

\Public Financial Management

A Whole System Approach and overview

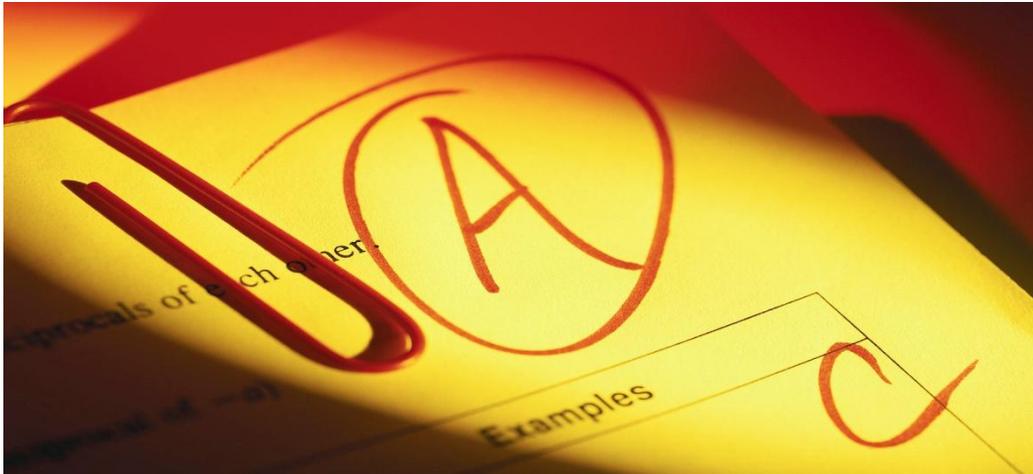
Alan Edwards, International Director, CIPFA

CIPFA

The Chartered Institute of
Public Finance & Accountancy



We all know what finance professionals do...



**Quality accounts and
unqualified audits**

prepare budgets and
financial statements

design FM systems

provide advice

give assurance

certify accuracy and
integrity

monitor compliance

But Public Financial Management is even more exacting...

- Sound PFM is fundamental to economic growth, international development and poverty reduction
- Public finance should be conducted in public interest
- High and exacting standards are needed to engender the public's trust
- Demonstrable efficiency should be evidenced in use of public resources



National Audit Office

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Cross-government

Financial management in government

When it goes wrong the implications are huge ...

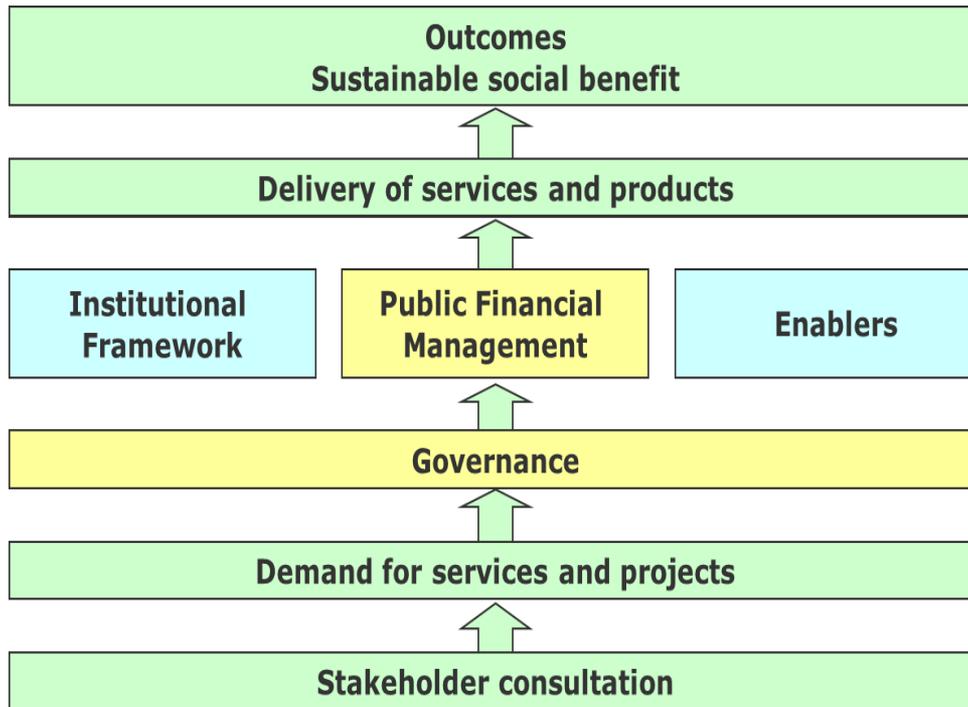


“It directly affects the quality of decision-making and gnaws away at public trust in governments.”

**Steve Freer,
CIPFA Chief Executive**

- Implications for equity, accountability, trust and confidence in government
- Impacts service delivery outcomes, living standards, quality of life
- Affects investor confidence, economic performance, development and opportunity

Hence the need for a Whole Systems Approach...



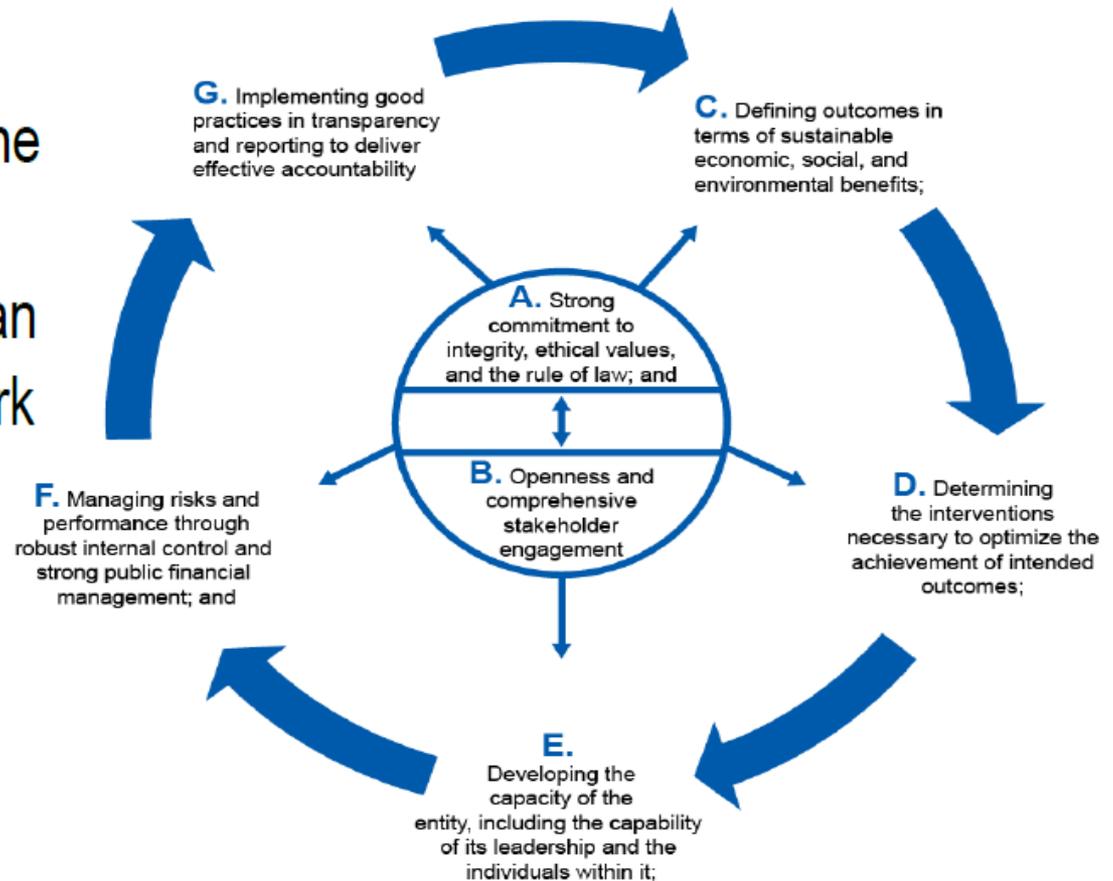
**The whole is greater
than the sum of the
parts**

- Recognises the interconnectedness of key players
- Supports the need for financial accountability, citizen involvement, parliamentary scrutiny and absence of corruption
- Identifies need for improvement across the system – no one initiative on its own is sufficient
- Recognises there are checks and balances in every system – the key is to act together to make PFM effective

The new IFAC/CIPFA code supports WSA...

Good Governance in the Public Sector— Consultation Draft for an International Framework

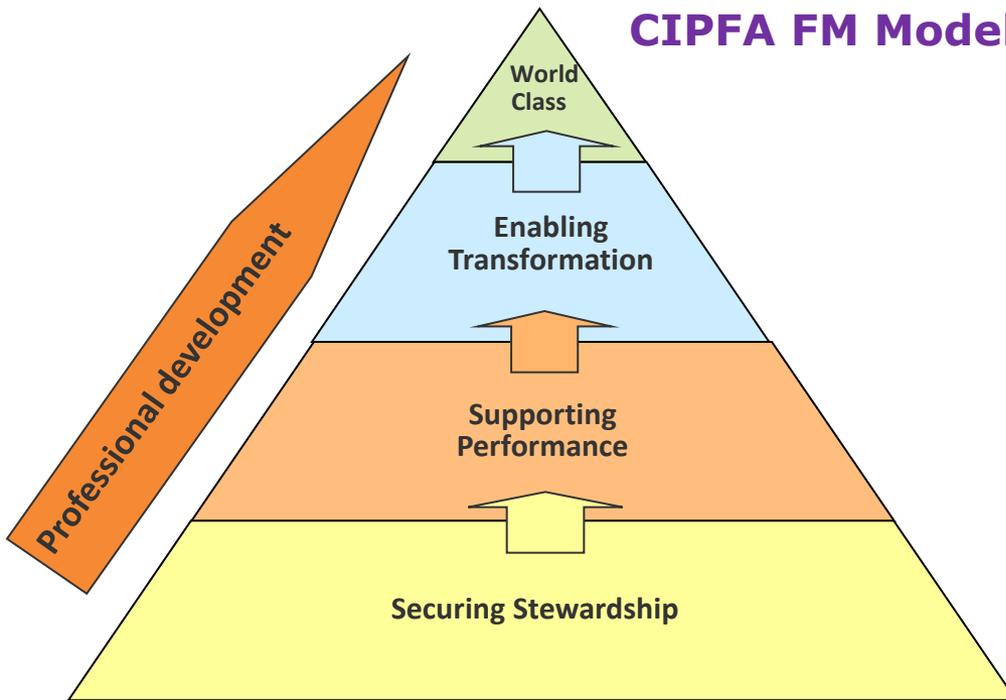
Acting in the Public Interest at all Times



Outcomes of adopting the code and WSA...

better quality decision making

CIPFA FM Model



more effective targeting of resources

more efficient use of resources

stronger accountability

improved transparency

greater comparability

**Donor/ lender
confidence in country
systems**