise the finance function
- Increased donor funding and Big4 focus for developing capability and capacity in the Public Sector
- Public Sector organisations want support to make the shift as progress is variable



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Stakeholder feedback

**“There is high demand for
innovation in public services...
...a need to develop strategic
thinking & enhance financial
expertise”**

Public sector shares many challenges with private sector

Challenges unique to the public sector:

- 1: Attracting high-calibre finance talent.
- 2: Need for best practice and insight on public sector challenges.
- 3: Liaising with a complex stakeholder group.

Challenges common to public and private sectors:

- 1: Contraction of finances, cost control and drive for efficiency.
- 2: Pressure for accountability and transparency.
- 3: Building capacity and skills.

Biggest challenges facing the public sector – now and in the future



What does this mean for public sector finance teams?



- Technical skills & knowledge
- Cash accounting systems
- Manual systems and processes
- Compliance-driven reporting
- Clear delineation between private and public sector and their needs
- Technical skills plus professional skills
- Move to accrual accounting systems
- Increased use of technology
- Future-looking, flexible reporting: becoming a business partner
- Greater commercial collaborations

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Implications for the finance professional

Gaps between skills demanded and skills offered

| | Competency | Where do skills gaps exist for public sector finance functions? | | |
|---|--|---|-----------|--------------|
| | | Junior level | Mid-level | Senior level |
| Essential – a hygiene factor for recruitment at all levels | Technical skills – knowledge and application | | | |
| | Professionalism and ethics | | | |
| | Soft skills / professional skills | | | |
| Valued – important skills particularly for mid and senior level professionals, but not essential for recruitment at a junior level | International experience and outlook | N/A | | |
| | Business and strategic thinking | | | |
| | Leadership and management | N/A | | |

A major gap / significant concern
 Minor concern
 Not a concern

What does this mean for finance profession

- Developing capacity and capability to develop the skills required to meet current and future demands
- Professional accounting bodies working with government to play a bigger role in development & recruitment
- Demonstrate value of greater transparency and accountability to key stakeholders

**“The spot light is on the
profession...”**

**The finance professional in public
service must have the right skills
to deal with the challenges ahead”**

Source: Setting high standards for public services around the world, 2015 (ACCA Global)

Questions?

