

Improving Financial Management In The Public Sector

THE EIGHT KEY ELEMENTS OF PFM SUCCESS



The effective management of public finances – known as public financial management (PFM) – is fundamental to the development and growth of individual economies. Governments are responsible to their citizens and taxpayers for implementing effective systems of PFM and for utilising those systems to safeguard, and ultimately enhance, a country's economic sovereignty. In considering this matter, CAPA determined that **eight key elements are necessary to create a comprehensive and coherent system of PFM.**

The profession is committed to protecting the public interest and encouraging accountability and transparency from governments around the world. The profession plays a major role in the private sector and it should do the same in the public sector. It is therefore essential that a dialogue exist between the professional accountancy organisations (PAOs) and governments. Interestingly, in successful economies there tends to be a strong relationship between the accountancy profession and the government.

WHERE TO OBTAIN THE PUBLICATION?

The publication is available on the CAPA website in electronic format and can be downloaded at no charge. Printed copies can be requested from the CAPA Secretariat.



WHAT IS IN THE PUBLICATION?

The publication utilises the wealth of information available regarding PFM and distils it into a user-friendly form with the specific aim of assisting dialogue between PAOs and the public sector. It includes:

- An overview on the importance of PFM
- Identification of the **eight key elements of PFM success** and a description of each (see Image 1)
- The role of PAOs in improving PFM
- A suggested approach for PAOs to engage in a dialogue with the government, including questions to assist in the dialogue
- A suggested approach for PFM reform
- An example template for PAOs to use in assessing and monitoring development opportunities



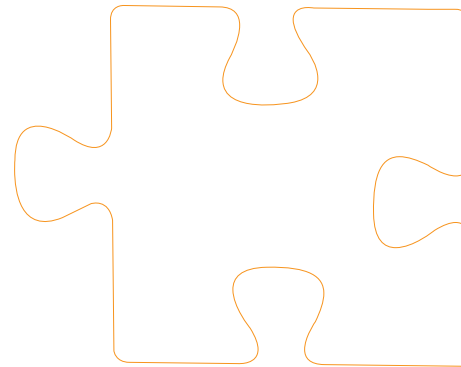
Image 1: The Eight Key Elements of PFM Success™

WHO SHOULD USE THE PUBLICATION?

This publication aims to provide PAOs with the means to have substantive dialogues with the public sector on the topic of current and desired states of PFM.

Other stakeholders who want to have a better understanding of PFM and the key elements necessary to create a comprehensive and coherent system of PFM are also encouraged to use this publication.

Development partners who often advocate for better transparency and accountability in the public sector may also find this publication a useful reference.



The Confederation of Asian and Pacific Accountants (CAPA) is recognised by the global accountancy profession, represented by the International Federation of Accountants (IFAC), as a regional organisation representing national PAOs in Asia Pacific. CAPA's mission is to develop, coordinate and advance the accountancy profession in the region by, inter alia, contributing to the formation and growth of sustainable accountancy organisations.