ZiCA

DIPLOMA IN PUBLIC SECTOR FINANCIAL MANAGEMENT

Student Handbook

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Introduction
This handbook is issued to all students registered under the ZiCA Diploma in Public Sector Financial Management. It is designed to answer queries you may have as a newly registered student and further questions that may arise throughout your studies with the Institute. If you cannot find the answer to your queries in this handbook, please contact the Institute.

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1.0 REGISTRATION AND ENTRY REQUIREMENTS

1.1 **Registration Requirements**

All students must register with the Institute at the start of their course. Student registration numbers will be sent to all students.

1.2 **Minimum Entry Requirements**

The minimum entry requirement to the ZICA Diploma in Public Sector Financial Management is the ZICA Accountancy Technician Qualification or Equivalent qualification.

2.0 METHODS OF STUDY

The programme has a flexible mode of study to cater for the different groups of learners. The available modes of study are as follows:

2.1 **Full-time Study:**

Students on full-time are required to enrol at a ZICA accredited tuition provider.

2.2 **Part-time Study:**

Students on part-time are required to enrol at a ZICA accredited tuition provider.

2.3 **Self-Study:**

It is recommended that students on self-study should make use of the ZICA recommended study materials. These can be purchased from any ZICA offices.

3.0 EXAMINATIONS

3.1 Examination Timetable

PSFM programme will run two (2) examination sessions in a year; June and December. The Examination timetable for each year shall be sent to individual candidates and examination centres. The timetable will also be posted to the Institute's website: www.zica.co.zm and published in all issues of the Student Accountant magazine.

3.2 Critical Dates

All registered students must pay the annual subscription fee by 1 January of each year. Any student who would have not paid their annual subscription fees by 28th February each year shall be de-registered. A de-registered student will be required to pay a student re-registration fee as prescribed by Council from time to time to activate his/her student membership. All students must therefore ensure that they check important dates as posted on the institute's website: www.zica.co.zm.

3.3 Assessment

Assessment shall be by a national examination only. All papers shall be marked out of 100. To pass any paper, a candidate must obtain a minimum mark of 50%. The results of the examinations shall be published within seven (7) weeks after the examinations. Examination Centres shall be approved by ZICA and published on the Institute's website: www.zica.co.zm and in the Student Accountant magazine.

3.4 Examination Procedures

i. You must be in the examination room at least 30 minutes before the paper is due to commence. The doors will be closed at that time to enable the invigilator to issue instructions and distribute stationery, and give you an opportunity to sign the attendance register.
ii. Do not bring any paper or printed material into the examination room. Possession of such material may result in your being barred from participation in the examination.
iii. Examination paper on which to answer the questions will be provided.
iv. Cell phones are not allowed in the examination room.
v. If you arrive more than 40 minutes after the starting time of the examination, you will not be allowed to sit that paper.
vi. You will not be permitted to leave the examination room during the first hour nor the last 30 minutes.
vii. You will not be allowed finally to leave the examination room without permission until you have handed in your answer booklets.
viii. You must cease writing immediately the invigilator has declared the examination over.

3.4.1 When you answer questions, you should:

a) Start each answer on a new page.
b) Write answers in ink.
c) Ensure that your student number, National Registration number and the question numbers are written on answer booklets in the blocks provided for this purpose.
d) Read the instructions given carefully.

4.0 COURSE STRUCTURE AND SYLLABI

4.1 Introduction

This section comprises the detailed Syllabi and Course Structure for the Public Sector Financial Management Programme. It indicates what could be covered in each exam.

4.2 Each syllabus gives the following information:

a) **Syllabus outcomes**

These are the general learning outcomes. They indicate what you should understand and be able to do when you have studied and understood the whole syllabus.

b) **Topic list**

The topics covered in each syllabus are listed in detail. Percentage weightings on each section of the syllabus should help you plan your study time.

c) **Examination Paper Format**

This includes the structure of the examination paper with the respective mark allocation.

4.3 Course structure

The Programme has Six (6) Modules. All the Modules are compulsory. Candidates who pass all the Modules will be awarded the ZICA Diploma in Public Sector Financial Management.

Module Code	Module Title
PFM 1	**Public Sector Accounting**
PFM 2	**Legal Aspects of Public Sector Finance and Administration**
PFM 3	**Governance and Management in the Public Sector**
PFM 4	**Public Sector Financial Management**
PFM 5	**Public Sector Audits**
PFM 6	**Financial Reporting Framework for Public Sector Entities**

4.4 COURSE SYLLABI

This section outlines the content that is to be covered under each of the six modules to be completed in this learning programme.

PFM 1: PUBLIC SECTOR ACCOUNTING

4.1.1. LEARNING OUTCOMES:

On completion of the module, students will be able to:

i. Explain the objectives of Public Sector Accounting;
ii. Distinguish between Public Sector Accounting and Commercial Accounting;
iii. Explain and apply Accounting Bases and Standards;
iv. Apply the Legal and Institutional Framework for Government Accounting;
v. Account for Revenue and Expenditure ;and
vi. Explain the structure of the Chart of Accounts.

4.1.2. MODULE UNITS AND WEIGHTINGS

Unit	Title	Weight %
1	**Introduction to Public Sector Accounting**	**10**
2	**Accounting Bases and Principles**	**20**
3	**Regulatory and Institutional Framework for Public Sector Accounting**	**20**
4	**Revenue and Expenditure Accounting**	**30**
5	**Chart of Accounts**	**20**

4.1.3. COURSE CONTENT

UNIT 1: INTRODUCTION TO PUBLIC SECTOR ACCOUNTING

Unit Topics:

1.1 Public Sector Accounting
1.2 Differences between Private and Public Sector Accounting
1.3 Structure of the Public Sector

UNIT 2: ACCOUNTING BASES AND PRINCIPLES

Unit Topics:

2.1 Components of Public Sector Institutions
2.2 Public Sector Financial Management
2.3 Accounting Principles and Policies
2.4 Cash Basis of Accounting
2.5 Accrual Basis of Accounting

UNIT 3: REGULATORY AND INSTITUTIONAL FRAMEWORK FOR PUBLIC SECTOR ACCOUNTING

Unit Topics:

3.1 Legislation governing Public Sector Accounting
3.2 Institutional Framework for Public Sector Accounting

UNIT 4: REVENUE AND EXPENDITURE ACCOUNTING

Unit Topics:

4.1 Definition of Revenue
4.2 Sources of Revenue
4.3 Definition of Expenditure
4.4 Uses of Funds (Types of Expenditure)
4.5 Accounting for Revenue and Expenditure
4.6 Appropriation Accounts
4.7 Management of Accountable documents
4.6 Treasury Management and Payment Systems

UNIT5: CHART OF ACCOUNTS

Unit Topics:

5.1 Purpose of Chart of Account
5.2 Characteristics of the Chart of Accounts
5.3 Classification of Functions of Government
5.4 Government Revenue
5.5 Government Expenses
5.6 Government Assets
5.7 Government Liabilities
5.8 Net Assets

4.1.4 The Examination Paper Format:

Structure of the Paper	Marks
Section A: 1 Compulsory question of 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	60
TOTAL	**100**

The candidates will be allowed fifteen (15) minutes reading time.

4.1.5 Recommended Readings: ZICA PFM 1 Study Materials

PFM 2: LEGAL ASPECTS OF PUBLIC SECTOR FINANCE AND ADMINISTRATION

4.2.1. LEARNING OUTCOMES:

On completion of this module students should be able to:

i. Define the term law and explain the sources of law;
ii. Explain what a Constitution is and how it is different from Constitutional Law;
iii. Explain what Administrative law is and how it is different from constitutional law ;
iv. Explain the importance of law in public administration;
v. Identify and explain the functions of the organs of governance;
vi. Identify the relevant laws and explain how they regulate the management of public sector finance; and
vii. Identify and explain the remedies available in law for breaches of the law in the Management of Public Sector Finance.

4.2.2. MODULE UNITS AND WEIGHTINGS

Unit	Title	Weight %
1	**Introduction to Legal Aspects of Public Sector Finance and Administration**	10
2	**Introduction to Constitutional Law**	15
3	**Organs of Governance and their Functions**	10
4	**Introduction to Administrative Law**	20
5	**Administrative Agencies of the Government**	20
6	**Control of Administrative Agencies**	15
7	**Remedies in Judicial Review**	10

4.2.3. COURSE CONTENT

UNIT 1: INTRODUCTION TO LEGAL ASPECTS OF PUBLIC SECTOR FINANCE AND ADMINISTRATION

Unit Topics:

1.1 What is law
1.2 Sources of law:
  1.2.1 The constitution as a source
  1.2.2 Statutes as a source
  1.2.3 Precedents as sources
1.3 Functions of law in society

UNIT 2: INTRODUCTION TO CONSTITUTIONAL LAW

Unit Topics:
2.1 Sources of Constitutional law
2.2 The Constitution as a document
2.3 Distinction between a Constitution and Constitutional law
2.4 The Constitution as a supreme law

UNIT 3: ORGANS OF GOVERNANCE AND THEIR FUNCTIONS

Unit Topics:
3.1 The Executive
3.2 The Legislature
3.3 The Judiciary

UNIT 4: INTRODUCTION TO ADMINISTRATIVE LAW

Unit Topics:
4.1 Administrative law defined
4.2 Sources of administrative law
4.3 Statutes as sources (Finance Act and Others)
4.4 Statutory Instruments as sources
4.5 Administrative and constitutional law distinguished

UNIT 5: ADMINISTRATIVE AGENCIES OF THE GOVERNMENT

Unit Topics:
5.1 Administrative bodies defined
5.2 Source of power for administrative agencies
5.3 Legal framework for administrative agencies
5.4 Regulatory framework for administrative agencies

UNIT 6: CONTROL OF ADMINISTRATIVE AGENCIES

Unit Topics:
6.1 Judicial controls
6.2 Judicial Review as a control mechanism
6.3 The Scope of Judicial Review
6.4 Public bodies for Judicial Review purposes
6.5 Other control mechanisms (arbitration and tribunals)

UNIT 7: REMEDIES IN JUDICIAL REVIEW

Unit Topics:
7.1 *Certiorari* (Quashing Order)
7.2 *Mandamus* (Mandatory Order)
7.3 Declaration
7.4 Injunction

4.2.4 The Examination Paper Format:

Structure of the Paper	Marks
Section A: 1 Compulsory question of 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	60
TOTAL	**100**

The candidates will be allowed fifteen (15) minutes reading time.

4.2.5 Recommended Readings: ZICA PFM 2 Study Materials

PFM 3: GOVERNANCE AND MANAGEMENT IN THE PUBLIC SECTOR

4.3.1 LEARNING OUTCOMES

Upon successful completion of this course, a student is expected to:

i. Explain decentralization and how it impacts on the functioning of government entities;
ii. Demonstrate good leadership and management skills;
iii. Communicate effectively using various media;
iv. Apply principles of Contract Management in the Public Sector;
v. Explain how policy formulation is done in the public sector; and
vi. Demonstrate knowledge of the guiding principles in policy formulation.

4.3.2. MODULE UNITS AND WEIGHTINGS

Unit	Title	Weight %
1	**Systems of Public Sector Control**	**15**
2	**Management of Government and Public Entities**	**20**
3	**Effective Communication and Negotiation**	**20**
4	**Contract Management in the Public Sector**	**20**
5	**Public Policy Formulation and Reforms**	**15**
6	**Administrocracy in Public Policy Development**	**10**

4.3.3. COURSE CONTENT

UNIT 1: SYSTEMS OF PUBLIC SECTOR CONTROL

Unit Topics:

1.1 Systems of government control (Centralized vs. Decentralized)
1.2 Advantages and Disadvantages of Centralization
1.3 Advantages and Disadvantages of Decentralization
1.4 Implementation and Management of Decentralization

UNIT 2: MANAGEMENT OF GOVERNMENT AND PUBLIC ENTITIES

Unit Topics:

2.1 Best Management Practices in Public Sector Entities
2.1.1 Management of Human Resource
2.1.2 Leadership and Ethics
2.1.3 Governance and Accountability and Transparency

UNIT 3: EFFECTIVE COMMUNICATION AND NEGOTIATION

Unit Topics:

3.1 Reporting and communication Channels in public Entities

3.1.1 Written Communication
3.1.2 Verbal Communication
3.2 Developing key skills for Negotiation
3.2.1 The process of negotiation
3.2.2 Rules of negotiating
3.2.3 Managing Disagreements

UNIT 4: CONTRACT MANAGEMENT IN THE PUBLIC SECTOR

Unit Topics:
4.1 The contract selection and award process
4.2 Understanding the key features of contract documents
4.3 Assessment and Management of Risks
4.4 How to Evaluate Contracts

UNIT 5: PUBLIC POLICY FORMULATION AND REFORMS

Unit Topics:
5.1 General Concepts of Public Policy
5.2 Historical study and justification of Public Policy
5.3 Typology of Public Policy
5.4 Public Policy making process/life cycle
5.5 Approaches and Models for Public Policy Analysis
5.6 Implementation of Public Policy Reforms

UNIT 6: ADMINISTROCRACY IN PUBLIC POLICY DEVELOPMENT

Unit Topics:
6.1 Administocracy and the role or influence of Public administrator in policy making
6.2 Conflicts and challenges of Administocracy in a democracy
6.3 The distinction between Public Administrator and Public Executives

4.3.4 The Examination Paper Format:

Structure of the Paper	Marks
Section A: 1 Compulsory question of 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	60
TOTAL	**100**

The candidates will be allowed fifteen (15) minutes reading time.

4.3.5 Recommended Readings: ZICA PFM 3 Study Materials

PFM 4: PUBLIC SECTOR FINANCIAL MANAGEMENT

4.4.1. LEARNING OUTCOMES OF THE COURSE

Upon successful completion of this course, a student should be able to:

i. Explain the principles of Public Finance and Economics that relate to Public Budgeting and the budgetary process;
ii. Demonstrate knowledge of the budget preparation process;
iii. Explain how government sources funds;
iv. Undertake investment appraisals of a project; and
v. Outline various Financial Management activities.

4.4.2. MODULE UNITS AND WEIGHTINGS

Unit	Title	Weight %
1	**Principles of Public Finance**	**10**
2	**Budget Preparation Process**	**10**
3	**The role of Financial Management in the Public Sector**	**10**
4	**Public Sector Financing**	**15**
5	**Investment Appraisal in Public Sector**	**15**
6	**Treasury Management activities in Public Sector**	**15**
7	**Risk Management Concepts**	**10**
8	**Performance Management in the Public Sector**	**10**
9	**Public Sector Financial Management Reforms**	**5**

4.4.3. COURSE CONTENT

UNIT 1: PRINCIPLES OF PUBLIC FINANCE

Unit Topic:

1.1Public Finance

1.1.1 Economic theory and the Role of Government in the Economy
1.1.2 Market failures
1.1.3 Public Goods
1.1.4 Externalities

UNIT 2: BUDGETARY PREPARATION PROCESS

Unit Topics:

2.1 Budgetary theory

2.1.1 Budgetary theory and Practice
2.1.2 Legal and institutional frameworks in budgeting
2.1.3 The Budgetary Process and logic
2.1.4 Functions of the Budgetary Process

2.2 The Budget Cycle
- 2.2.1 The Government Budget Process
- 2.2.2 Supplementary Budgets
- 2.2.3 Budget Deficits and Balanced Budget Requirements

2.3 Operating Budgets
- 2.3.1 Budgeting methods
- 2.3.2 Analyzing Budget Requests
- 2.3.3 Budget Balancing Techniques
- 2.3.4 Budget execution

2.4 Capital Budgeting
- 2.4.1 Rationale for Capital Budgeting
- 2.4.2 Capital Budgeting Process
- 2.4.3 Determining Costs
- 2.4.4 Investment Decisions
- 2.4.5 Cost Benefit Analysis

UNIT 3: THE ROLE OF FINANCIAL MANAGEMENT IN THE PUBLIC SECTOR

Unit Topics:

3.1 The Public Sector Financial Management and its Stakeholders

3.2 Role of Accountant in Public Sector Financial Management
- 3.2.1 Asset Stewardship
- 3.2.2 Debt Management
- 3.2.3 Internal Controls and systems management
- 3.2.4 Risk Management

3.3 The Financial system and Government's role

3.4 Financial Management as a function

UNIT 4: PUBLIC SECTOR FINANCING

Unit Topics:

4.1 Sources of finance
- 4.1.1 Non Tax Revenue
- 4.1.2 Tax Revenue
- 4.1.3 Borrowings
- 4.1.4 Grants
- 4.1.5 Exceptional Revenue

4.2 Financial Structure of Public Entities

4.3 Financing Options for Public Sector Entities

UNIT 5: INVESTMENT APPRAISALS IN PUBLIC SECTOR

Unit Topics:

5.1 Investment and financing plans
5.2 Revenue and Capital expenditure
5.3 Importance of non financial factors in capital expenditure decision making
5.4 Cashflow, benefits, risk identification and risk attitude
5.5 Funding options and financial structure
5.6 Investment Appraisal Techniques:
    5.6.1 Payback Period
    5.6.2 Net Present Value (NPV)
    5.6.3 Accounting Rate of Return (AAR)
    5.6.4 Internal Rate of Return (IRR)
5.7 Analysis of Capital Expenditure Decision Making
    5.7.1 Weighted benefit criteria
    5.7.2 Cost benefit analysis
    5.7.3 Cost effectiveness studies
5.8 Measurement of Risk on Capital Expenditure Decisions
    5.8.1 Simulation
    5.8.2 Sensitivity Analysis

UNIT 6: TREASURY MANAGEMENT ACTIVITIES IN PUBLIC SECTOR

Unit Topics:

6.1 Cash Resource Management
6.2 Asset and Liability Management (Maturity Matching)
6.3 Investment and Debt Management
6.4 Banking Services

UNIT 7: RISK MANAGEMENT CONCEPTS

Unit Topics:

7.1 Risk Management framework
7.2 Different types of risks in the public sector
7.3 Types of risk management tools
7.4 Application Risk Management tools

UNIT 8: PERFORMANCE MANAGEMENT IN THE PUBLIC SECTOR

Unit Topics:

8.1 Performance Management in the Public Sector
8.2 Theory of Performance Management
8.3 Indicators of Performance Management in the Public Sector
8.4 Evaluating Public Sector Performance

UNIT 9: PUBLIC SECTOR FINANCIAL MANAGEMENT REFORMS

Unit Topics:
9.1 Scope and focus of Public Sector Financial Management Reforms.
9.2 Assessment of Public Sector Financial Management Performance.
9.3 Factors impacting on Public Sector Financial Management Reforms.

4.4.4 The Examination Paper Format:

Structure of the Paper	Marks
Section A: 1 Compulsory question of 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	60
TOTAL	**100**

The candidates will be allowed fifteen (15) minutes reading time.

4.4.5 Recommended Readings: ZICA PFM 4 Study Materials

PFM 5: PUBLIC SECTOR AUDITS

4.5.1. LEARNING OUTCOMES OF COURSE:

Upon successful completion of this course, a student should be able to:

i. Explain the objective of Auditing in the Public Sector;
ii. Apply the principles, procedures and legislation guiding audit work in the Public Sector;
iii. Distinguish the types of Audit Engagements;
iv. Prepare an Audit Report that demonstrates expected levels of quality control;
v. Explain the role and functions of Audit Committee; and
vi. Discuss the role of the Public Accounts Committee.

4.5.2. MODULE UNITS AND WEIGHTINGS

Unit	Title	Weight %
1	**Introduction to Public Sector Audits**	**5**
2	**Principles of Public Sector Auditing**	**15**
3	**Legislation governing Audits**	**15**
4	**Types of Public Sector Auditing and Engagements**	**15**
5	**Quality Control in Auditing**	**15**
6	**Confidence and Assurance in Public Sector Auditing**	**15**
7	**Audit Committees**	**10**
8	**Public Accounts Committee**	**10**

4.5.3. COURSE CONTENT

UNIT 1: INTRODUCTION TO PUBLIC SECTOR AUDITS

Unit Topics:

1.1 Public Sector Auditing and its objectives
1.2 Relationship between Accountability and Auditing in Public Sector
1.3 Importance of Auditing in Governance
1.4 Internal and External Auditing
1.5 Evaluation of Internal Controls

UNIT 2: PRINCIPLES OF PUBLIC SECTOR AUDITING

Unit Topics:

2.1 Fundamental Principles of Auditing
2.2 General Principles
    2.2.1 Ethics and Independence
    2.2.2 Professional Judgment, Due Care and Skepticism

UNIT 3: LEGISLATION GOVERNING AUDITS

Unit Topics:

3.1 Legal Framework for Public Sector Auditing Mandate

UNIT 4: TYPES OF PUBLIC SECTOR AUDITING AND ENGAGEMENTS

Unit Topics:

4.1 Elements of Public Sector Auditing
4.2 Types of Engagement
- 4.2.1 Financial audits
- 4.2.2 Value for Money (VFM) auditing (Performance Audits)
- 4.2.3 Compliance Audits
- 4.2.4 Environmental Audits
- 4.2.3 System Based Auditing
- 4.2.4 Forensic Audits

UNIT 5: QUALITY CONTROL IN AUDITING

Unit Topics:

5.1 Elements of a high quality audit work:
- 5.1.1 Audit Team Management and Skills
- 5.1.2 Audit Risk
- 5.1.3 Materiality
- 5.1.4 Documentation
- 5.1.5 Communication

5.2 Audit Process

UNIT 6: CONFINDENCE AND ASSURANCE IN PUBLIC SECTOR AUDITING

Unit Topics:

6.1 The need for Confidence and Assurance
6.2 Forms of providing Assurance
6.3 Levels of Assurance

UNIT 7: AUDIT COMMITTEE

Unit Topics:

7.1 The role and functions of the Audit Committee
7.2 Benefits of Audit Committees to Public Entities
7.3 Challenges facing Public Sector Audit Committees
7.4 Legislative and Regulatory requirements
7.5 The role of clarity, independence, knowledge, skills and experience in audit committees

UNIT 8: PUBLIC ACCOUNTS COMMITTEE

Unit Topics:

8.1 The background of Public Accounts Committee.
8.2 Appointment and Composition of the committee
8.3 Functions and procedures for Public Accounts Committee
8.4 Powers of the Committee
8.5 Reports of the Committee

4.5.4 The Examination Paper Format:

Structure of the Paper	Marks
Section A: 1 Compulsory question of 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	60
TOTAL	**100**

The candidates will be allowed fifteen (15) minutes reading time.

4.5.5 Recommended Readings: ZICA PFM 5 Study Materials

PFM 6: FINANCIAL REPORTING FRAMEWORK FOR PUBLIC SECTOR ENTITIES

4.6.1. LEARNING OUTCOMES:

On completion of this module, students will be able to:

i. Outline the objectives of Financial Reporting for Public Sector entities;
ii. Explain the Conceptual Framework underpinning the Financial Reporting for Public Sector entities;
iii. Explain the Role and Significance of International Public Sector Accounting Standards (IPSAS);
iv. Prepare Financial Statements in Public Sector organizations in line with IPSAS; and
v. Design and implement performance measures in Public Sector organizations.

4.6.2. MODULE UNITS AND WEIGHTINGS

Unit	Title	Weight %
1	**Financial Reporting Framework for Public Sector Entities**	**15**
2	**International Public Sector Accounting Standards (IPSAS)**	**30**
3	**Preparation of Financial Statements in Public Sector Entities**	**40**
4	**Financial Performance Measurement in Public Entities**	**15**

4.6.3. COURSE CONTENT

UNIT 1: FINANCIAL REPORTING FRAMEWORK FOR PUBLIC SECTOR ENTITIES

Unit Topics:

1.1 Objectives of Financial Reporting in the Public Sector
1.2 Users of Financial Reports in the Public Sector
1.3 The IPSASB Conceptual Framework for General Purpose Financial Reporting by Public Sector entities
1.4 Linkage between IFRS and IPSAS.

UNIT 2: INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

Unit Topics:

2.1 Rationale for Public Sector Accounting Standards

2.2 Recognition, measurement and disclosure requirements of IPSAS.

UNIT 3: PREPARATION OF FINANCIAL STATEMENTS IN PUBLIC SECTOR ENTITIES

Unit Topics:

3.1 Elements of Financial Statements

- 3.1.1 Statement of Financial Position
- 3.1.2 Statement of Financial Performance
- 3.1.3 Statement of changes in Net Assets/Equity
- 3.1.4 Cash flow Statement
- 3.1.5 Notes to the Accounts

3.2 Prepare financial statements based on the IPSASs:

- 3.2.1 Cash Basis Reports
- 3.2.2 Accrual Based Reports (As per Accrual Based Standards)

UNIT 4: FINANCIAL PERFORMANCE MEASUREMENT IN PUBLIC ENTITIES

Unit Topics:

4.1 The Regulatory Framework for measuring performance in the Public Sector

4.2 Analysis of quantitative and qualitative approaches to performance measurement

4.3 Analytical methods of performance management:

- 4.3.1 Cash flow & Working Capital Management
- 4.3.2 Forecasting and Budgeting
- 4.3.3 Ratio Analysis

4.4 Application of Risk Management in resource allocation

4.5 Change management strategies in transition to accruals based accounting

4.6.4 The Examination Paper Format:

Structure of the Paper	Marks
Section A: 1 Compulsory question of 40 marks	40
Section B: Any 3 out of 4 questions, 20 marks each	60
TOTAL	**100**

The candidates will be allowed fifteen (15) minutes reading time.

4.6.5 Recommended Readings: ZICA PFM 6 Study Materials

5.0 RULES AND REGULATIONS

5.1 Progression

A candidate is allowed to sit for a maximum of four subjects during one examination session.

A candidate who has one arrear shall be allowed to attempt a maximum of three new subjects in the programme.

A candidate who has two arrears shall be allowed to attempt two new subjects in the programme.

A candidate who has three arrears shall be allowed to attempt one new subject in the programme.

A candidate who has four arrears shall not be allowed to attempt any new subjects until one or all the arrears are cleared.

5.2 Exemptions

Though the Zambia Institute of Chartered Accountants subscribes to the principle of recognition of prior learning, no exemptions shall be awarded for the programme.

5.3 Deferments

Students who wish to defer any examination shall make an application in writing. Applications for deferment of examinations shall only be allowed on three conditions:

- Illness– applications for deferment are only authorized where illness is supported by a certificate issued by a registered medical practitioner.
- Loss of an immediate family member – applications is only authorized if the person who has died is the spouse, child, biological parent or direct guardian of the candidate. The application must be supported by the death certificate and burial permit for the family member who has died.
- Legal grounds – applications for deferment are allowed for persons who are required to attend court sessions or to give evidence in courts of law at the same time as they are expected to sit an examination.

5.4 Remarking

A remarking service shall be available to aggrieved candidates who appeal against the published results. The remarking service shall be done subject to the remaking guidelines as follows:

i) Only candidates who score between 35% and 49% inclusive will qualify to apply for remarking.

ii) A candidate should have passed all except one paper at the session or the paper in which the candidate scored between 35% and 49% is the only paper remaining to complete a level.

iii) The deadline for submission of application for remarking of scripts will be within one (1) month for all examinations after publication of results.

iv) Remarking shall be done at a fee to be determined by Council from time to time.

v) All applications for remarking should be made in writing to the Secretary and Chief Executive and accompanied with receipt of payment for the remarking.

vi) Once remarking has taken place the initial results shall be nullified and replaced by the results from the remarking process.

vii) The Institute will notify the candidates about the corrections (if any) made to the results arising from remarking before certificates are issued.

viii) The decision of ZiCA on remarking shall be final.

5.5 Script Verification

Script verification service shall be available to aggrieved candidates who appeal against the published results. Script verification involves checking to ascertain that the marks appearing on the scripts were correctly captured onto the mark sheet and into the database.

Script verification is done at the discretion of the Institute upon receipt of a complaint. Candidates applying for script verification will be required to pay a non-refundable fee as will be determined by Council from time to time.

The deadline for submission of application for script verification will be within one (1) month for all examinations after publication of results.

5.6 Certification

Upon successful completion and passing of all the courses, ZICA shall, award certificates to successful students. The Institute shall have the liberty to withdraw the award of a certificate if it has been proved that it was done so erroneously. There shall be no appeal against the withdrawal.

5.7 Examination Malpractices and Penalties

The types of malpractices and penalties are listed below:

TYPES OF MALPRACTICE	DESCRIPTION OF MALPRACTICE	PENALTIES
PREMEDITATED CHEATING	Smuggling of unauthorized materials in the examination room, for instance pre-prepared answers, notes, electronic devises etc.	Nullify all the results for the affected candidate. In addition, candidate barred from writing ZiCA examinations for a period not exceeding two (2) years.
	Impersonation - cases where someone else writes an examination on behalf of the candidate.	Nullify all the results for the affected candidate. The impersonator and affected candidate should immediately be reported to Police for further proceedings. In addition, the affected candidate barred from writing ZiCA examinations for a period not exceeding two (2) years.
ASSISTANCE	Where a candidate is being assisted by someone in the institution to write an examination.	Nullify all the results. In addition, the candidate barred from writing ZiCA examinations for a period not exceeding two (2) years.
	Where a candidate submits two answer scripts with different hand writing	Nullify all the results. In addition, the candidate barred from writing ZiCA examinations for a period not exceeding two (2) years.
	Where a candidate submits two answer scripts with same hand writing	Give the candidate the lowest mark from the two scripts
COPYING	Where one candidate copies from the other candidate in one subject/paper without the knowledge of the originator	Nullify the results in the affected subjects for the culprit
	Where one candidate copies from the originator who is not necessarily in collusion but is culpably negligent.	Nullify results for both in the affected subject.

COLLUSION	Where two candidates connive to copy from each other in one subject/paper	Nullify results in the affected subjects for both candidates
	Where two candidates have copied from each other in more than one subject/paper	Nullify results in all subjects for the affected candidates
	Where one candidate copies from the originator who is in collusion.	Nullify results in the affected subjects for both candidates
WIDESPREAD CHEATING	Where all candidates or a group of candidates at an examinations centre have similar answers	In all cases: • The first time – nullify results for all candidates in the affected subjects and warn the centre • The second time – nullify results for all candidates in the affected subjects and suspend the centre • The third time – nullify results for all candidates in the affected subjects and close the centre
PRIOR KNOWLEDGE OR LEAKAGE	Candidates having access to question papers prior to examination	Nullify all the results and candidate barred from writing ZiCA examinations for a period not exceeding two (2) years
SUBSTITUTION	Where a candidate or someone else removes from the tamper evident envelope the script originally submitted by the candidate and replaces it with another done by the candidate or another person inside or outside the examination room, during or after the period of the examination.	Nullify all the results and candidate barred from writing ZiCA examinations for a period not exceeding two (2) years
MISCONDUCT	Writing false personal details on the examination answer booklet	Nullify the results in the affected subject and caution the candidate
	Use of abusive language - where the candidate write insults to the examining body, to the lecturers, to the markers, etc.	Caution the candidate

6.0 STUDY GUIDANCE

6.1 How to study

6.1.1 Have a positive attitude

You have a lot to learn. However others have passed and so can you. You should focus on all the benefits that passing the exam will bring you. Studying may seem difficult at times, but you are doing it for a reason – to advance your career.

6.1.2 Focus on the exams

You need to keep the exam firmly in your sights throughout your studies. You should read the guidance in the front pages of the Study Manual about the exam. You should also look out for all the references to the exam in Chapter introductions, Exam alerts and other places in the Study Manual.

6.1.3 Organize your time

Before you start studying you must organize yourself properly. You need to timetable your studies, to ensure that you have enough time to cover the entire syllabus and revise it. Choose the notes format that is most helpful to you. Do not copy out too much, but summarize key areas that show you understand the entire syllabus content of your subject.

6.1.4 Learn actively

There are various ways in which you can keep your mind active when studying and hence improve your understanding and recall of material. You should keep asking yourself how what you're studying fits into the whole picture of the exam. If you are not sure, go through the Introduction of the Chapter and front pages of the Study Manual. You will also increase your understanding of the syllabus by going carefully through every example and trying every question in the Study Manual.

6.1.5 Review what you have learnt

Regularly reviewing the topics you're studying will help cement your understanding. The Study Manual will help you do this. The chapter roundups summarize the key points in each chapter. The Quick quizzes test your grasp of the essential knowledge in each chapter.

6.2 How to revise

6.2.1 Plan your revision

At the start of your revision period, you should draw up a timetable to plan how long you will spend on each subject and how you will revise each area. You need to consider the total time you have available and also the time that will be required to revise for other exams you are taking. It is important not to spend too much time on small areas, and leave yourself insufficient time to cover the rest of the syllabus.

6.2.2 Questions for Practice

You will significantly improve your chances of passing the exam by practicing exam-standard questions. Answering full questions against the clock will mean that you'll get used to the time pressure of the exam and will help you improve your written communication skills. When the time is up, you may well find it useful to note where you have reached and then to try to complete the question, giving yourself practice at all the techniques that the question tests. You should attempt the questions before you read the answers. Reading the answers without doing the questions will give you false assurance that you would have tackled the question in the best way and made the points that the answer does. You should also practice written and numerical questions, don't only attempt calculation questions.

6.2.3 Revise the whole syllabus

Make sure that your revision covers the entire syllabus. Examiners are well aware that some students only revise those syllabus areas that they think will be examined. Examiners try to prevent this by doing the unexpected, for example setting questions on the same topic in successive sittings. The most important topics in a syllabus often appear in questions. You need to identify these topics and spend sufficient time revising them. Take time to ensure you know the fundamental calculations, proformas and preferred report layouts for each examination, to increase your chances of scoring higher marks.

6.2.4 Deal with difficult areas

Difficult areas are topics you find dull and pointless, or subjects that you found problematic when you were studying them. You must not become negative about these topics. Instead you should build up your knowledge by reading the Chapter summaries and using the Quick quiz questions in the Study Manual to test yourself. When practicing questions, go back to the Study Manual if you are struggling.

6.2.5 Learn from your mistakes

When you complete a question you should try to look at your answer critically. It is worth noting mistakes you have made, and referring to these notes in the days before the exam. You should aim to learn at least one new point from each question you attempt, a technical point perhaps or a point on style or approach.

6.3 How to pass your exams

6.3.1 Preparation

You should allow plenty of time to get to the examination room and plan to arrive well in advance of the starting time, so that you may be seated and accustomed to your surroundings by the time the examination begins. You should have your route planned in advance and should try to find out about potential travel problems. You should check the night before to see that you have:

- Pens
- Pencils
- Erasers
- Watch
- Calculator with spare batteries
- Exam documentation and evidence of identity

You should not however bring paper or printed material into the examination room.

6.3.2 Selection of the right questions

Before you start answering you should select the optional questions you feel you can answer best, basing your selection on:

- The topics the question covers
- The requirements of the question
- How easy it will be to apply the requirements
- The availability of easy marks

6.3.3 Plan your time

You need to make sure that you answer the correct number of questions. You should also ensure that you spend the right length of time on each question. This will be determined by the number of marks available. If you have not finished a question when the budgeted time is up, you should leave it and maybe return to it once you have completed the rest of the paper. The number of marks will also help to indicate the expected length and require depth of the answer.

6.3.4 Read the requirements carefully

It's often best to read the requirements first. To score well, you must follow the requirements of the question, understanding what aspects of the subject area are being covered, and the tasks you will have to carry out. Failing to provide everything the examiner asks for will limit the marks you can score. The requirements will also help you identify the most important information in the scenario more rapidly. They may specify that your answer has to be in a particular format, for example a letter. You will limit the marks you can score if you do not use that format.

6.3.5 Read the question scenarios carefully

Reading the question scenarios carefully will help you decide what issues to discuss, what techniques to use and how your answer should be structured.

6.3.6 Plan your answers

Five minutes of planning plus twenty-five minutes of writing is certain to earn you more marks than thirty minutes of writing. When you are planning, you should ensure your answer is structured in accordance with the requirements of the question. You should also consider whether you should group connected points under a single header and how long each part of the answer should take to write. You should confirm before you start writing that your plan:

- Makes sense;
- Covers all relevant points and
- Does not include irrelevant material or repetitions.

Your answer will need to be a full response to the requirements of the question. The markers cannot award marks for what they think you know but have not written down.

6.3.7 Demonstrate judgment

Examiners are not just looking for a display of knowledge; they want to see how well you can apply the knowledge you have. Evidence of application and judgment includes writing answers that:

- Only contain relevant material
- Support the statements you make with adequate reasons and arguments;
- Use the material in scenarios to support your answer;
- Discuss the limitations and assumptions of the techniques you use and
- Make reasonable recommendations that follow from your discussion.

6.3.8 Avoid poor exam technique

There are various signs of a lack of judgment and poor exam technique. The most serious one is setting out all you know about a subject and paying no attention to the question requirements. Answers that give a vague broad outline or which contain contradictions also won't score well. There is also no need to write out the question requirements – this wastes valuable time. You will also decrease your chances by writing an answer with insufficient depth, for example providing a single line bullet point list when the examiner asks you for a discussion.

6.3.9 Present your work clearly

Markers will only be able to give you credit if they can read your writing, so you must write legibly. You can help the marker by writing on alternate lines and leaving adequate space between words, sentences and paragraphs. There are also plenty of other things that will make it more difficult for markers to reward you. Examples include:

- Not showing clearly which question you're attempting;
- Scattering question parts from the same question throughout your answer booklet;
- Not showing clearly workings or the results of your calculations;
- Writing paragraphs that are too long or which lack headers and
- Writing sentences that are too long - you should normally restrict yourself to one idea per sentence.

6.3.10 Stay until the end of the exam

You should use any spare time to check and recheck your script. This includes checking that you have:

- Filled out the candidate details correctly;
- Labelled question parts and workings clearly;
- Used headers and underlining effectively and
- Ensured that spelling, grammar and arithmetic are correct.