





Somaliland PFM Education and Training Programme

Somaliland PFM Education and Training Programme

Foundation Course
Overview and Workbook 1
October 2019



1




Somaliland PFM Education and Training Programme

BACKGROUND

2

2




Somaliland PFM Education and Training Programme

Challenges of PFM Training

- Limited PFM skills within government or universities
 - Training must be externally supported
- Need for external certification to:
 - Provide credibility
 - Ensure international standards
 - Motivate students
- Requirement to build sustainability:
 - Universities as centres of PFM excellence
 - Capable of providing ongoing PFM education and training
- Focus on professional training

3

3




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Concept of professional training


Task related training	Professional training	Academic education
<ul style="list-style-type: none"> • Training for specific tasks • No conceptual knowledge required • Direct and measurable impact • Knowledge not easily applicable to other tasks 	<ul style="list-style-type: none"> • Generic coverage of all tasks within a professional sphere • Not specific to any one organisation or situation • Practical skills developed for generic situations • Understanding of concepts • Process of certification indicates levels of knowledge 	<ul style="list-style-type: none"> • Theoretical • Broad conceptual knowledge • No direct practical application • Focus on debate and issues

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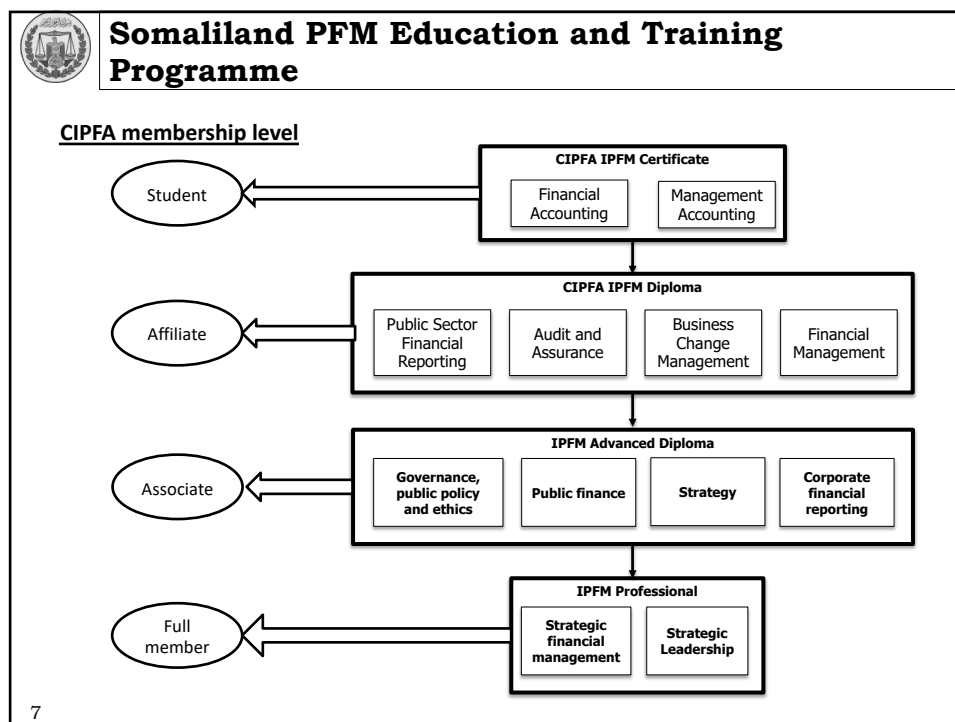
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	Somaliland PFM Education and Training Programme
<h2 style="text-align: center;">Somaliland approach</h2>	
<ul style="list-style-type: none"> • After Foundation two options: <ol style="list-style-type: none"> 1. CIPFA professional qualification <ul style="list-style-type: none"> • Professional training • CIPFA “International Public Financial Management” programme • Designed for those requiring a professional level qualification 2. E-learning <ul style="list-style-type: none"> • Advanced PFM • Designed for those who require a knowledge of PFM but not a professional qualification 	
5	

5

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<h2 style="text-align: center;">About CIPFA</h2>	
<ul style="list-style-type: none"> • Chartered Institute of Public Finance and Accountancy (CIPFA) is a UK accredited international professional body • Member of International Federation of Accountants (IFAC) • Specialises in the public sector • Qualifications internationally recognised • International Public Financial Management (IPFM) exam programme leads to full CIPFA membership 	
6	

6



7


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Advanced PFM

- E-learning only – no classroom teaching
- Based on textbook “Accounting for Governments”
- Certification all online testing
- Certificate issued by project

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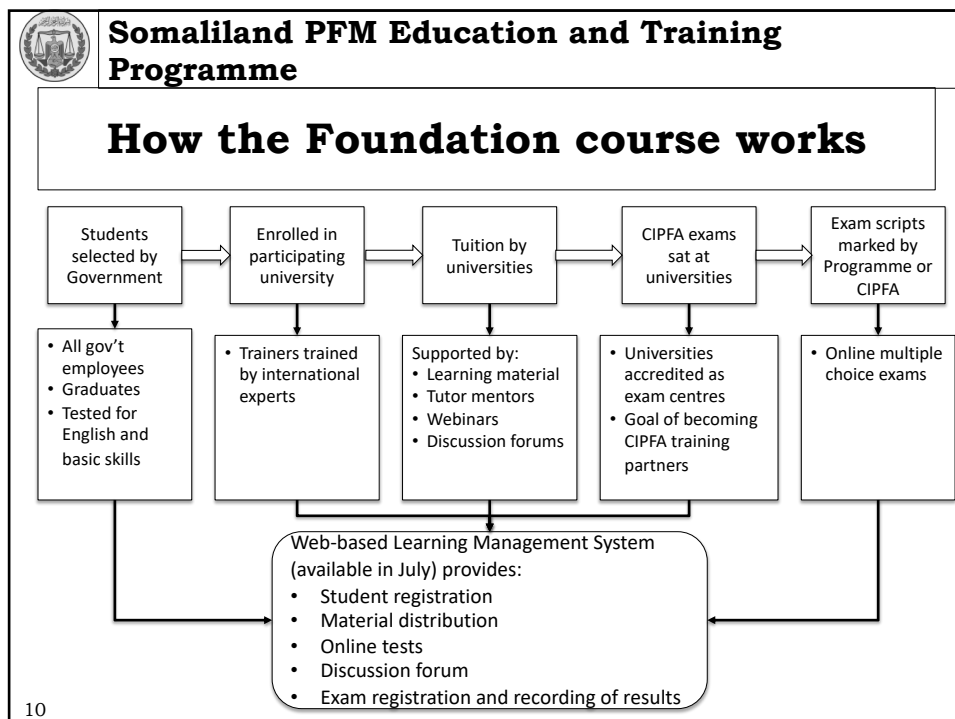
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Purpose of the Foundation Course

- To provide basic PFM skills and knowledge required for CIPFA and Advanced PFM courses
- To immediately provide knowledge and skills relevant to Somaliland
- To identify those students with the capability and motivation to commence the CIPFA course


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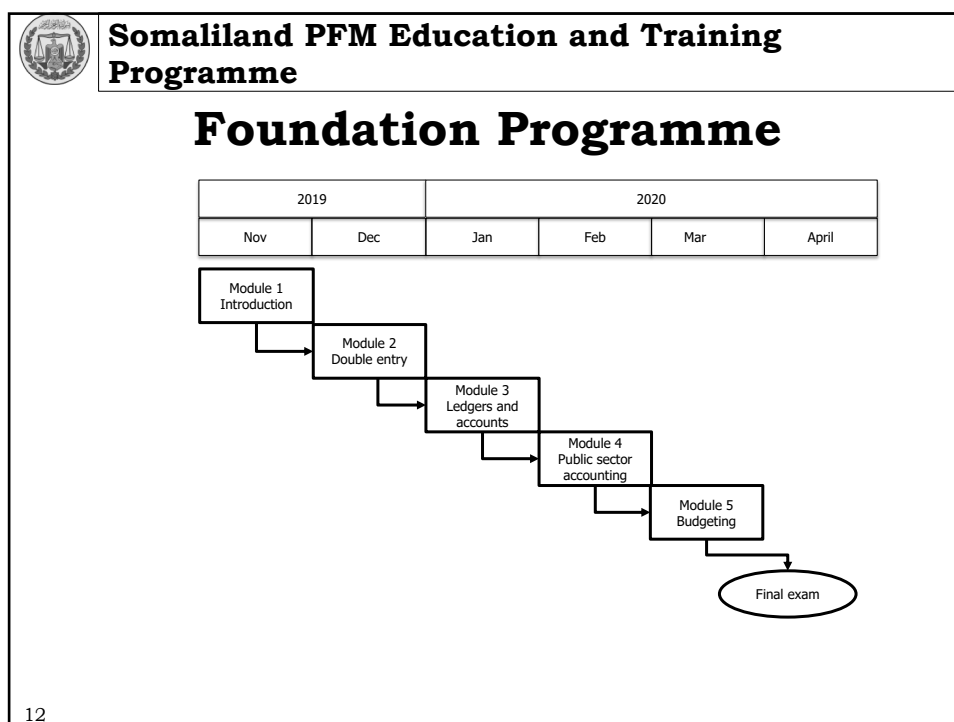
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Course Schedule				
Workbook	Title	Study time (hours)	Self-test time (hrs)	Total time (hrs)
1	Introduction to public financial management	5	2	7
2	Concept of double entry accounting	5	2	7
3	Recording, summarising and posting transactions - ledger accounts	5	2	7
4	Moving from private sector to public sector accounting	5	2	7
5	Government budgeting and the linkage to accounting	5	2	7
TOTAL		25	10	35


11

11




12


12

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Reading	
<ul style="list-style-type: none">• The Workbook is comprehensive• Optional additional reading:<ul style="list-style-type: none">– “Frank Wood’s Business Accounting Volume 1” by Frank Wood and Alan Sangster – basic accounting– “Public Sector Accounting and Budgeting for Non-Specialists” by Jan Van Helden and Ron Hodges	
13	


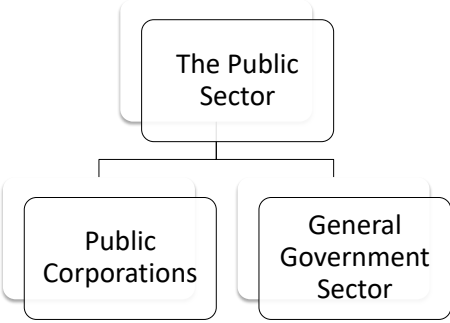
13

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THE FOUNDATION COURSE WORKBOOK 1	
14	


14

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<h2>Financial Management</h2>	
<ul style="list-style-type: none"> • Financial Management: efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization • Public Financial Management (PFM): the financial management of entities (institutional units) in the public sector • Entity: an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities 	
15	

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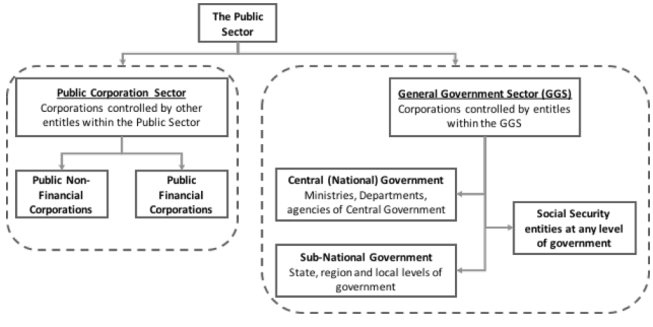
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<h2>Public Sector Overview</h2>	
 <pre> graph TD A[The Public Sector] --> B[Public Corporations] A --> C[General Government Sector] </pre>	
16	

16



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Definition of the Public Sector




The diagram illustrates the structure of the Public Sector. At the top is a box labeled 'The Public Sector'. Below it, two dashed boxes represent the main components. The left dashed box is labeled 'Public Corporation Sector' with the subtext 'Corporations controlled by other entities within the Public Sector'. It contains two sub-boxes: 'Public Non-Financial Corporations' and 'Public Financial Corporations'. The right dashed box is labeled 'General Government Sector (GGS)' with the subtext 'Corporations controlled by entities within the GGS'. It contains three sub-boxes: 'Central (National) Government' (Ministries, Departments, agencies of Central Government), 'Sub-National Government' (State, region and local levels of government), and 'Social Security entities at any level of government'. Arrows indicate relationships: from 'The Public Sector' to both main dashed boxes, and from 'Central (National) Government' and 'Sub-National Government' to 'Social Security entities'.

Source: UN System of National Accounts and IMF Government Financial Statistics Manual


17

17



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The PFM Cycle




The diagram shows the PFM Cycle as a circular process with four stages connected by arrows in a clockwise direction. The stages are: 1. Planning & budget preparation (top), 2. Budget execution (right), 3. Accounting and reporting (bottom), and 4. External Scrutiny and Audit (left).

18


18

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Benefits of Good PFM	
<ol style="list-style-type: none"> 1. Enhanced resource mobilization 2. Improved fiscal forecasting and resource allocation in accordance with policy priorities 3. More efficient budget execution and management of resources 4. Effective and efficient management of financing 5. Enhanced transparency and accountability 6. Good management of public funds and assets, resulting in reduction in the levels of corruption and leakages 	
19	

19

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PFM in Somaliland	
<ul style="list-style-type: none"> • Key references <ul style="list-style-type: none"> – Somaliland Constitution 2012 – PFMA Act 2016 	
20	

20

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Summary of Presentation	
<ul style="list-style-type: none">• Overview of the course• Introduction to PFM concepts	
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21