Accounting Education and Public Financial Management

Globally, government and public sector expenditure accounts for more than 50% of world GDP, according to Organisation for Economic Co-operation and Development (OECD) calculations. Most IFAC member organizations have members working in and with the public services preparing and managing budgets and financial reports as accountants, or scrutinizing that expenditure and its effectiveness as auditors.

We also know that public sector reporting looks different compared to company financial reports, and that public sector auditing reaches beyond providing assurance around historical financial information. In addition, the accountability environment within which a public sector accountant works is very different from that of a private sector accountant—stakeholders include service users and politicians, not just partners and shareholders.

And yet, the IAESB operates as though these material differences can fully be reflected through a suite of general International Education Standards (IES). Indeed, despite the standards' principles-based nature, we are often told that public sector accountants cannot see themselves or their needs reflected in the IES pronouncements.

In an effort to consider these differences, the IAESB decided to review these issues and establish the Public Sector Accounting, Reporting and Assurance Task Force, chaired by Rania Uwaydah Mardini, last year. The project aims to identify the skills and competences required by professional accountants in public sector accounting, financial reporting and assurance that need to be addressed by the IAESB. The task force has already undertaken an in-depth analysis, reviewing the relevant research, engaging with stakeholders and coordinating with other standards setting boards. This included:

- Exploring the functions of public sector accountants and auditors and their impact on professional development needs;

- Considering whether accounting methods in public sector accounting and assurance require additional or distinctive skills;

- Examining public sector accounting competency frameworks and relevant qualifications; and

- Undertaking a gap analysis between existing IESs and identified public sector accounting and assurance skills and knowledge requirements.

Our findings will tell us whether the existing standards meet the professional development needs of public sector accountants and auditors or whether they require further development. This might involve:

- Amending IES competence areas or learning outcomes;

- Adding new competence areas, learning outcomes or explanatory material to current IESs;

- Developing complete new IESs; or

- Providing additional guidance through implementation support materials.

The **Personal Perspectives** series presents IAESB members', technical advisors', and other stakeholders' visions on challenges affecting aspiring and current professional accountants' learning and development.

GUEST AUTHOR

Adrian Pulham
IAESB Technical Advisor

While our initial conversations have been largely information gathering, the task force is working to understand stakeholders understanding of the discrete nature of public sector accounting and related knowledge and skills requirements (as distinct from broader market requirements, business activities and other non-educational areas of development). Apart from significant areas of delivery (such as capacity building and shifts from cash to accruals accounting), our early findings show three key differentiation areas.

Stakeholders Consulted	Primary Area of Special Interest
American Development Bank	Capacity building
International Organisation of Supreme Audit Institutions	Public audit and assurance
World Bank	Capacity building
Chartered Institute of Public Finance and Accountancy	Public accounting and audit curriculum, role of the public sector CEO, public audit, public sector financial reporting, anti-fraud measures
International Public Sector Accounting Standards Board	Standard setting and maintenance
Organization for Economic Co-operation and Development	Standard setting and contextual differences

needs in a practical sense. This project is expected to result in non-authoritative stakeholder guidance for public sector professional accountants' Initial Professional Development.

- Distinctive, different approaches to public sector financial reporting practices

- Different approaches to public sector audit and assurance, including performance and service delivery audit, lifestyle audit, jurisdictional approach and distinctive statutory definitions and requirements

- The political and public policy environment and its impact on public sector accounting, audit and assurance practice (the mandating environment)

The task force will continue to develop its understanding of the public sector accounting, audit and assurance environment over the coming months, including exploring how more formal linkages might be established with key stakeholder organizations. In particular, we will consider the- broader public sector accounting, audit and assurance landscape and its specific needs, as opposed to how the IESs speak to those

The Personal Perspectives series presents IAESB members', technical advisors', and other stakeholders' visions on challenges affecting aspiring and current professional accountants' learning and development.

ABOUT THE AUTHOR

Dr. Adrian Pulham is an International Accounting Education Standards Board Technical Adviser and served as Executive Director of Education and Membership for the Chartered Institute of Public Finance and Accountancy until 2016. He has since established the Public Management Centre, providing public financial management advice and support services to a wide range of global clients.

IAESB | International Accounting Education Standards Board™