

# Hong Kong Institute of CPAs

## Professional Development Framework for PAIBs

2019



Hong Kong Institute of  
**Certified Public Accountants**  
香港會計師公會

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This “*Professional Development Framework for PAIBs*” includes extracts from

- (i) International Education Standard (IES) 7, *Continuing Professional Development (Revised)* of the International Accounting Education Standards Board and published by the International Federation of Accountants (IFAC) in December 2018;
- (ii) “*Evaluating the Finance Function*” and “*A Vision for the CFO & Finance Function*” published by IFAC in September 2019.

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## Preface

The world is changing fast – and so are the roles of accounting professionals.

To succeed in this rapidly developing world, accountants are expected to develop and maintain professional competences as they anticipate and adapt to changes in areas including business processes, professional standards, regulatory requirements, employer’s demands, and new technological developments. Being responsive to change enables accountants to provide valued insights and adds credibility to business activities and decision making, helping to safeguard the wider interests of the business and its key stakeholders. The breadth and depth of these professional competence requirements change for professional accountants as they take on new roles during their careers and as the business environment evolves.

Being considered as the language of business, accounting also plays an integral part in an organization’s long-term success. This importance grows as accountants transform from providing a technical support function to being a business partner, producing information and analysis that supports strategic and operational decision making. In order to maximize the finance function’s impact to the business, organizations need a mechanism in place to support and assess the value of the function.

Professional accountants in business (PAIBs) are a diverse group. They can be found working in commerce, industry, financial services, education, and the public and not-for-profit sectors as employees or advisers. Many are in a position of strategic or functional leadership or are otherwise well-placed to collaborate with colleagues in other disciplines and help to drive their organizations’ sustainable success. Their roles range widely from corporate strategy, provide advice and help businesses to reduce costs and improve the top line, mitigate risks, corporate governance, and oversight of financial health, etc. Not forgetting accountants’ key role in safeguarding the integrity of financial reporting. As such, competent PAIBs are an invaluable asset to an organization.

The Hong Kong Institute of Certified Public Accountants has developed this Professional Development Framework to help PAIBs rise to the new opportunities. The framework aims to provide a useful and accessible guide to the competencies, such as pre-requisite knowledge, skills, attitude, practices and standards of behaviour, necessary for PAIBs to perform both current and desired roles.

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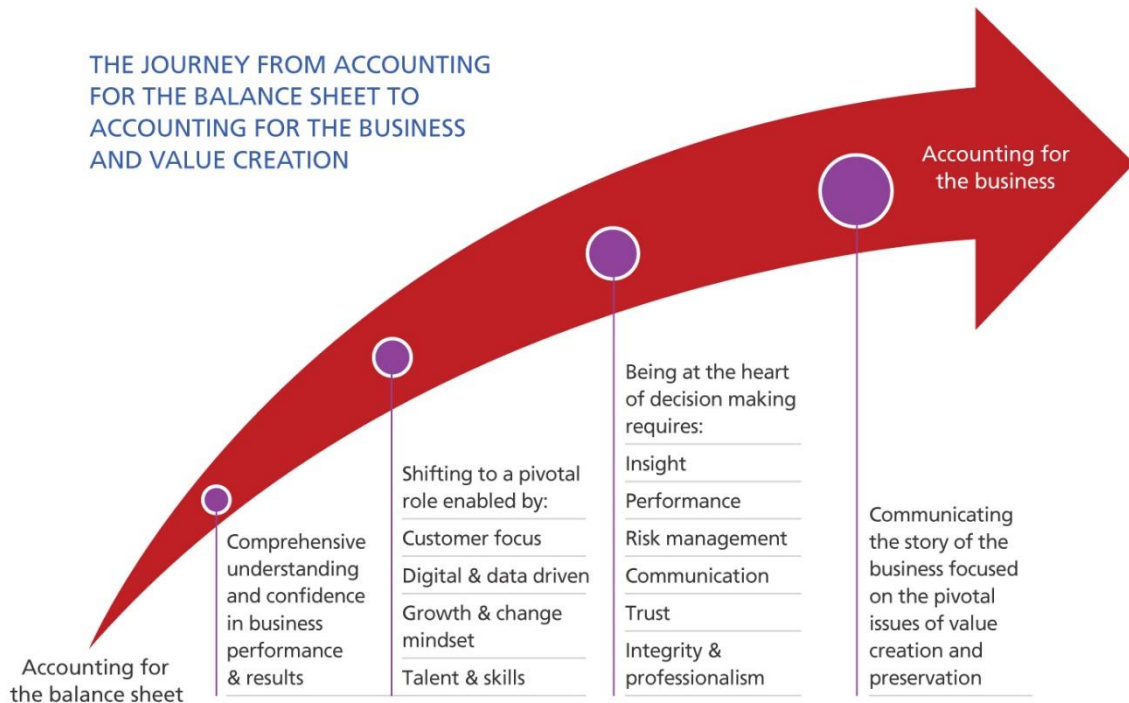
## The International Federation of Accountants' Vision for the Finance Function

### *Shifting from Accounting for the Balance Sheet to Accounting for the Business*

The vision of the International Federation of Accountants (IFAC) for the finance function is to move from accounting for the balance sheet to accounting for the business. This creates significant opportunities for the finance function agenda to shift from a transactional, reporting and compliance focus to one guiding and enabling decisions across an organization.

For chief financial officers (CFOs) and finance functions to effectively support business in its value creation and preservation, they need to navigate a path to accounting for the business. This requires an external and forward-looking focus on the business, industry and market environment and the needs of end customers, as well as the needs of internal customers. The finance function must align with the overall purpose and objectives of the organization amid a changing external environment.

### *The Journey from Accounting for the Balance Sheet to Accounting for the Business*



Extracted from *A Vision for the CFO & Finance Function*, IFAC

## ***Developing a Vision for the Finance Function and Enabling Transformation***

A clear vision and strategy are critical to evolve the finance function to meet the needs of the organization. This strategy requires the buy in of an organization's board. Only then can the finance function be put at the heart of decision making across the organization. A vision and strategy start a conversation about the role of the finance function in decision making, what its key objectives should be, and how it operates within the organization. A vision can be expressed in a simple mission statement, for example:

The finance function will be an agile, integrated and customer-led function to enable the organization to deal with uncertainty and the opportunities and risks related to creating value for the long term.

A finance function vision also helps to drive positive action and momentum and provides direction to ensure investment in key enablers, and in the learning and capacity of finance and accounting professionals. Above all, a vision reflects a desirable future state and the growth mindset needed to evolve.

In larger organizations, centres of excellence are an increasingly common approach to developing talent incubators for the finance function. Centres equip accountants with future-ready tools and skills in areas needed by the transformed finance function, such as advanced analytics.

An effective finance function supports the organization in its value creation and preservation by delivering:



Extracted from *A Vision for the CFO & Finance Function*, IFAC

**Actionable insights** ([Business Skills](#)) to support strategic and operational planning and decisions.

**Effective communication** ([Leadership and People Skills](#)) and storytelling on all aspects of an organization's business model and value creation. With the proliferation of data and information, communication is more important than ever. It is critical to ensure information and analysis is readily available and drives clear insights about the economic realities, decisions and trade-offs.

**Enterprise risk management** ([Technical Skills](#)) to facilitate the organization's management of uncertainty and the opportunities and risks in the context of business objectives and the external environment.

**Performance analysis** ([Technical Skills](#)) to steer the organization towards achieving objectives, targets and long-term profitability and ensuring alignment between strategy, planning and delivery. This includes forecasting and scenario analysis, and measurement and metrics need to track value creation and performance across all areas of the business model.

**Trust** ([Technical Skills](#)) and confidence in the governance of the organization, and in quality of data, processes, systems and reporting through adequate control and security.

**Integrity and professionalism** ([Ethics, Integrity and Professionalism](#)) of finance and accounting professionals enables them to provide a constructive challenge mindset and their professional ethics which is valued by boards, management and peers.

## Overview of the Framework

The framework aims to provide a structured guide to boost the effectiveness of the finance function. Apart from the development of individual PAIBs, it is important to ensure the framework also meets the needs of the board, chief executive officer and executive management. Competencies across these areas enables the finance function to contribute to increasing and improving the value-adding activities of an organization.

### **Four Knowledge Areas:**

The framework defines four different – yet interdependent – areas essential to PAIBs:

#### **i) Technical Skills**

To enable PAIBs to identify, collect, store, process and analyse information to be shared with various stakeholders. These skills include the preparation and dissemination of external and internal reports as per accounting standards.

#### **ii) Business Skills**

To enable PAIBs to use their knowledge of the business and the environment to transform data into insights. This allows businesses to evaluate their strategic positioning, the alignment of their business models to their strategies, their performance and opportunities for the future.

#### **iii) Leadership and People Skills**

To enable PAIBs to lead and motivate fellow peers, to influence the actions and behaviours of decision-makers and others throughout the organization and its stakeholders.

#### **iv) Ethics, Integrity and Professionalism**

To enable PAIBs to comply with the fundamental principles of professional ethics for professional accountants; and relevant laws and regulations.

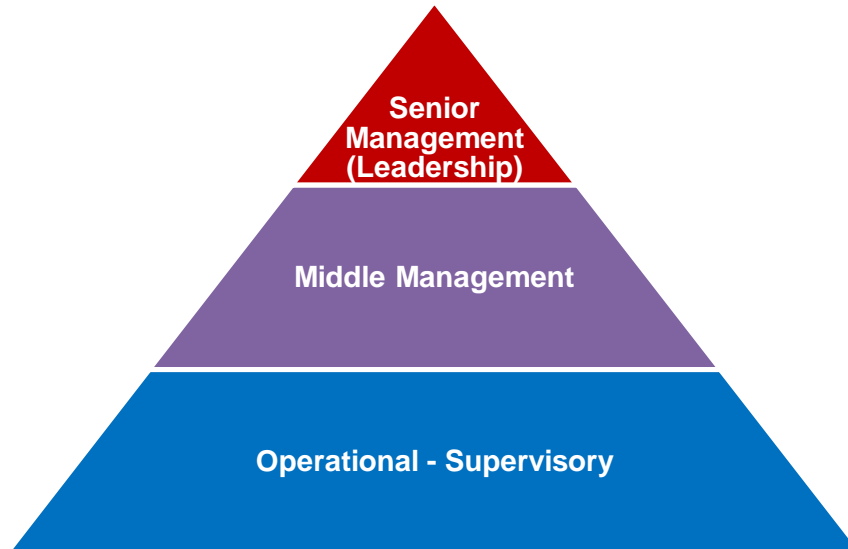




## Structure of the Framework

### *Three Job Seniority Levels:*

Each competency can be performed at different levels of job seniority, linked to an organization's hierarchy.



#### **i) Operational - Supervisory**

PAIBs at this level require a basic understanding of the business structures, operations and financial performance, and have responsibility for implementing and achieving results through an individual's own actions rather than through others.

#### **ii) Middle Management**

PAIBs require a moderate understanding of overall business operations and measurements, with strong analytical skills and the ability to advise on strategic options for the business, including responsibility for monitoring the implementation of strategy. Middle management have formal responsibility for colleagues and their actions.

#### **iii) Senior Management (Leadership)**

PAIBs require expert knowledge to develop a strategic vision and provide unique insight to the overall direction and success of the organization. Senior management have formal responsibility for business areas, and their actions and decisions have a high-level strategic impact.

## Applicability

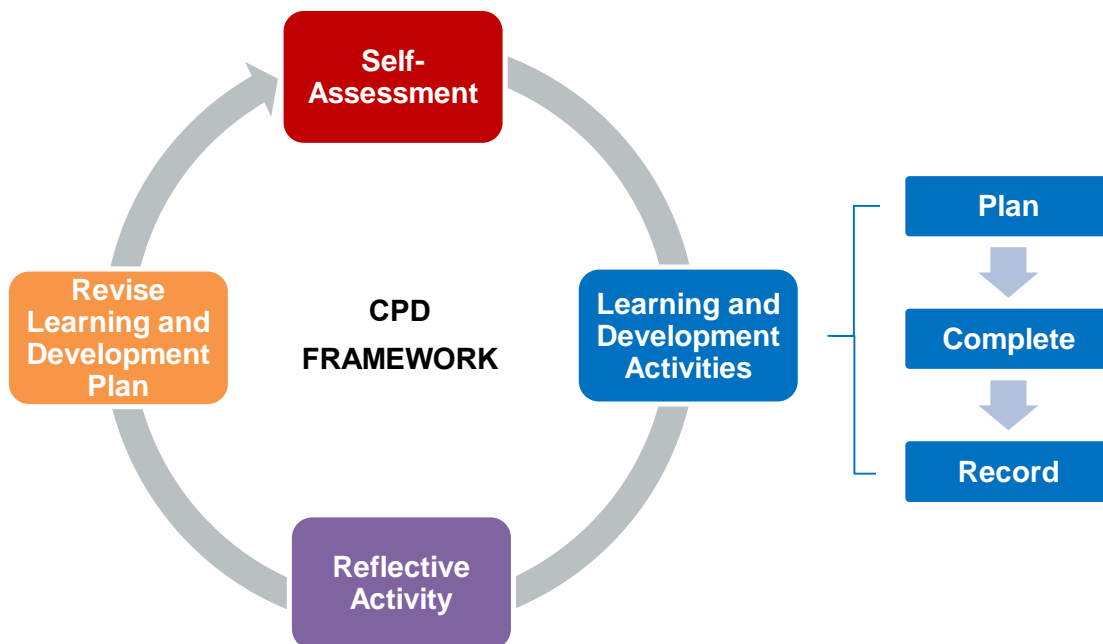
### For PAIBs – Learning and Development

This professional development framework is designed to address the many challenges that PAIBs face today in different organizations. It provides an accessible guide to the knowledge, skills and mind-set required for PAIBs to perform both their current and desired roles at different seniority levels.

You will find a range of ways to apply the framework, these include:

- Self-assessment to identify and address any development needs
- Undertaking continuing professional development (CPD)
- Planning your learning to meet your career goals
- Performance measurement and assessment

*Illustration: How CPD activities might be assembled into a cyclical framework*



Extracted from *IES 7, Continuing Professional Development (Revised)*, IAESB

An effective CPD framework includes elements of self-assessment and reflective activity as part of its cyclical structure. These enable PAIBs to better match their CPD with the responsibilities of their role, so as to support their delivery of high quality services for employers and other stakeholders, and promote the creditability of the accountancy profession.

### Self-Assessment

PAIBs perform self-assessment of their professional competence to help identify personal development gaps and related learning outcomes. When undertaking self-assessment activities, PAIBs may consider a variety of sources of information to help them identify gaps and learning outcomes, including but not limited to:

- the responsibilities of the role they perform;
- the responsibilities of a role they aspire to achieve;
- performance feedback from employers and customers;
- relevant competency maps and role descriptions provided by employers or professional accounting organizations;
- relevant statutory and legal requirements for CPD; and
- changes in processes, technology, professional standards, regulatory requirements, employer demands, or other areas that impact their CPD needs.

### Reflective Activity

PAIBs undertake reflective activity to evaluate whether completed learning and development activities addressed personal development gaps and achieved related learning outcomes. These activities help ensure that PAIBs develop and maintain their professional competence. When undertaking reflective activities, PAIBs may consider a variety of sources of information to help them evaluate their learning and development activities, including but not limited to:

- whether they can perform their role to the standard defined by their employer;
- whether they can perform the responsibilities for a role they aspire to achieve, to the standard defined by their employer;
- performance feedback from employers, peers, direct reports, etc.;
- relevant competency maps and role descriptions provided by employers or professional accounting organizations; and
- changes in processes, technology, professional standards, regulatory requirements, employer demands, or other areas that impact their CPD needs.

It can be useful for PAIBs to document their self-assessment and reflective activities as part of their CPD record. Such documentation may support their CPD measurement and compliance.

## For Employers – Performance and Talent Management

Although this framework is geared towards individual development, it also plays a key organizational role. As well as enabling PAIBs to develop and improve themselves, it enables organizations to plan and develop the skill sets required by the finance team – now and into the future.

The framework also enables organizations to better define the roles and responsibilities and targets for their accounting positions. It can also be used to recognize performance and desired behaviours and provide incentives which enhance accounting professional's contributions to the organization. The framework also helps to align the objectives of the organization and those of the individuals, where possible.

You will find a range of ways to apply the framework, these include:

- Developing job descriptions with related competencies requirements
- Identifying the right talent with the required competencies
- Identifying knowledge/ skills gaps and training needs of the workforce
- Developing a learning and development strategy and structural succession planning

*Below are 16 statements to be considered (rated on a 1 - 5 scale) when evaluating an organization's finance function, as suggested by IFAC:*

The Finance Function		Low Contribution	1	2	3	4	5	High Contribution
<b>Vision and Strategy</b>								
1	Has a clear vision and strategy to evolve to meet the needs of the organization and its external customers	Maintains the status quo						Clear vision and strategy that is widely understood
2	Has a talent and development strategy that enables delivery of value-added roles (business partner, specialist, etc.)	No formal approach to talent development						Finance roles are aligned to the skills and capabilities needed for a digitally-enabled finance function
3	Under CFO leadership, fosters a culture encouraging and enabling growth, change and innovation	The finance function is resistant to change with a legacy mindset						The finance function is empowered to innovate and think differently with a growth mindset
<b>Trust and Confidence</b>								
4	Supports an effective system of internal control related to financial and non-financial information for compliance reporting and general use throughout the organization	Control and compliance failures (e.g. fraud, high no. of audit adjustments & restatements, breach of organizational values)						Delivers confidence in data, processes, systems and reporting

The Finance Function		Low Contribution	1	2	3	4	5	High Contribution
<b>Actionable Insights</b>								
5	Produces relevant and concise information and analysis for the board and its committees	Key issues lost in detailed information						Concise information that highlights key issues for board attention
6	Delivers valued insights to operations and other key functions in a format that is easily-consumable for their use	Information structured primarily for financial reporting purposes						Real-time insights that decision makers throughout the organization can interrogate themselves
7	Has built strong collaborative working relationships across the organization	Finance works in a silo to the rest of the organization						Finance is perceived as an effective business partner, with finance skills and capabilities being used across the organization
8	Supports strategic planning through robust forecasting and scenario analysis	Technical support function only						Actively participates in strategic, forward-looking planning and projections
<b>Performance Analysis</b>								
9	Is continuously improving its productivity, efficiency and effectiveness, using technology and other tools	Processes are predominantly manual and resource-intensive						Processes have been streamlined, standardized and automated to the extent possible
10	Understands all aspects of the business model, resources, underlying processes, and primary drivers of long term value	Reports on the results of the business only						Deep understanding of the whole business
11	Utilizes financial and non-financial data and models to track value creation and performance	Financial data and models only						Use of multi-capital data and models
<b>Integrity and Professionalism</b>								
12	Supports evaluation of significant projects, M&A, and investments using appropriate financial and non-financial criteria, focused on the organization's long-term success	Financial consideration is a priority						Provides objective views on options, ensuring decisions and capital allocation maximize value in a socially responsible way
13	Has a CFO who is seen as a trusted expert and is involved in all significant business decisions	The CFO has no influence over significant business decisions						The CFO is a strategic leader, facilitates change and influences decisions

The Finance Function		Low Contribution	1	2	3	4	5	High Contribution
<b>Enterprise Risk Management</b>								
14	Responds efficiently to external events and new regulations	Internally focused and reactive to changes in the external environment						Externally focused and proactive in identifying and preparing for changes in market trends, customer needs, and regulations
15	Is facilitating and actively participating in enterprise risk management	Manages financial risk only						Facilitates risk analysis, management and contingency planning, helping to identify risks and opportunities
<b>Effective Communication</b>								
16	Is driving broader external reporting on value creation	Financial reporting only						Drives integrated reporting

Extracted from *Evaluating the Finance Function*, IFAC

## Technical Skills (Face-to-Face Events)

Competencies	Operational - Supervisory	Middle Management	Senior Management (Leadership)
<a href="#"><u>Accounting and Financial Reporting</u></a>	Accounting for transactions (technical skills - HKFRS)		
	Preparing financial reports (technical skills - HKFRS)		
		Analysing financial reports	Driving high performance, making decisions
<a href="#"><u>Management Accounting and Reporting</u></a>	Project/ cost management and evaluation	Planning, forecasting and budgetary control	Appraising performance vs budget
<a href="#"><u>Risk Management and Internal Control</u></a>	Identifying and managing risks		
		Designing internal controls	
		Monitoring performance and accountability	Crisis management
<a href="#"><u>Taxation</u></a>	Tax computation & tax compliance		
		Tax planning	
<a href="#"><u>Information Technology</u></a>	Data management and analysis		
	Technology-related upgrades and implementations		
		Risk and security management	
<a href="#"><u>Corporate and Strategic Finance</u></a>	Project valuation and financial due diligence		
	Capital budgeting & treasury functions - bank financing, cash management		
		Understanding of capital market and financial instruments/ hedging products	Optimizing capital structure
			Supporting board decision on investments and financing, capital and dividend policy
<a href="#"><u>Corporate Governance</u></a>	Compliance with legal & regulatory requirements and CG best practices		
		Establishing good CG practices and procedures	
			Promoting high standard of CG
<a href="#"><u>Sustainability</u></a>	Sustainability disclosures (technical skills - IFRS SDS)		
	Understanding the relevancy and applicability of sustainability to business		
	Preparing sustainability reports (technical skills – IFRS SDS)		
		Analysing sustainability reports	
		Operationalizing and incorporating into decision making	

## Business Skills (Face-to-Face Events)

Competencies	Operational - Supervisory	Middle Management	Senior Management (Leadership)
<a href="#"><u>Business Planning and Strategy</u></a>	Identifying opportunities and threats		
		Developing and implementing strategic actions	
		Communicating, managing and evaluating strategic plans	
<a href="#"><u>Business Relations</u></a>	Establishing relationships		
		Enhancing credibility and building trust	
		Creating lasting partnerships	
<a href="#"><u>Industry Knowledge</u></a>	Operational procedures		
	Business and product knowledge		
			Driving future focus, turning vision to strategy



## Leadership and People Skills (Face-to-Face Events)

Competencies	Operational - Supervisory	Middle Management	Senior Management (Leadership)
<u>Performance Management</u>	Taking ownership of assigned tasks		
		Monitoring and evaluating team performance (developing KPIs)	Driving performance
<u>Team Building</u>	Building relationships		
		Influencing and coaching others	
		Talent management	
			Inspiring & motivating others
			Resolving conflicts and building consensus
<u>Change Management</u>	Executing and supporting change initiatives		
		Developing plans, evaluating and managing change initiatives	
			Promoting vision for change; leading changes
<u>Investor Relations</u>	Communication skills, presentation skills, influencing and negotiation skills, networking skills		
<u>Interpersonal Skills</u>	Communication skills, presentation skills, influencing and negotiation skills, networking skills		

## Ethics, Integrity and Professionalism (Face-to-Face Events)

Competencies	Operational - Supervisory	Middle Management	Senior Management (Leadership)
<u>Ethics, Integrity and Professionalism</u>	Understanding business ethics		
	Understanding professional ethical standards and requirements in HK and other major jurisdictions		
		Recognizing ethical risks and taking measures to mitigate business integrity risks	
			Developing ethical policies and procedures; driving corporate ethical values and practices

## Technical Skills (E-Learning Courses)

Competencies	Operational - Supervisory	Middle Management	Senior Management (Leadership)
<a href="#"><u>Accounting and Financial Reporting</u></a>	Accounting for transactions (technical skills - HKFRS)		
	Preparing financial reports (technical skills - HKFRS)		
		Analysing financial reports	Driving high performance, making decisions
<a href="#"><u>Management Accounting and Reporting</u></a>	Project/ cost management and evaluation	Planning, forecasting and budgetary control	Appraising performance vs budget
<a href="#"><u>Risk Management and Internal Control</u></a>	Identifying and managing risks		
		Designing internal controls	
		Monitoring performance and accountability	Crisis management
<a href="#"><u>Taxation</u></a>	Tax computation & tax compliance		
		Tax planning	
<a href="#"><u>Information Technology</u></a>	Data management and analysis		
	Technology-related upgrades and implementations		
		Risk and security management	
<a href="#"><u>Corporate and Strategic Finance</u></a>	Project valuation and financial due diligence		
	Capital budgeting & treasury functions - bank financing, cash management		
		Understanding of capital market and financial instruments/ hedging products	
			Optimizing capital structure Supporting board decision on investments and financing, capital and dividend policy
<a href="#"><u>Corporate Governance</u></a>	Compliance with legal & regulatory requirements and CG best practices		
		Establishing good CG practices and procedures	
			Promoting high standard of CG
<a href="#"><u>Sustainability</u></a>	Sustainability disclosures (technical skills - IFRS SDS)		
	Understanding the relevancy and applicability of sustainability to business		
	Preparing sustainability reports (technical skills – IFRS SDS)		
		Analysing sustainability reports Operationalizing and incorporating into decision making	

## Business Skills (E-Learning Courses)

Competencies	Operational - Supervisory	Middle Management	Senior Management (Leadership)
<a href="#"><u>Business Planning and Strategy</u></a>	Identifying opportunities and threats		
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		Enhancing credibility and building trust	
		Creating lasting partnerships	
<a href="#"><u>Industry Knowledge</u></a>	Operational procedures		
	Business and product knowledge		
			Driving future focus, turning vision to strategy

## Leadership and People Skills (E-Learning Courses)

Competencies	Operational - Supervisory	Middle Management	Senior Management (Leadership)
<a href="#"><u>Performance Management</u></a>	Taking ownership of assigned tasks		
		Monitoring and evaluating team performance (developing KPIs)	Driving performance
<a href="#"><u>Team Building</u></a>	Building relationships		
		Influencing and coaching others	
		Talent management	
			Inspiring & motivating others
			Resolving conflicts and building consensus
<a href="#"><u>Change Management</u></a>	Executing and supporting change initiatives		
		Developing plans, evaluating and managing change initiatives	
			Promoting vision for change; leading changes
<a href="#"><u>Investor Relations</u></a>	Communication skills, presentation skills, influencing and negotiation skills, networking skills		
<a href="#"><u>Interpersonal Skills</u></a>	Communication skills, presentation skills, influencing and negotiation skills, networking skills		

## Ethics, Integrity and Professionalism (E-Learning Courses)

Competencies	Operational - Supervisory	Middle Management	Senior Management (Leadership)
<a href="#"><u>Ethics, Integrity and Professionalism</u></a>	Understanding business ethics		
	Understanding professional ethical standards and requirements in HK and other major jurisdictions		
		Recognizing ethical risks and taking measures to mitigate business integrity risks	
			Developing ethical policies and procedures; driving corporate ethical values and practices

## Support Provided by the Institute

The Institute provides a variety of programmes and publications to serve the needs of our members and support the development of their professional careers. Links to these are below:

### Training programmes:

- [Continuing professional development programmes](#)
  - [Face-to-face events](#)
  - [e-Learning courses](#)
- [Financial Controllership Programme](#)

### Publications:

- [A Plus](#)
- [Technical Bulletins, Circulars and Examples Reports](#)
- [e-newsletters](#) for CFOs and PAIBs
- [Technical News](#)

## Bibliography and Other References

1. [IES 7, Continuing Professional Development \(Revised\)](#) (2018)  
The International Accounting Education Standards Board
2. [A Vision for the CFO & Finance Function](#) (2019)  
The International Federation of Accountants
3. [Evaluating the Finance Function](#) (2019)  
The International Federation of Accountants



**Hong Kong Institute of Certified Public Accountants**

37th Floor, Wu Chung House

213 Queen's Road East, Wanchai, Hong Kong

Tel: (852) 2287 7228

Fax: (852) 2865 6603

Email: [hkicpa@hkicpa.org.hk](mailto:hkicpa@hkicpa.org.hk)

Website: [www.hkicpa.org.hk](http://www.hkicpa.org.hk)