



School of
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Developing human capacities in public sector accounting reforms



Building Competence. Crossing Borders.

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Human capacities in public sector accounting reforms

Different training levels necessary to get ready for accrual accounting reforms



LEVEL 1 «TRAIN TO IMPLEMENT»

«Getting outcomes from accrual accounting... requires incentivizing managers to use that information.» Moretti/Youngberry (2018)



LEVEL 2 «TRAIN TO UNDERSTAND»

«The introduction of accrual elements...will require significant training of preparers and users of the financial statements. Cavanagh/Flynn/Moretti, 2016

«Managers do not understand how to use accrual data information.» Moretti/Youngberry, 2018

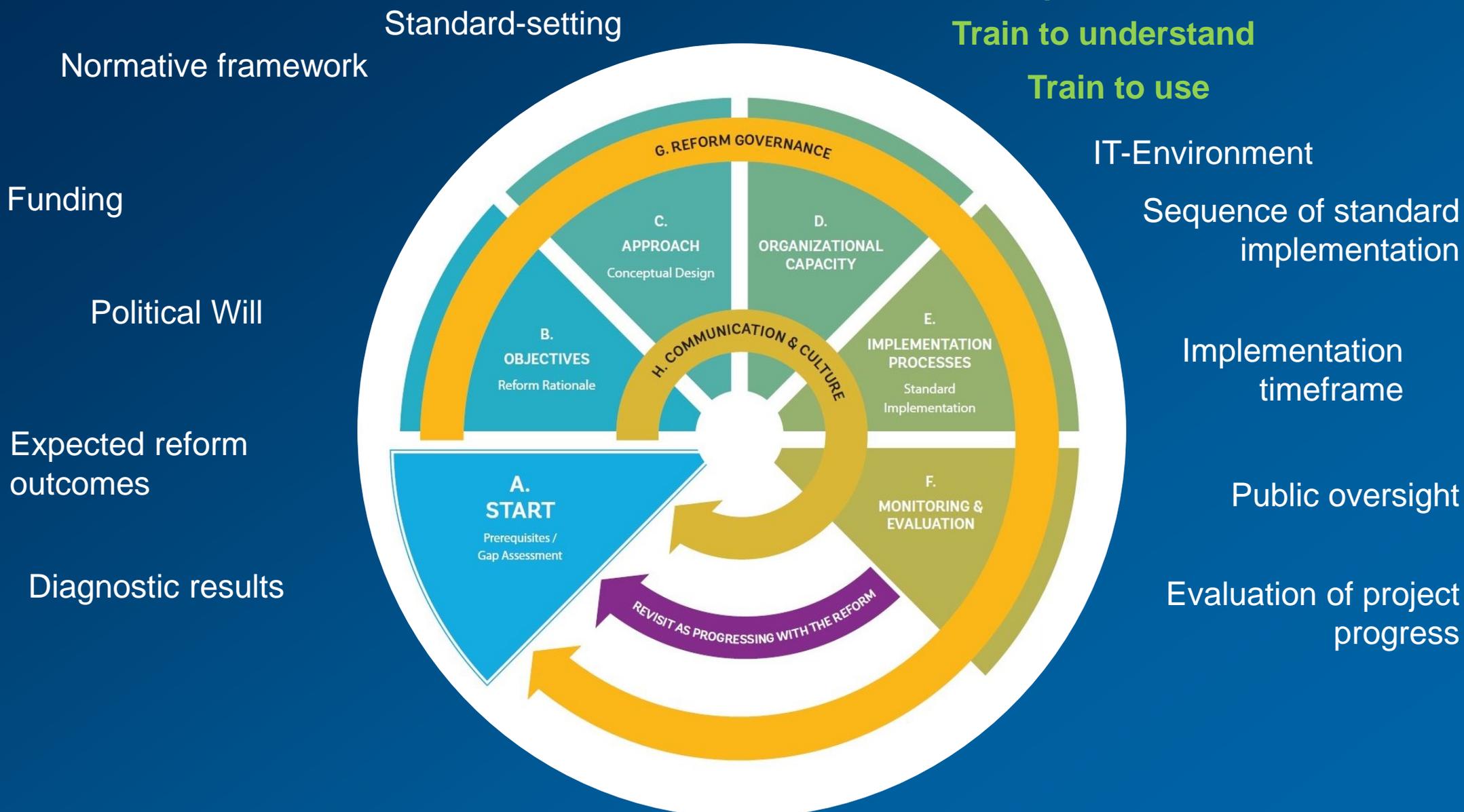


LEVEL 3 «TRAIN TO USE»

«Accrual accounting reforms act as an important trigger point towards a more strategic use of newly provided financial data.»
Fuchs/Bergmann/Brusca, 2017

IPSAS reforms deemed to success

A comprehensive reform framework takes into account organizational capacity building



Source: World Bank / Zurich University of Applied Sciences (2018). *Good Practice Template to Public Sector Accounting Reform Roadmap*.

IPSAS reforms deemed to fail

An unbalanced reform approach with a low focus on capacity building measures



Key elements for sustainable local training programs

A sustainable training program takes into account the following issues.



Assign project ownership for capacity building

Project ownership should lie with the accounting unit dedicated to the IPSAS reform, e.g. the accounting methodology unit which allows to properly coordinate training delivery with envisaged roll-out activities.



Involve government HR units in training delivery

HR government services may take the leading role in procuring, coordinating and selecting training delivery in close collaboration with line ministries.



Develop and use internal know-how

Find a balanced mix between certified external trainings and internal capacity building mechanisms such as train-the-trainer approaches.



Build peer groups and develop individual syllabi

A well-designed and targeted approach shall take into account prevalent punctual know-how in basic accrual accounting principles, but deliver specified and relevant IPSASs knowhow to distinct user- and peer-groups in a sustainable manner

Elements for sustainable local training programs

Peer groups and individual syllabi: A possible starting point



Sustainable local training programs

However there is no such thing as a one size fits all approach: Reform environment will heavily affect your training program/approach, as for example:

ACCOUNTING HISTORY

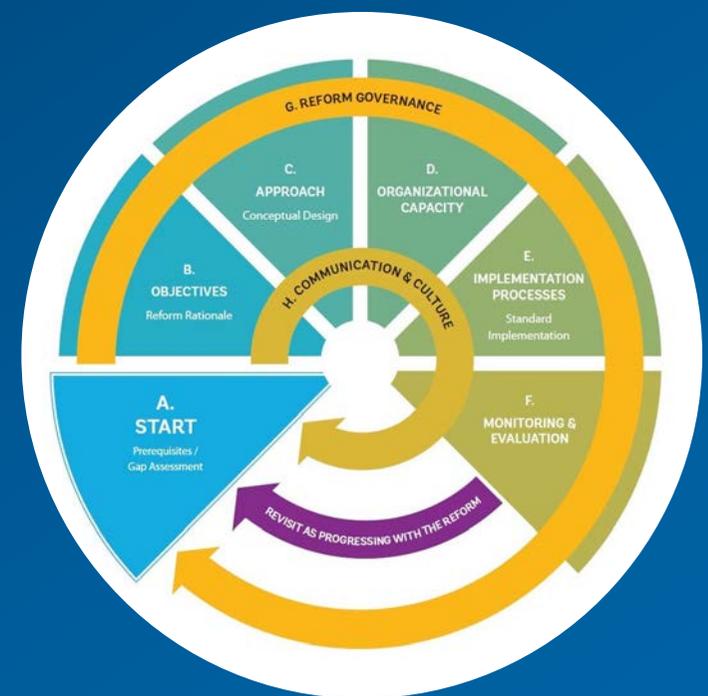
Government's accounting history, i.e., the existing level and experience with accrual accounting data will affect your training program. For example, many central Asian countries have a vast track record of asset management and accounting.

ACCOUNTING FUNCTION

Governments choose different organizational structures for performing accounting. Traditionally, accounting functions can be performed centrally and decentrally which has a substantial effect on number of accountants to be trained and resources to be invested in capacity building.

ACCOUNTING STANDARDS

Not every accounting standard needs the same level of capacity building. Standards for asset management, financial instruments, PPP and tax revenues usually are more resource intensive, also from a capacity-building point of view.



Thank you for your attention.