

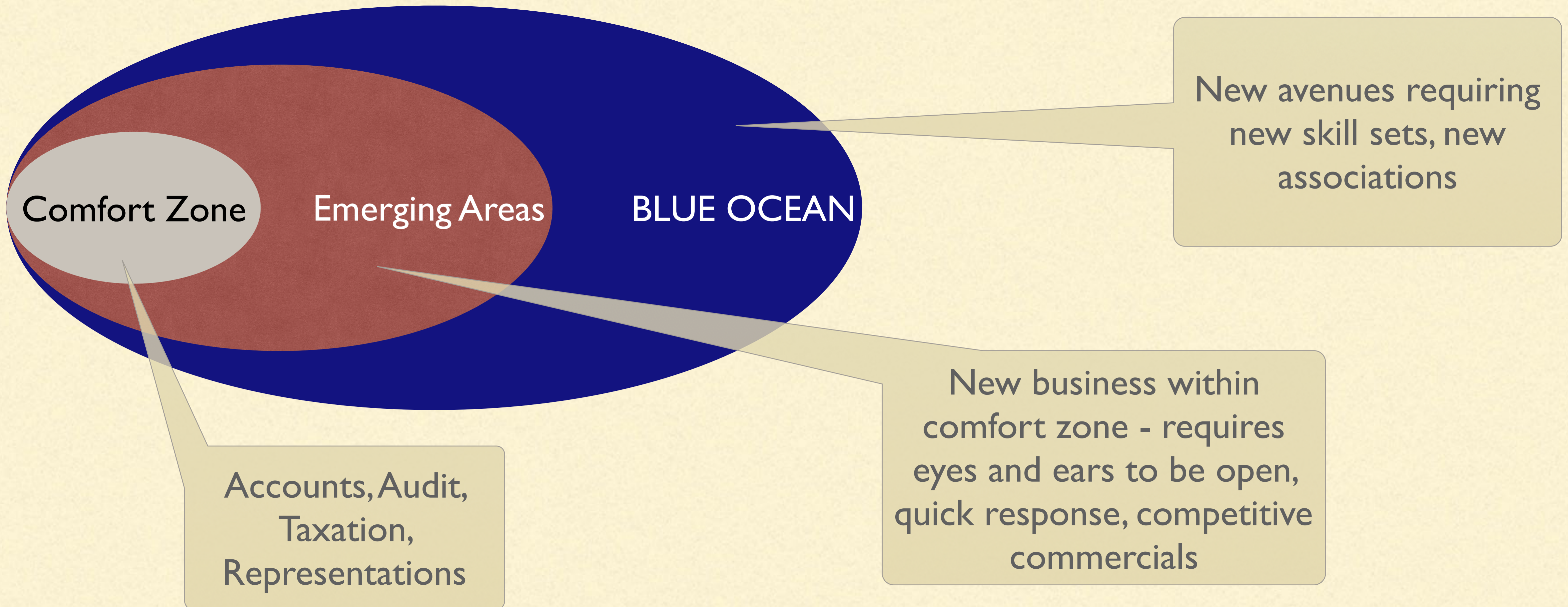


Bangalore Branch of The SIRC of The ICAI

Opportunities for Chartered Accountants in Public Finance

19th July 2017

THE LANDSCAPE

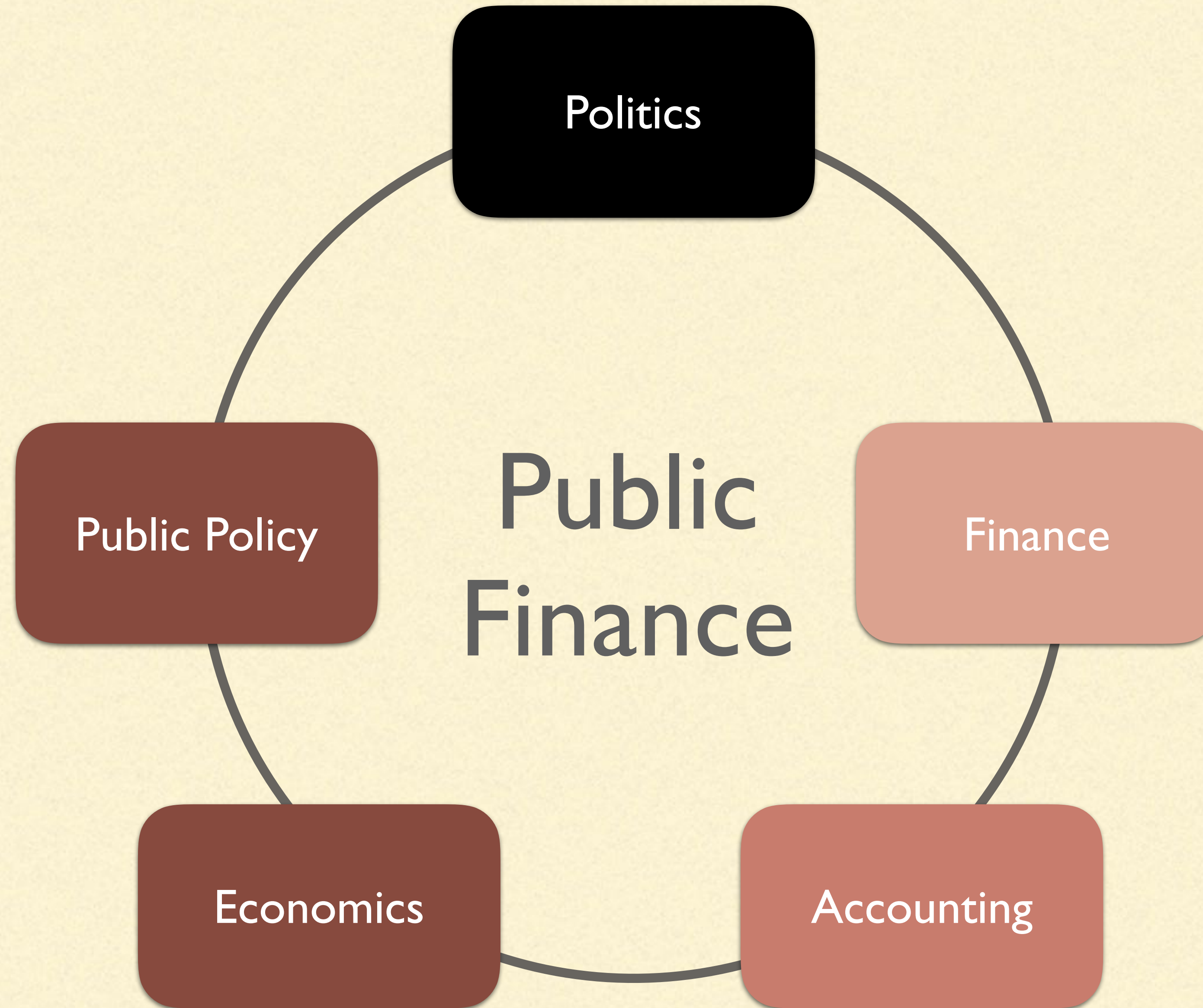


A FEW TYPICAL ASSIGNMENTS

- Preparation of Accounts/Budget/Audit Manual
- Business process reengineering
- Internal/Other audit
- Rapid assessment of internal controls
- Implementation of double entry accrual accounting
- Policy formulation/review
- Preliminary study for migration to accrual accounting
- Scientific pricing model for industrial land allotment
- Public Expenditure Review
- Public Financial Management and Accountability Assessment
- Designing Value Capture financing tools
- Bond issue management
- Project Management/Reporting Consultancy
- Institutional assessment study
- Impact assessment study
- PFM reform consultancy
- e-Governance/Treasury reforms

PUBLIC FINANCE

- Is all about moneys belonging to government/public money - Central, State and Local
- Key principles
 - Equitable distribution of income
 - Efficient allocation of scarce resources
 - Economic stability
- Covers
 - Government revenue, expenditure, asset and debt management
 - Involves policy/regulation aspects
- Managed using a PFMS or an IFMIS



CHARTERED ACCOUNTANTS AND PUBLIC FINANCE

Strengths	Weaknesses
Strong knowledge of accounts, finance, taxation, audit, law	Not exposed to governance and public finance aspects, public finance is not part of curriculum yet
Opportunities	Threats
Skill gap in government, dearth of professionals in market, best poised to quickly scale up	Competition from economists, public finance professionals

OPPORTUNITIES FOR ICAI



- Standard setter for government accounting/audit
 - Transition to IPSAS at all levels of government
 - Public finance training partner, curriculum
 - Active participation at the IPSASB
 - Open up opportunities for CAs
 - <http://icmai.in/icmai/aboutus/mou/MOUwithCIPFA.php>
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OPPORTUNITIES FOR MEMBERS



- Improve competitiveness in traditional areas
 - Develop skill sets and networks to capitalise on new business opportunities
 - Specialise in BLUE OCEAN areas
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MUNICIPAL FINANCE

- Traditional
 - Implementation of ABAS - Consultants for implementation (FLCs), maintenance of accounts, preparation of financial statements, preparation of opening balance sheet, valuation of assets
- Blue Ocean
 - Usage of financial analysis for decision making - Training, pilots
 - Implementation of ASLBs
 - Credit rating of ULBs
 - Municipal Bonds - Conceptualisation, Structuring, Documentation, Handholding
 - ERP/Software related services - Implementation support, IS audits
 - Compliance - GST, IT

PRI ACCOUNTING

- Traditional - Consultants for implementation of ABAS at Panchayats
- Blue Ocean
 - Software at state level for PRI accounting
 - Karnataka - DE accounting at TPs and ZPs

INFRASTRUCTURE FINANCING

- Smart Cities - Smart City proposals, SPV corporate advisory, CFO, auditor, PMC, structuring of investment proposals, viability assessment, innovative financing tools (green bonds, Value Capture Financing tools)
- Public Private Partnerships - Structuring of PPPs, negotiations for funding, preparing concession agreements
- Infrastructure Investment Trusts - Formation, functioning, corporate advisory, market advisory
- Cool bonds, green bonds, masala bonds, securitisation

AMRUT SCHEME

- Traditional
 - Scheme Audit, PMC, ULB Internal audit
- Blue Ocean
 - Reform requirements - E-Governance, Cadre linked training, Augmenting DE accounting, Devolution of funds and functions, financial intermediary at state level, municipal tax, fees and user charges improvement, credit rating

SMART CITIES SCHEME

- Traditional
 - Scheme Audit, PMC
- Blue Ocean
 - SC Proposal preparation, SPV constitution and corporate advisory, project conceptualisation, funding, PPP arrangements, innovative financing options
 - Huge talent shortage

OTHER SCHEMES

- HRIDAY
- Swach Bharat
- Digital India
- Direct Benefit Transfer
- Indradhanush for PSBs
- Stand up India, Start up India

INDIAN RAILWAYS

- Accrual accounting - huge challenge and a huge opportunity
- ICAI ARF recently called for proposals for accrual accounting at zonal level
- Will create more opportunities when it is taken up at lower levels

OPPORTUNITIES WITH PFM PLAYERS

- PFM specialists with World Bank, ADB, IMF, UN etc.
- PFM specialist with international consultants
- PFM consulting opportunities with financial intermediaries

EMERGING AREAS IN PFM

- Change in financial year
- Revision of FRBM
- General Financial Rules 2017 - new concepts - DBT, Revenue/Capital, Outcome Budget , etc.
- GST impact studies/implementation support (for government)
- Accrual accounting at Central/State government level
- Increased focus on federal PFM by WB,ADB
- Data analytics and PFM

EMERGING AREAS IN PFM

- Public procurement reform - 2017 Procurement Manuals of GOI
- PFMA/PERT studies
- Integrated reporting
- Universal Basic Income
- Blockchain technology - Opportunities, regulation
- Cyber security - Policies, implementation, audits

ICAI COMMITTEES

- At HO
 - Committee on Public Finance and Government Accounting
 - Committee on Accounting Standards for Local Bodies
- At SIRC
 - Committee on Public Finance and Government Accounting and Accounting Standards for Local Bodies

COMMITTEE ON PUBLIC FINANCE AND GOVERNMENT ACCOUNTING

- Increase the role of ICAI in PF and GA
- Improving government accounting
- Public resource allocations, increasing tax revenue
- Studies and research
- Seminars, workshops and other outreach activities
- Publications
- Form regional task forces
- Financial inclusion

Interested members may contact the Committee Secretariat and get involved in the Committee activities

COMMITTEE ON ACCOUNTING STANDARDS FOR LOCAL BODIES

- Formulation of ASLBs on the lines of IPSAS
- Interpretations and guidance on ASLBs
- Awareness, capacity building
- Studies and Research
- Publications
- Technical inputs to other bodies

Interested members may contact the Committee Secretariat and get involved in the Committee activities

COMMITTEE ACTIVITIES - AREAS OF INVOLVEMENT FOR CAS

- Formulation of ASLBs
- Implementation guidance on ASLBs
- Outreach and sensitisation of stakeholders
- Studies and Research
- Training - Physical/Online
- Publications
- Pilots, Proof-of-concepts

ADVANTAGE OVER TRADITIONAL PRACTICE AREAS

- Less competition
- Higher margins
- Learning opportunities
- Early-mover advantage
- International opportunities

WHAT IT TAKES?

- Cross-functional knowledge - Public policy, development economics, banking, e-governance
- Willingness to learn/unlearn
- IT skills
- Understanding of 'Governance' aspects (as against commercial thinking)
- Participation in committees, blogs, online forums
- Publish

LEARNING RESOURCES

- mygov.in, <https://www.pppinindia.gov.in>
- Websites of IMF, WB, ADB, etc.
- IPSASB website - <https://www.ipsasb.org>
- PEFA Website - <https://pefa.org>
- PFM Blog - <http://blog-pfm.imf.org/pfmblog/>
- PF International - <http://www.publicfinanceinternational.org>
- LinkedIn Groups
- Online courses in public policy, IPSAS

2001 Randy Glasbergen.
www.glasbergen.com



**“Opportunity paged me, beeped me, linked me,
e-mailed me, faxed me, and spammed me.
But I was expecting it to knock!”**



Thank You

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