

Appendix G

Competences: Specific Outcomes and Embedded Knowledge

The ‘gaps’ identified in the survey are based on the competences contained in the four qualifications IPFA has recorded on the SAQA framework. In order to assist readers of this report and to guide providers of training, the ‘Specific Outcomes’ and ‘Embedded Knowledge’ relevant to each of these gaps are set out below, following the sequence in section 3 of the report, for each of the three groups of staff. Full details of these and all the competences (including performance criteria and the level to be attained) can be found on the IPFA website.

1 SENIOR MANAGEMENT

Embedded knowledge

The following elements of ‘Embedded knowledge’ are common to all unit standards for Senior Management: additional points are listed under each standard.

Government specific	<ul style="list-style-type: none"> National & Provincial structures Government decision-making processes Public Finance Management Act & Treasury Regulations Reforms in budgeting & budgetary systems Strategic planning Documents for planning & budgeting Medium Term Expenditure Framework (MTEF) Accountability mechanisms Best practice guidelines issues by National Treasury Procurement in the Public Sector Programme setting process Project management & project management systems Salary & relevant personnel systems Understanding of the management information & formal reporting systems Commercial accounts of public entities Knowledge of applicable financial systems e.g. FMS, BAS
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A STRATEGIC PLANNING – EVALUATION OF PERFORMANCE

Generate and interpret performance indicators

Competence: Designing appropriate indicators of performance

Specific outcomes	<ul style="list-style-type: none"> Using the entity's mission, vision & strategic goals, identify appropriate information to assess organizational performance Identify, decide & advise on the mix of performance measures (external & internal, financial & non-financial, quantitative & qualitative)
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	Design & develop processes to produce required decision-making & monitoring information Apply performance measurement information to improve effectiveness
Embedded knowledge	Forecasting Corporate strategy & long-term planning Strategic planning Matching strategy & structure Organizational design Behavioural aspects of budgeting Responsibility centers Master, capital, cash & subsidiary budgets Fixed & flexible budgets Cost reduction techniques Cost-benefit analysis Performance measurement of decentralised units Ordinary continuing activities Cash Flow

Determine and explain performance measurement strategies and techniques

Competence: Performance measurement strategies & techniques can be determined, explained & applied

Specific outcomes	Develop systems to monitor & report performance relative to stated goals Analyse performance measurement needs Develop business performance strategies Apply performance measurement information to improve effectiveness Evaluate entity's performance measurement strategy
Embedded knowledge	Forecasting Corporate strategy & long-term planning Strategic planning Strategy & organizational structure Budgeting Cost reduction techniques Cost-benefits analysis Decentralised control Ordinary continuing activities Cash Flow

Managing accounting information systems

Competence: Participate in the management of information systems

Specific outcomes	Co-ordinate work activities within the accounting environment Identify opportunities to improve the effectiveness of an accounting system Prevent fraud in an accounting system
Embedded knowledge	Supervise an accounts section Scheduling methods Time management Principles of supervision Principles of human relations; team building; staff motivation The operation of a section of the accounting system

	<p>Methods of measuring costs effectiveness & systems reliability</p> <p>Quality management, quality circles</p> <p>Principles of Total Quality Management</p> <p>The operation of a section of the accounting system</p>
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Participate in the management and maintenance of information systems

Competence: Participate in the implementation, post-implementation review & maintenance of information systems

Specific outcomes	<p>Describe the basic concepts of information systems</p> <p>Identify the basic issues which determined the way in which computer-based information systems are implemented, evaluated & maintained</p> <p>Participate in conducting feasibility studies</p> <p>As a user, specify information systems requirements</p> <p>Participate in the implementation of information systems</p> <p>Conduct post-implementation reviews of information systems</p> <p>Identify the types of system maintenance & describe techniques for maintaining & upgrading system</p> <p>Establish & evaluate procedures for acquiring information system components</p>
Embedded knowledge	<p>Systems</p> <p>Information</p> <p>Information systems</p> <p>Types of information systems</p> <p>The systems development life-cycle</p> <p>Methods of representing systems, e.g. dataflow diagrams & charts</p> <p>The basic issues of information systems</p>

Appreciate the uses and limitations of published statistics

Competence: Ability to critically evaluate & use published statistics

Specific outcomes	<p>Published statistics can be critically evaluated & presented as management information</p>
Embedded knowledge	<p>Relevant information can be identified, collated & presented in accordance with organisational requirements</p> <p>Concepts of timeliness, relevance, accuracy, materiality are understood</p> <p>Basic statistical methods (e.g. time series analysis, moving averages, seasonal trends, index numbers sampling techniques) can be calculated & applied</p>

B BUDGETING AND RELATED MATTERS

Use models to assess the sensitivity of elements in the cash budget

Competence: Models can be used to assess the sensitivity of elements in the budget

Specific outcomes	<p>The impact of changes (e.g. in price levels) on individual items in the budget can be calculated & appreciated</p> <p>Recommendations can be made to mitigate the effect of such sensitivities</p>
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Embedded knowledge	Calculation facility Appreciation of the nature of cost (fixed, semi-fixed, variable) for each budget element
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Advise on and evaluate cost classification, behaviour and allocation methods

Competence: Understand the nature of costs & advise on & evaluate cost classifications, behaviour & cost volume benefits

Specific outcomes	Advise on & evaluate cost classification Demonstrate an understanding & comment on the nature of costs Advise on & evaluate cost behaviour Advise on & evaluate cost-volume-benefits Advise on & evaluate cost objectives or object
Embedded knowledge	The nature of costs Cost classification Cost behaviour Cost-volume-profit analysis Cost objects Relevant costing techniques

Competence: The concepts of costing & cost management of overheads are understood & can be advised upon

Specific outcomes	Advise on & evaluate the recording of overhead costs Advise on & evaluate the bases of assigning overheads to activities/functions
Embedded knowledge	Recording overhead costs Bases of assigning overheads to cost objects Analyse usage & price variances; Establish procedures for standard costing systems; Interpret cost data, including the use of overhead rates; Use marginal costing in formulating pricing policies; Appreciate 'activity-based costing' & the use of cost drivers.

Evaluate current and proposed activities, using methods such as pay-back & DCF

Competence: Evaluating current & proposed activities

Specific outcomes	Cost estimates can be prepared Recommend ways to improve cost ratios & revenue generation
Embedded knowledge	Prepare costs estimates Basic statistical methods: index numbers, time series Marginal costing, absorption costing Interpretation of cost data, the use of overhead rates Economic basis of pricing policies Evaluate proposed & current activities The identification of relevant costs & limiting factors Contribute to the appraisal of long-term projects Identification of fixed, variable & semi-variable costs & correct use in cost analysis Methods of project appraisal: pay back, discounted cash flow methods Basic principles of risk analysis: Expected Monetary Return

	<p>Basic understanding of tax implications of capital expenditure (capital allowances)</p> <p>Principles of DCF, comparison of different methods</p> <p>Risk & uncertainty</p>
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C REVENUE AND EXPENDITURE MANAGEMENT

Procurement: Review vendor performance

Competence: Review vendor performance

Specific outcomes	<p>Analyse the vendor database</p> <p>Review the current vendor data base</p> <p>Examine & review vendor performance against cost, timeliness & quality criteria</p> <p>Implement approved review recommendations</p>
Embedded knowledge	<p>Statutory tender requirements: including relevant sections of Public Finance Management Act & regulations, relevant Tender Board Act, prescripts, rules & regulations</p> <p>Value chain theory; Cost, Value & Time; 'Just in time' ordering</p> <p>Total Quality Management</p>

Manage procurement contingencies

Competence: Manage procurement contingencies

Specific outcomes	<p>Identify the non-performance areas in procurement for stores</p> <p>Expedite orders in a materials management environment</p> <p>Plan for contingencies & implement plan</p>
Embedded knowledge	<p>Methods of stock control</p> <p>Methods of materials pricing</p> <p>Basic analysis of variances: usage, price</p> <p>Procedures for establishing standard materials costs: technical & purchasing information</p> <p>Purchasing procedures & documentation</p> <p>Methods of analysing materials usage: reasons for wastage</p>

Investigate alternative vendors or products to improve cost, quality and delivery ratios

Competence: Investigate alternative vendors or products to improve cost, quality & delivery ratios

Specific outcomes	<p>Investigate alternative vendors &/or products to improve current cost, quality, & time delivery ratios</p> <p>Conduct a market assessment for materials purchase</p> <p>Implement market assessment findings in materials purchasing</p>
Embedded knowledge	<p>Statutory tender requirements: including relevant sections of Public Finance Management Act & regulations, relevant Tender Board Act, prescripts, rules & regulations</p> <p>Value chain theory; Cost, Value & Time; 'Just in time' ordering</p> <p>Total Quality Management</p>

Understand ‘value chain’ concepts and the principles of ‘just in time’ procurement

Competence: Understand ‘value chain’ concepts & the principles of ‘just in time’ procurement

Specific outcomes	Procure goods & services for the core business Forecast most economical order quantity for materials Prepare & order materials Schedule delivery of materials for programme requirements
Embedded knowledge	Statutory tender requirements: including relevant sections of Public Finance Management Act & regulations, relevant Tender Board Act, prescripts, rules & regulations Value chain theory; Cost, Value & Time; ‘Just in time’ ordering Total Quality Management Economic order quantity theory

D ASSET AND LIABILITY MANAGEMENT

Advise on working capital policy and the management of debtors and creditors

Competence: Working capital policy & management as related to accounts receivable & accounts payable can be advised on

Specific outcomes	The concept of accounts receivable is understood & certain policies & management approaches can be recommended The concept of accounts payable is understood & certain recommendations relating hereto can be made
Embedded knowledge	Accounts receivable Inventories Accounts payable

E BANKING AND CASH MANAGEMENT

Operate a cash management and credit control system

Competence: Operate a cash management & credit control system

Specific outcomes	Monitor & control cash receipts & payments Manage cash balances Arrange the granting of credit Monitor & control the collection of debts
Embedded knowledge	Monitor & control cash receipts & payments Main types of cash receipts & payments Form & structure of cash budgets Lagged receipts & payments Manage cash balances Types of marketable security; terms & conditions, risks Basic understanding of Government monetary policies

	<p>Portfolio management Managing risk & exposure Liquidity management Arrange the granting of credit Sources of credit status information Discounts for prompt payment Interpretation of credit control information Monitor & control the collections of debts Legal issues: remedies for breach of contract Legal & administrative procedures for the collection of debts Effect of bankruptcy & insolvency (outline only) Methods of analysing information on debtors Use of credit control information Evaluation of different collection methods</p>
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F ACCOUNTING AND REPORTING REQUIREMENTS

Be aware of the principles of ‘GAAP’

Competence: Establish a framework for financial reports

Specific outcomes	<p>Identify overall objectives of financial reporting, specific information needs of stakeholders, & the general information needs of others Define & analyse elements of financial statements related to measurement of financial position & performance & apply them to the presentation of reports Define & analyse qualitative characteristics & apply them to the presentation & measurement issues to enhance the decision-usefulness of financial reporting Identify recognition & measurement criteria & supply them to the incorporation of items in primary to supplementary financial statements Analyse & explain need for a conceptual framework & standards of financial reporting Identify statutory disclosure requirements, & explain the meaning of fair presentation Explain meaning of "general accepted (recognised) accounting practice" & describe, analyse & apply the assumptions which may be presumed to underlie the preparation of financial statements Describe process involved in drafting & setting standards of generally accepted (recognised) accounting practice in South Africa & internationally by the Public Sector Committee of the International Federation of Accountants</p>
Embedded knowledge	<p>Overall objectives of financial reporting Elements of general-purpose financial statements Qualitative characteristics of financial statements Recognition & measurement Conceptual framework & standards in South Africa Statutory reporting requirements Generally Accepted (Recognised) Accounting Practice Standard setting process in South Africa</p>

Public sector financial statements

Competence: Drafting public sector financial statements

Specific outcomes	Interpret financial statements Draft government financial statements
Embedded knowledge As listed below for Middle management & Lower levels, plus:	Draft limited company final accounts Function & status of Accounting Statements & application Statutory form of accounting statement: disclosure requirements Function, form & method of preparation of financial statements Methods of analysing & interpreting financial statements: accounting ratios Generally accepted accounting principles & concepts

Prepare, analyse and interpret financial reports and statements

Competence: Prepare & analyse financial reports

Specific outcomes	Select, measure, record, classify & report accounting data Select, evaluate & report non-financial information relevant to risk Prepare & comment on financial reports in accordance with objectives of financial reporting, generally accepted (recognised) accounting practice, & statutory requirements Contract different forms of consolidation & prepare reports to reflect the different characteristics Contrast the various bases of measurement, & apply these concepts to identify the appropriate measure of groups of items in primary or supplementary financial statements Analyse & interpret historic cost & current value financial statements Discuss & comment on current & future developments
Embedded knowledge	Recognition, classification, measurement & disclosure of elements of performance statements Income & expense Ordinary continuing activities Acquisitions Discontinued activities Extraordinary activities Cash flow, from operations, investment & financing activities Recognition & disclosure of non-financial information relevant to risk Equity in different legal forms such as partnerships, close corporations, non-profit organisations & limited liability companies Group of companies Reporting methods (local & foreign investors) Financial statement analysis Current & future developments

Calculate and interpret accounting ratios

Competence: Ability to calculate & interpret accounting ratios

Specific outcomes	Relevant items of accounting data can be linked Ratios can be calculated accurately Ability to interpret ratios against standard benchmarks
Embedded knowledge	Basic numeracy

	Understanding of structure of financial statements (using GAAP/GRAP) Ability to identify link relevant items from financial statements in formulae
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Appreciate the limitations of accounting data as a basis for management action

Competence: Appreciate the limitations of accounting data as a basis for management action

Specific outcomes	Accounting & management information can be critically evaluated, & presented with recommendations for management action
Embedded knowledge	Accounting & management information can be calculated & interpreted for management Reports are prepared in the appropriate form & presented to management within due time scales Concepts of timeliness, relevance, accuracy, materiality are understood The significance of budget variances & the type of action which may be required of the managers in response to variances are understood

Use techniques e.g. time series and index numbers to interpret accounting data

Competence: Appropriate techniques can be used to interpret accounting data

Specific outcomes	Relevant techniques can be identified & applied to ensure accounting data is correctly used
Embedded knowledge	Techniques of accounting analysis (e.g. cost benefit analysis SWOT) are understood Accounting ratios can be calculated & interpreted Standard units of production/service can be calculated & used Accounting information can be interpreted to allowing for changes in price levels (e.g. by using index numbers)

G AUDITING

Determine and explain risk assessment techniques

Competence: Techniques for assessing risk can be determined & explained

Specific outcomes	Explain risk assessment Quantitative techniques for assessing risk can be determined
Embedded knowledge	Risk assessment Quantitative techniques for assessing risk

Understand control principles, such as separation of functions, etc.

Competence: Establish a framework for the evaluation of internal control

Specific outcomes	Objectives of internal controls (e.g. safeguard assets, ensure accuracy) can be defined Principles of internal control (e.g. separation of duties, isolate responsibilities, identifiable accountability) can be described The risks, vulnerability & exposure, associated with computer-based information
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	<p>systems can be identified (e.g. the impact of computers on internal controls)</p> <p>Controls according to the degree of human judgement required to apply the control (e.g. discretionary, non-discretionary) can be classified & illustrated</p> <p>Controls based on the extent an internal influence imposes the need for the control (e.g. voluntary, mandatory) can be classified & illustrated</p> <p>Controls based on their applicability to the whole information systems environment of an organisation (e.g. general, application) can be classified & illustrated</p>
Embedded knowledge	<p>Control objectives</p> <ul style="list-style-type: none"> ?? Reasonable assurance of control effectiveness ?? Orderly & efficient conduct of business ?? Safeguarding of assets ?? Reliability of information ?? Timely preparation of financial information ?? Prevention/detection of fraud & errors ?? Cost effectiveness of control procedures <p>Control system components</p> <ul style="list-style-type: none"> ?? Plan of organisation ?? Recording of transactions ?? Personnel policies ?? Segregation of duties ?? Authorizations ?? Limitation of access to assets ?? Comparison of accounting records with assets ?? Management supervision ?? Documentation of policies ?? Monitoring of control compliance <p>Categories of control</p> <ul style="list-style-type: none"> ?? General/Environmental controls ?? Physical controls ?? Organisational controls ?? Procedural controls ?? Application controls for input, processing, storage & output ?? Completeness controls ?? Accuracy controls ?? Validity controls

Record and evaluate systems using symbols, flowcharts, ICQs, checklists, etc.

Competence: Systems can be recorded & evaluated using symbols, flowcharts, ICQs, checklists, etc.

Specific outcomes	<p>Systems can be accurately recorded using appropriate techniques</p> <p>Recorded systems can be tested & evaluated for weaknesses</p>
Embedded knowledge	<p>Principles of control: separation of functions, need for authorisation, recording custody, vouching & verification</p> <p>Recording & evaluating systems using conventional symbols, flowcharts, ICQ 's, checklists, etc</p> <p>Testing techniques: physical examination, re-performance, third party confirmation, vouching, documentary evidence, identification of unusual items</p> <p>Basic sampling techniques in auditing: confidence levels, selection techniques (random numbers, interval sampling, stratified sampling)</p>

Use auditing techniques in an IT environment

Competence: Provide advice on & establish controls appropriate to information systems environment

Specific outcomes	<p>Information system control concepts/basics can be described</p> <p>Establish & evaluate controls necessary over the information systems implementation process</p> <p>Establish & evaluate controls necessary during the execution of information systems</p> <p>Establish & evaluate controls over programme changes</p> <p>Evaluate disaster recovery & contingency plans</p>
Embedded knowledge	<p>Risks & exposures in computer-based information systems</p> <p>Responsibility for controls in the information systems environment</p> <p>Timing of controls</p> <p>Control objectives</p> <p>Control system components</p> <p>Categories of control</p> <p>Controls over system implementation</p> <p>Controls over program changes</p> <p>Controls over access</p> <p>Control over applications</p> <p>Disaster recovery planning & control</p>

Understand the procedures for obtaining audit evidence

Competence: Establish procedures for obtaining audit evidence

Specific outcomes	<p>Explain, apply & advise on the objectives & aspects to consider during the planning of an audit</p> <p>Explain the nature of, & apply the procedures for obtaining audit evidence</p> <p>Describe & apply the process involved in using the work of others</p>
Embedded knowledge	<p>Planning</p> <p>Risk assessment & internal control</p> <p>Audit evidence</p>

Understand the process of reporting audit findings

Competence: Awareness of the process of reporting audit findings

Specific outcomes	<p>Explain & apply the process of reporting audit findings</p> <p>Explain & apply the process of reporting special purpose audit findings</p> <p>Describe the concepts & procedures involved in related service engagements & reports</p>
Embedded knowledge	<p>Auditor's report on financial statements</p> <p>Other information in documents containing audited financial statements</p> <p>Special purpose audit reports</p> <p>The auditor's report on special purpose audit engagements</p> <p>Related service engagements</p>

H BASIC WORKPLACE SKILLS

Produce spreadsheets for the analysis of numerical information

Competence: Spreadsheets can be produced for the analysis of numerical information

Specific outcomes	Produce spreadsheets for the analysis of numerical information Ability to manipulate numerical data using an electronic spreadsheet (e.g. move around the spreadsheet, enter values, enter formulae, recalculate the worksheet, save a worksheet file) can be demonstrated
Embedded knowledge	Ability to design a spreadsheet in a manner which clearly defines purpose Spreadsheet is compatible with existing forms & reports Each cell can be formatted clearly & accurately Calculated values can be checked for correctness when changes are made to inputs Spreadsheet is used to carry out data modifications & for entry of related formulas Confidential information is kept secure & not disclosed to unauthorized people

Present information in graphical, diagrammatic or tabular formats

Competence: information can be presented in graphical, diagrammatic or tabular formats

Specific outcomes	Accounting & management information can be presented in graphical, diagrammatic or tabular form to assist understanding
Embedded knowledge	Understanding of the design & interpretation of graphs Numerical data can be displayed in an appropriate form to highlight trends, etc Use of appropriate computer packages

2 MIDDLE MANAGEMENT

Embedded knowledge

For the Middle Management and 'Lower Level' groups of staff, the following elements of 'Embedded knowledge' are common to all unit standards: additional points are listed under the relevant standard.

Government specific	National & Provincial structures Government decision-making processes Public Finance Management Act & Treasury Regulations Reforms in budgeting & budgetary systems Strategic planning Documents for planning & budgeting Medium Term Expenditure Framework (MTEF) Accountability mechanisms Best practice guidelines issues by National Treasury Procurement in the Public Sector Programme setting process Project management & project management systems Salary & relevant personnel systems Understanding of the management information & formal reporting systems Commercial accounts of public entities Knowledge of applicable financial systems e.g. FMS, BAS
The business environment	Types of business transactions & documents involved General principles of VAT Trade discount & cash discounts Legal aspects of cheques including crossings & endorsements Legal relationship of banker & customer General bank services & operation of the clearing bank system Characteristics of forms of payment Function & form of banking documentation Evidence of payment Documentation for petty cash transactions Need for authorisation procedures & expenditure limits for petty cash
Accounting principles and theory	Functions of a ledger account system Main types of ledger account Inter-relationship of accounts - double entry system Nature & function of primary records Distinction between capital & revenue expenditure (in general terms) Internal check, control & security principles Relationship of petty cash records to the cash book & ledger system Function of the cash book & its relationship to ledger accounts
Accounting techniques	Calculation facility, including use of equipment provided Methods of posting from primary records to ledger accounts Methods of coding data Operation of manual & computerised accounting systems Preparation of bank reconciliation statements Methods of handling & storing money, security Functioning of cash register equipment

	Credit card procedures for receipts & payments Imprest method & control feature in respect of petty cash
The organisation	Background understanding that the accounting systems of an organisation are affected by its organisational structure, its administrative systems & procedures & the nature of its business transactions

A EVALUATION OF PERFORMANCE

Generate and interpret performance indicators

Competence: Designing appropriate indicators of performance

Specific outcomes	Using the entity's mission, vision & strategic goals, identify appropriate information to assess organizational performance Identify, decide & advise on the mix of performance measures (external & internal, financial & non-financial, quantitative & qualitative) Design & develop processes to produce required decision-making & monitoring information Apply performance measurement information to improve organizational effectiveness
Embedded knowledge	Forecasting Corporate strategy & long-term planning Strategic planning Matching strategy & structure Organizational design Behavioural aspects of budgeting Responsibility centers Master, capital, cash & subsidiary budgets Fixed & flexible budgets Cost reduction techniques Cost-benefit analysis Performance measurement of decentralised units Ordinary continuing activities Cash Flow

Contribute to cost management by 'value analysis' and cost reduction techniques

Competence: Contributing to the management of cost & the enhancement of value

Specific outcomes	Collect, analyse & disseminate information about costs Make recommendations to reduce costs & enhance value
Embedded knowledge listed above, plus:	Prepare & present standard cost reports Methods of calculating variances Significance of & possible reasons for variances Analysis of the effect of changing activity levels on unit costs Methods of presenting information orally & in written reports Principles & objectives of standard costing systems Distinction between fixed & variable costs Techniques of accounting analysis (e.g. cost benefit analysis SWOT)

	<p>Calculation & interpretation of key accounting ratios Use of standard units of production/service Allow for price level changes when interpreting accounting data; index numbers Calculation & interpretation of management information Methods of presenting information orally & in writing Limitations of accounting & management information as basis for action Concepts of timeliness, relevance, accuracy, materiality Collect, analyse & disseminate information about external costs External sources of cost & price information: government statistics, trade & financial press Basic time series analysis, moving averages, seasonal trends Methods of presenting information in graphical, diagrammatic & tabular form Use of index numbers Use & limitation of published statistics Cost reduction techniques Value analysis Quality control methods, quality circles Interpretation of performance indicators Standard costing & budgetary control systems Principles of total Quality Management Background knowledge of the contribution of functional specialists in an organisational, to cost reduction & value enhancement</p>
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Appreciate the uses and limitations of published statistics

Competence: Ability to critically evaluate & use published statistics

Specific outcomes	Published statistics can be critically evaluated & presented as management information
Embedded knowledge	Relevant information can be identified, collated & presented in accordance with organisational requirements Concepts of timeliness, relevance, accuracy, materiality are understood Basic statistical methods (e.g. time series analysis, moving averages, seasonal trends, index numbers sampling techniques) can be calculated & applied

B BUDGETING AND RELATED MATTERS

Contribute to the planning and allocation of resources

Competence: Contributing to the planning & allocation of resources

Specific outcomes	Prepare forecasts of income & expenditure Produce draft budget proposals Monitor the actual performance of responsibility centres against budget
Embedded knowledge listed above, plus:	Co-ordination of the budget system Effect of capacity levels on budgets, flexible budgets Basic statistical methods: index numbers time series, sampling techniques Significance of budget variances & management action required Graphical techniques for displaying numerical data

	Use of relevant computer packages Principles & purposes of budgetary control: planning & co-ordinating activities, cost control
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Prepare forecasts of income and expenditure

Competence: Generate forecasts of income & expenditure

Specific outcomes	Relevant data for projecting forecasts of income & expenditure can be identified Relevant stakeholders can be consulted to clarify forecasts Assumptions underpinning forecasts can be explained
Embedded knowledge	Co-ordination of the budget system Effect of capacity levels on budgets, flexible budgets Basic statistical methods: index numbers time series, sampling techniques Significance of budget variances & the type of action which may be required of managers in response to variances Graphical techniques for displaying numerical data Use of relevant computer packages Principles & purposes of budgetary control: planning & co-ordinating activities, cost control

Produce draft budget proposals

Competence: Produce draft budget proposals

Specific outcomes	Budget proposals are drafted in accordance with Strategic Plan Budget proposals are drafted in consultation with stakeholders, & include measurable outputs Draft budget proposals can be presented in format & on schedule required by national Treasury
Embedded knowledge	Co-ordination of the budget system Effect of capacity levels on budgets, flexible budgets Basic statistical methods: index numbers time series, sampling techniques Significance of budget variances & the type of action which may be required of managers in response to variances Graphical techniques for displaying numerical data Use of relevant computer packages Principles & purposes of budgetary control: planning & co-ordinating activities, cost control

Operate budgetary control systems

Competence: Operate budgetary control systems

Specific outcomes	Budgetary control reports are generated & examined monthly Variances are identified & reported to management in monthly monitoring reports Potential over/under spends are discussed with managers & appropriate remedial actions can be recommended
Embedded knowledge	Co-ordination of the budget system Effect of capacity levels on budgets, flexible budgets Basic statistical methods: index numbers time series, sampling techniques Significance of budget variances & the type of action which may be required of

	managers in response to variances Graphical techniques for displaying numerical data Use of relevant computer packages Principles & purposes of budgetary control: planning & co-ordinating activities, cost control
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Understand costing concepts and advise on the management of costs

Competence: Understand the nature of costs & advise on & evaluate cost classifications, behaviour & cost volume benefits

Specific outcomes	Advise on & evaluate cost classification Demonstrate an understanding & comment on the nature of costs Advise on & evaluate cost behaviour Advise on & evaluate cost-volume-benefits Advise on & evaluate cost objectives or object
Embedded knowledge	The nature of costs Cost classification Cost behaviour Cost-volume-profit analysis Cost objects Relevant costing techniques

Appreciate 'activity-based costing' and the use of cost drivers

Competence: Appreciate 'activity-based costing' & the use of cost drivers

Specific outcomes	Understanding of the nature of cost drivers Ability to apply unit costing techniques to the process of compiling estimates
Embedded knowledge	Alternative approaches to costing Unit costing techniques Process of compiling estimates Identification of appropriate cost drivers for a particular service

C REVENUE AND EXPENDITURE MANAGEMENT

Procure goods and services in accordance with PFMA, Tender Board Act, etc.

Competence: Procure goods & services for the organisation

Specific outcomes	Conduct a capacity & credit check of potential vendors Manage & maintain a database of approved vendors Review vendor performance Establish & maintain contract cover in materials management Manage procurement contingencies Investigate alternative vendors &/or products to improve current cost, quality, & time delivery ratios Procure goods & services for the core business Reconcile physical assets to accounting records
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	<p>Awareness of controls to be in place to secure assets</p> <p>Report management information to establish performance</p> <p>Communicate to build customer relations</p>
Embedded knowledge	<p>Statutory tender requirements: including relevant sections of Public Finance Management Act (Sections 76) & regulations, relevant Tender Board Act, prescripts, rules & regulations</p> <p>Value chain</p> <p>Cost, Value & Time</p> <p>Just in time</p> <p>Total Quality Management</p>

D ACCOUNTING AND REPORTING REQUIREMENTS

Be aware of the principles of 'GAAP'

Competence: Establish a framework for financial reports

Specific outcomes	<p>Identify overall objectives of financial reporting, specific information needs of stakeholders, & the general information needs of others</p> <p>Define & analyse elements of financial statements related to measurement of financial position & performance & apply them to the presentation of reports</p> <p>Define & analyse qualitative characteristics & apply them to the presentation & measurement issues to enhance the decision-usefulness of financial reporting</p> <p>Identify recognition & measurement criteria & supply them to the incorporation of items in primary to supplementary financial statements</p> <p>Analyse & explain need for a conceptual framework & for standards of financial reporting</p> <p>Identify statutory disclosure requirements, & explain the meaning of fair presentation</p> <p>Explain meaning of "general accepted (recognised) accounting practice" & describe, analyse & apply the assumptions which may be presumed to underlie the preparation of financial statements</p> <p>Describe process involved in drafting & setting standards of generally accepted (recognised) accounting practice in South Africa & internationally by the Public Sector Committee of the International Federation of Accountants</p>
Embedded knowledge	<p>Overall objectives of financial reporting</p> <p>Elements of general-purpose financial statements</p> <p>Qualitative characteristics of financial statements</p> <p>Recognition & measurement</p> <p>Conceptual framework & standards in South Africa</p> <p>Statutory reporting requirements</p> <p>Generally Accepted (Recognised) Accounting Practice</p> <p>Standard setting process in South Africa</p>

Calculate and interpret accounting ratios

Competence: Ability to calculate & interpret accounting ratios

Specific outcomes	Relevant items of accounting data can be linked
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	Ratios can be calculated accurately Ability to interpret ratios against standard benchmarks
Embedded knowledge	Basic numeracy Understanding of structure of financial statements (using GAAP/GRAP) Ability to identify link relevant items from financial statements in formulae

Appreciate the limitations of accounting data as a basis for management action

Competence: Appreciate the limitations of accounting data as a basis for management action

Specific outcomes	Accounting & management information can be critically evaluated, & presented with recommendations for management action
Embedded knowledge	Accounting & management information can be calculated & interpreted for management Reports are prepared in the appropriate form & presented to management within due time scales Concepts of timeliness, relevance, accuracy, materiality are understood The significance of budget variances & the type of action which may be required of the managers in response to variances are understood

E BASIC ACCOUNTING RECORDS AND RELATED ISSUES

Distinguish between capital and operational expenditure

Competence: Capital and operational expenditure can be distinguished

Specific outcomes	Define & analyse types of expenditure in practical situations Describe process to ensure that Items of capital expenditure are correctly recorded in the entity's books Describe process to evaluate capital expenditure proposals (including ongoing running costs) Define approved method of funding or disposal of assets
Embedded knowledge	Understanding of the ASB definitions of capital expenditure Accounting treatment of assets (acquisitions, depreciation, profit & loss on disposal) is correctly recorded in the appropriate records

F AUDITING

Determine and explain risk assessment techniques

Competence: Techniques for assessing risk can be determined & explained

Specific outcomes	Explain risk assessment Quantitative techniques for assessing risk can be determined
Embedded knowledge	Risk assessment Quantitative techniques for assessing risk

Understand control principles, such as separation of functions, etc.

Competence: Establish a framework for the evaluation of internal control

Specific outcomes	<p>Objectives of internal controls (e.g. safeguard assets, ensure accuracy) can be defined</p> <p>Principles of internal control (e.g. separation of duties, isolate responsibilities, identifiable accountability) can be described</p> <p>The risks, vulnerability & exposure, associated with computer-based information systems can be identified (e.g. the impact of computers on internal controls)</p> <p>Controls according to the degree of human judgement required to apply the control (e.g. discretionary, non-discretionary) can be classified & illustrated</p> <p>Controls based on the extent an internal influence imposes the need for the control (e.g. voluntary, mandatory) can be classified & illustrated</p> <p>Controls based on their applicability to the whole information systems environment of an organisation (e.g. general, application) can be classified & illustrated</p>
Embedded knowledge	<p>Control objectives</p> <ul style="list-style-type: none"> ?? Reasonable assurance of control effectiveness ?? Orderly & efficient conduct of business ?? Safeguarding of assets ?? Reliability of information ?? Timely preparation of financial information ?? Prevention/detection of fraud & errors ?? Cost effectiveness of control procedures <p>Control system components</p> <ul style="list-style-type: none"> ?? Plan of organisation ?? Recording of transactions ?? Personnel policies ?? Segregation of duties ?? Authorizations ?? Limitation of access to assets ?? Comparison of accounting records with assets ?? Management supervision ?? Documentation of policies ?? Monitoring of control compliance <p>Categories of control</p> <ul style="list-style-type: none"> ?? General/Environmental controls ?? Physical controls ?? Organisational controls ?? Procedural controls ?? Application controls for input, processing, storage & output ?? Completeness controls ?? Accuracy controls ?? Validity controls

Use audit testing techniques, such as vouching, re-performance, confirmation, etc.

Competence: Appropriate audit testing techniques can be used

Specific outcomes	The process for obtaining audit evidence can be explained & applied
Embedded knowledge	Tests of controls & substantive procedures can be applied

	<p>Computer-assisted audit techniques</p> <p>Evaluation of tests of control & the benefits & the effect on substantive procedures</p> <p>Analytical procedures can be explained & applied</p> <p>Audit sampling concepts & principles can be explained & applied in respect of:</p> <ul style="list-style-type: none"> ?? sample design & selection ?? statistical & non-statistical ?? Substantive procedures & tests of controls ?? advantages & disadvantages of statistical sampling & of the various sampling plans ?? sample evaluation <p>Testing techniques: physical examination, re-performance, third party confirmation, vouching, documentary evidence, identification of unusual items</p> <p>Basic sampling techniques in auditing: confidence levels, selection techniques (random numbers, interval sampling, stratified sampling)</p>
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Understand the responsibilities, functions and qualities of the Auditor-General

Competence: Awareness of the responsibilities, functions & qualities of the Internal auditor & Auditor-General

Specific outcomes	<p>Define the information pertaining to the audit profession</p> <p>Define the information pertaining to the audit firm</p> <p>Describe the process involved in the regulatory & standard setting process</p> <p>Explain the professional & government ethics governing the work of the internal auditor & auditor general</p> <p>Determine the rights & duties covered by statute</p> <p>Identify & explain responsibilities & legal liability of the auditor</p> <p>Awareness of current audit developments in the audit profession</p> <p>Exhibit sound understanding & ability to apply the competency</p>
Embedded knowledge	<p>Historical evolution of auditing objectives in the audit</p> <p>Fundamental principles of auditing theory</p> <p>Nature & criteria for a profession</p> <p>History & development of the profession</p> <p>Structure of the profession in South Africa</p> <p>Regulatory & standard setting process</p> <p>Distinction between statutory audits, non-statutory audits & related service engagements, both in public & private sectors</p> <p>Rights & duties covered by the statute</p> <p>Corporate governance</p> <p>Business ethics</p> <p>Professional ethics</p>

Understand the procedures for obtaining audit evidence

Competence: Establish procedures for obtaining audit evidence

Specific outcomes	<p>Explain, apply & advise on the objectives & aspects to consider during the planning of an audit</p> <p>Explain the nature of, & apply the procedures for obtaining audit evidence</p> <p>Describe & apply the process involved in using the work of others</p>
Embedded knowledge	<p>Planning</p>

	Risk assessment & internal control Audit evidence
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Understand the process of reporting audit findings

Competence: Awareness of the process of reporting audit findings

Specific outcomes	Explain & apply the process of reporting audit findings Explain & apply the process of reporting special purpose audit findings Describe the concepts & procedures involved in related service engagements & reports
Embedded knowledge	Auditor's report on financial statements Other information in documents containing audited financial statements Special purpose audit reports The auditor's report on special purpose audit engagements Related service engagements

G BASIC WORKPLACE SKILLS

Produce spreadsheets for the analysis of numerical information

Competence: Spreadsheets can be produced for the analysis of numerical information

Specific outcomes	Produce spreadsheets for the analysis of numerical information Ability to manipulate numerical data using an electronic spreadsheet (e.g. move around the spreadsheet, enter values, enter formulae, recalculate the worksheet, save a worksheet file) can be demonstrated
Embedded knowledge	Ability to design a spreadsheet in a manner which clearly defines purpose Spreadsheet is compatible with existing forms & reports Each cell can be formatted clearly & accurately Calculated values can be checked for correctness when changes are made to inputs Spreadsheet is used to carry out data modifications & for entry of related formulas Confidential information is kept secure & not disclosed to unauthorized people

Present information in graphical, diagrammatic or tabular formats

Competence: information can be presented in graphical, diagrammatic or tabular formats

Specific outcomes	Accounting & management information can be presented in graphical, diagrammatic or tabular form to assist understanding
Embedded knowledge	Understanding of the design & interpretation of graphs Numerical data can be displayed in an appropriate form to highlight trends, etc Use of appropriate computer packages

3 LOWER LEVELS

A SELF MANAGEMENT

Conduct work in an ethical and professional manner

Competence: Conduct work in an ethical & professional manner

Specific outcomes	Protect public interests Carry out work with integrity & objectivity Maintain independence where the nature of the service requires it Adheres to the specific professional rules of conduct Create & develop ideas & information Evaluate ideas & information Interpret information Communicate, collaborate & lead other people/colleagues Solve problems & make decisions, displaying good judgement Identify & meet the needs of international & external clients Provide professional service
Embedded knowledge	Sections in the Constitution relating to the protection of public interest Constitution & By-laws of the Institute (IPFA) Code of Ethics & disciplinary procedures of the Institute Quality assurance processes of the Institute Communication techniques Report writing techniques Calculations, estimations & forecasts Collection & interpretation of information Methods of record keeping Negotiations techniques Decision-making techniques

Manage oneself in the workplace

Competence: Manage oneself in the workplace

Specific outcomes	Take responsibility for own career & professional development Understand the mission & goals of the entity & set personal goals to respond to the goals of the entity Develop personal knowledge of the industry Demonstrate initiative Maintain & apply competence & pursue excellence Strive to add value Apply strategic thinking Develop innovative ideas Adapt & lead change Be accountable
Embedded knowledge	Self management techniques Principles of change management Strategic planning

Contribute to the effectiveness of workflow

Competence: Contribute to the effectiveness of workflow

Specific outcomes	Plan & organised own work schedule Obtain & organise information in support of own work activities Obtain & maintain physical resources to carry out own work
Embedded knowledge	Planning & organising work schedules Obtain & organise information in support of own work

B BASIC WORKPLACE SKILLS

Use calculators and other equipment in processing documents

Competence: calculators & other equipment can be used in processing documents

Specific outcomes	Calculations can be performed accurately with the assistance of office equipment
Embedded knowledge	Basic numeracy Familiarity with keyboard (computer or calculator)

Input information from source documents into a computer system

Competence: Information from source documents can be inputted to a computer system

Specific outcomes	Incomplete or unauthorized source documents are identified & corrected All errors in inputting & coding are identified & corrected The correct parts of the computer system are used for inputting data New unique reference codes are generated as & when necessary Inputting is completed to agreed deadlines Organisational procedures for filing source documents are followed Risks to the information technology environment are minimized at all times
Embedded knowledge	As above

Draft routine business communications

Competence: Routine business communications can be drafted

Specific outcomes	Legible letters & memos containing all essential information are drafted within specified deadlines Draft communications are presented in an approved format
Embedded knowledge	As above

C BOOKKEEPING

Make & record payments in accordance with financial policies & regulations

Competence: Payments can be made & recorded accordance with financial policies & regulations

Specific outcomes	Payments can be made & recorded accordance with financial policies & regulations
Embedded knowledge listed above, plus	Public Finance Management Act Treasury Regulations

Record & account for cash & credit transactions

Competence: Recording & accounting for cash transactions

Specific outcomes	Record & bank monies received Make & record payments Maintain petty cash records Account for cash & bank transactions
Embedded knowledge	As listed above

Competence: Recording & accounting for credit transactions

Specific outcomes	Process documents relating to goods & services supplied on credit Process documents relating to goods & services received on credit Account for goods & services supplied on credit Account for goods & services received on credit
Embedded knowledge listed above, plus:	Procedure for writing off bad debts Function & form of debtors age analysis reports Use of the transfer journal

Store, retrieve and supply information

Competence: Store, retrieve & supply information

Specific outcomes	Maintain & establish storage system Supply information for a specific purpose
Embedded knowledge listed above, plus:	Established storage systems Supply information for a specific purpose

Maintain financial records and prepare accounts

Competence: Maintaining financial records & preparing accounts

Specific outcomes	Record income & expenditure Maintain records & accounts relating to capital acquisition & disposal Collect & collate information for the preparation of final accounts
Embedded knowledge	As listed above

Record cost information

Competence: Recording cost information

Specific outcomes	Record & analyse information relating to direct cost Record & analyse information relating to the allocation, apportionment & absorption of overhead costs Prepare & present standard cost reports
Embedded knowledge listed above, plus:	Operate & maintain a system of accounting for material costs Main types of materials Methods of stock control Methods of materials pricing Basic analysis of variances: usage, price Procedures for establishing standard materials costs, of technical & purchasing information Purchasing procedures & documentation Relationship between technical costing systems - job, batch, unit, process costing systems Principles of standard costing systems: variance reports Relationships between materials costing system & stock control system Operate & maintain a system of accounting for labour costs Procedures for establishing standard labour costs: use of work study & labour rates information Analysis of labour utilisation: idle time, overtime levels, absenteeism, sickness rates Relationships between labour costing system & payroll accounting system Operate & maintain a system of accounting for expenses Main types of expenses Methods of setting standards for expenses Procedures & documentation relating to expenses Allocation of expenses to cost centers Relationships between expenses costing system & accounting system Objectives of depreciation accounting Operate & maintain a system for apportionment & absorption of overheads Calculation of overhead variances: capacity variances Procedures for establishing standard absorption rates Bases of apportioning indirect costs to responsibility centers Activity based systems of allocating costs; cost drivers Relationship between technical systems: variance reports Nature & significance of overhead costs: fixed costs & variable costs Effect of changes in capacity levels Arbitrary nature of overhead apportionments

Prepare reports and returns

Competence: Preparing reports & returns

Specific outcomes	Prepare periodic performance reports Prepare reports & returns for outside agencies
Embedded knowledge listed above, plus:	Prepare periodic performance reports Main sources of government statistics Awareness of relevant performance & quality measures Use of standard units of inputs & outputs Time series analysis

	<p>Use of index numbers Main types of performance indicators Graphical & diagrammatic presentation Tabulation of accounting & other quantitative information Prepare reports & returns for outside agencies</p>
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E AUDITING

Understand the responsibilities, functions & qualities of the Internal Auditor & Auditor- General

Competence: Awareness of the responsibilities, functions & qualities of the Internal Auditor & Auditor-General

Specific outcomes	<p>Define the information pertaining to the audit profession Define the information pertaining to the audit firm Describe the process involved in the regulatory & standard setting process Explain the professional & government ethics governing the work of the internal auditor & auditor general Determine the rights & duties covered by statute Identify & explain responsibilities & legal liability of the auditor Awareness of current audit developments in the audit profession Exhibit sound understanding & ability to apply the competency</p>
Embedded knowledge	<p>Historical evolution of auditing objectives in the audit Fundamental principles of auditing theory Nature & criteria for a profession History & development of the profession Structure of the profession in South Africa Regulatory & standard setting process Distinction between statutory audits, non-statutory audits & related service engagements, both in public & private sectors Rights & duties covered by the statute Corporate governance Business ethics Professional ethics</p>