

# SPC Finance Capability Framework

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## The Finance Capabilities

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## Purpose

The SPC Finance Capability Framework identifies and defines the skills and capabilities that are needed within the organisation for finance services to be successfully delivered. The framework will primarily guide the transparent development of consistent and quality job descriptions for finance positions, support robust role design as well as recruitment and workforce management. It will also guide managers in determining the skills and capabilities they need in specific projects and programmes and highlight the gaps in the organisation. Furthermore, the framework provides the foundation for service expectations of the finance team throughout the organisation.

Finance Shared Services is the mode through which the capability framework will be implemented and the model through which SPC seeks to achieve the purpose of the framework.

The Shared Services vision captures personal attributes required for finance people to be individually and collectively successful in their roles. This is in addition to the SPC behavioural attributes covered within the corporate performance development system. The vision is demonstrated in the following underpinning mechanisms through which success is delivered. These attributes and enablers are also considered in recruitment and talent development when framing capability requirements for finance roles.



### Relationships

- Be accountable
- Share and collaborate
- Be motivated
- Value expertise



### Results

- Adopt best practice
- Solve problems
- Be compliant
- Deliver efficiently
- Practice consistency



### Business Enablers

- Systems
- Processes
- Culture

## How to apply the framework

### ***Recruitment, role design and job descriptions***

This framework covers all roles in SPC with finance key result areas totalling more than 50% in weight. It also covers other positions within the organisation which require an understanding of and competency in finance matters. For example, project managers are expected to understand budgets and expenditure reports and the organisation's executives are expected to understand issues of financial sustainability and governance. These are also reflected in the capability framework and may be used to assist in role design for positions outside of the finance service. It is expected that most roles will require the application of a subset of the capabilities, depending on the focus of the role.

The levels in each competency does not relate to the SPC human resources job banding structure. The job evaluation process within HR will occur independently of the operation of this framework. The Shared Services function will review all recruitments for finance positions prior to advertising to ensure the framework is appropriately applied.

As each ability, skill or area of knowledge is identified as a requirement for a role, it is built into the job description. This could be through the 'jobholder is accountable for' part of key result areas or through the 'jobholder is successful when' section. It could also be built into the key skills/attributes/job specific competencies section or the knowledge/experience section.

This is an example using the budgeting and management accounting capability.

Level 2	Level 3
Recognise and interpret different financial work-planning and budgeting techniques and their application within the organisation.	Apply the principles of budgeting and forecasting to divisional planning and performance management.

1. Key result area, jobholder is accountable for. *Title of KRA* – Budget preparation. *Text* – Apply the principles of budgeting and forecasting to the annual divisional work planning process and to the development of the divisional budget for the corporate SPC budget cycle. Develop reporting tools or use the corporate reporting tools to measure performance (project executions) against targets.
2. Key result area, jobholder is successful when. *Title of KRA* – Budget preparation. *Text* – Robust and technically sound budgets are built covering all aspects of divisional financial planning and performance management.
3. Key skills/attributes/job specific competencies. *Working knowledge or advanced level*. *Text* – Budgeting and forecasting techniques and application
4. Knowledge / experience. *Text* - Knowledge in budgeting techniques and experience in its application.

### ***Workforce planning and management***

In time it is expected that finance capabilities will be managed as one talent pool through Shared Services. Data could be gathered on skills and capabilities the workforce possesses against the list of capabilities in the framework. This would then be used to plan future needs, learning and education requirements for staff, and to develop targeted recruitment strategies.

### **Updating the framework**

SPC does not have an organisation wide capability framework. The Finance Shared Services model and function is new to the organisation. This capability framework for finance was drafted to support Shared Services. It is expected that as this new way of working becomes more familiar and 'business as usual', a review of the framework be undertaken to ensure it remains relevant.

## Capability

## Definition

SPC	SPC
Financial Strategy, Governance and Risk Management	Establish effective and appropriate governance through a robust financial regulations and policy framework. Assess the organisation's strategic financial position and ensure effective investment and financing decisions.
Financial Accounting and Project Financial Management	Apply and comply with accounting standards, and specific organisational delegations, policies, guidelines, and processes, ensure effective financial management of projects and programmes, and implement effective governing body and other external reporting requirements.
Budgeting and Management Accounting	Apply high quality strategic budgeting and forecasting techniques and practices and provide high quality analysis and evaluation of financial and operational performance to inform management decisions.
Audit and Compliance	Establish audit preparedness strategies, apply and comply with donor agreements and due diligence requirements.
Finance Operations and Systems	Ensure appropriateness and reliability of financial information systems, and effective governance, cash management and controls over transactional processes.
Finance Business Partnering	Establish an effective and appropriate finance business partnering model, partner with key stakeholders, and provide expert professional advice, coaching, knowledge-sharing and collaborating to enable the effective alignment of financial management strategies and organisational objectives.

## Capability 1 - Financial Strategy, Governance and Risk Management

Level 1	Level 2	Level 3	Level 4	Level 5
Understand the concepts of financial management and the contribution it makes to the organisation.	Understand the role of funding and importance of its appropriate utilisation in achievement of the organisation's goals.	Monitor and reinforce continuous compliance with the internal financial control systems.	Advise management on the most appropriate funding strategies to meet programmatic and organisational goals.	Interpret the broader business environment and determine an overall financial strategy which balances risk mitigation with achievement of the optimum financial position for the organisation in the longer term against planned strategic outcomes.
Apply the organisation's financial regulations, policies, guidelines, controls, and delegations	Apply principles of sound corporate financial governance, ensuring adherence with regulations, policy, guidelines and controls, in the conduct of forecasting, financial evaluation, cash flow and related liquidity analysis.	Provide quality advice and interpretation regarding funding allocations, program evaluation processes, and the financial implications of operational and divisional strategies.	Design benchmarking standards and key measures to monitor the performance of specific programs and selected financial strategies.	Ensure the integrity of the organisation's mechanism for managing liquidity, reserves and cash flow and large-scale programmes, while optimising the allocation of resources.
Apply policies, procedures and guidelines related to corporate financial governance and apply donor requirements to specific project and programme activities	Measure and report on the effectiveness of internal financial control systems.	Implement financial policies and controls to support the strategy formation processes, including data gathering structures and other strategic planning techniques.	Design and implement governance frameworks and financial management structures and systems, understanding the requirements of diverse organisations and stakeholders.	Ensure the implementation of effective planning, financial management and reporting frameworks consistent with the SPC governance framework.
Ensure own adherence to financial regulations, policies and controls in preparation of financial analyses, forecasts or modelling activities.	Perform financial appraisals and evaluate financial outcomes.	Identify best practice in professional financial control practice to support the financial evaluation of programs and finance work programs for overall stronger programmatic outcomes.	Implement financial policies and effective financial control mechanisms and ensure that these are clearly understood by finance staff across the organisation.	Provide financial leadership and direction across the organisation, defining organisational direction, priorities and business plans in terms of key financial indicators.
	Provide information related to the financial and budget implications of planning decisions.	Prepare and evaluate complex business cases, financial proposals, cash flow and liquidity analyses and identify, analyse and advise on financial instruments to minimise risk.	Test the validity and value of financial policies, implementing changes which deliver the most effective outcome for stakeholders.	Act as primary source of expertise and provide high quality strategic financial advice to the Executive and senior leadership in support of business planning, and on the financial implications of specific policies.
	Apply financial risk management frameworks, in compliance with organisational policies.	Provide technical subject matter input into the development of new finance policies or controls.	Design and implement the organisation's financial planning and budgetary process.	Challenge the plans, action of divisional leaders, testing financial compliance and integrity.
	Apply a working familiarity of the principles of risk management to identify sources of financial and compliance risk.	Provide advice on financial risk management and provide constructive challenges to risk mitigation strategies.		

## Capability 2 - Financial Accounting and Project Financial Management

Level 1	Level 2	Level 3	Level 4	Level 5
Understand basic IPSAS requirements, legislation and SPC financial accounting and reporting frameworks, applicable to own responsibilities.	Interpret relevance of legislation, accounting policy, guidelines and donor reporting requirements applicable to own responsibilities.	Supervise or perform work that complies with legislation, accounting policy and standards and donor requirements as may be applicable.	Provide expert technical interpretation of accounting policies and standards and develop organisation specific policies.	Promote the role of exemplary financial management and its impact on organisational effectiveness and provide influential expert financial advice.
Carry out accounting functions, including the preparation and posting of journals, ledger maintenance, basic account reconciliations and data entries into the accounting system.	Define data validation and verification standards to be applied to preparation and approval of reconciliations.	Implement the professional financial and reporting pronouncements. Contribute to dialogue around impacts and implications.	Monitor and anticipate the impact of current and draft IPSAS and internal audit advice on the organisation and direct appropriate action.	Assess financial statements, review financial reports and evaluate outcomes of alternative strategies, making recommendations to the Executive and senior leadership.
Interpret basic financial data and statements and the project, division,-and organisation's financial and performance reports.	Implement accepted compliance requirements and prepare necessary project reports and financial statements with information and schedules required by donors and the governing body.	Fulfil reporting compliance requirements for primary and supplementary financial statements and disclosures.	Approve financial (including cash management and forecasting) reports, briefs and proposals relating to the organisation's financial position.	Promote the criticality of effective financial performance, identify areas where finance can contribute to the organisation's aims and implement strategies to realise these benefits.
Collate and present basic financial data, contributing to preparation of budget submissions, financial analyses and projections.	Prepare and explain standard financial statements, variance reports, cash flow and other specialised reports required for projects accurately and efficiently.	Review and evaluate financial or budget variance reports and analyse variations and financial performance data, making adjustments for discrepancies or errors.	Communicate financial results that are compliant with the Finance Regulations, finance policies and donor requirements as may be applicable which are easily interpreted by stakeholders.	Endorse to the Director-General changes to organisational finance policies. Authorise finance guidelines.
	Provide financial accounting advice to support the accuracy of data upon which management decision making depends.	Identify, verify and analyse variances between budgeted or projected and actual financial results, and the impacts on cash flow, liquidity, provisions and balance sheet.	Provide strategic financial accounting advice and commentary to senior leadership so that strategic division planning processes and the consideration of new initiatives are fully informed on the financial/accounting implications on reserves.	Represent the organisation with external parties, including negotiations with donors and auditors or financial institutions.
		Perform trend analysis on liquidity and anticipate and act on information required to manage budgets.		Develop strategic financial reports that support the provision of clear, concise, transparent explanations of financial performance to internal and external stakeholders and links to operational performance.
				Sign off on annual audited SPC financial statements and present to the governing body, with clear, concise, transparent explanations of financial performance.

## Capability 3 – Budgeting and Management Accounting

Level 1	Level 2	Level 3	Level 4	Level 5
Understand the strategic planning and budget formulation processes and cycle.	Recognise and interpret different financial work-planning and budgeting techniques and their application within the organisation.	Apply the principles of budgeting and forecasting to divisional planning and performance management.	Identify internal and relevant external data sources, providing appropriate inputs, financial and non-financial, to assist strategy formation.	Make strategic recommendations for management action based on aggregate intelligence drawn from variance reports, broader trends and common issues.
Support financial and operational data analysis through extraction, filtering and collation from specified information sources.	Identify and verify relevant available financial and non-financial data (narratives), both past and projected.	Critically review and interpret forecast and budget data provided by non-finance staff, forecasting trends and analysing variances to prepare budget forecasts.	Assess the impact of funding allocations on budget management and organisational capability.	Develop strategic financial performance reporting that supports the provision of clear, concise, transparent explanations of financial performance to internal stakeholders.
Interpret both content and context of financial data provided.	Capture and monitor budget data – reviewing, identifying, analysing and verifying variances. Understand and ensure quality of data.	Identify relevant financial and non-financial data, both past and projected and locate additional financial data to develop comprehensive financial analyses.	Monitor, analyse and evaluate trends and financial implications of alternative programmatic/divisional strategies, and the effect on cash flow, liquidity and reserves, and financing implications of specific projects.	Project the impact of strategic and/or operational decisions on the organisation's financial results.
Interact with internal and external stakeholders and build relationships aimed at improving an understanding of their needs and expectations of the finance service.	Assist project managers responsible for a budget in determining commitments and forecasting between successive month-ends.	Develop complex reports and analyses to enable informed decision making by management and/or other internal users.	Monitor, evaluate and report on environmental factors that impact corporate decision-making processes.	Set policies, frameworks, models and performance indicators related to costing, budget and forecast processes within the organisation.
	Develop budget proposals to support activity-based funding requirements and to support program evaluation.	Present and interpret complex financial information and analysis to support organisational decision-making.	Analyse overall organisational financial information, deviations from plan and trends to inform strategic divisional planning activities.	Partner across and with directors and functional groups to reinforce fully informed decision making.
	Regularly advise and provide technical management and accounting support for internal clients and stakeholders.	Develop comprehensive budgets and forecasts in accordance with the procedures adopted by the organisation.	Guide budget formation and use strategic financial information and analysis to test-divisional and organisational expectations and to support internal and external stakeholders' requirements.	Advise the executive and senior leadership of the organisation and the governing body regarding the integrity and rigour of budgets and forecasts.
		Develop costing models to support the evaluation of the organisation's financial sustainability.		



## Capability 4 – Audit and Compliance

Level 1	Level 2	Level 3	Level 4	Level 5
Understand and independently apply audit and compliance methodologies, to test internal control frameworks.	Undertake standard internal audits and supervise basic internal audit engagements, and review specific internal audit findings with management.	Identify and interpret sources of risk within the organisation and be able to perform compliance tests using policies and guidelines as the basis.	Establish audit plans and required audit processes for substantial and complex internal audits, including the documentation and reporting requirements.	Provide strategic advice to senior management, the Audit and Risk Committee, and the governing body of the findings, recommendations, management responses and results of follow-up of audits.
Understand, apply and explain the internal audit's objectives and strategy.	Interpret and action the scope, objectives and terms of reference of the audit process.	Establish documents and articulate annual internal audit plans and required audit process specifications for standard internal audits and investigations. Able to perform advisory reviews that are meaningful to management.	Review and evaluate findings and recommendations with internal audit staff and executives and present these to executive management and the Audit & Risk Committee. Perform organisational risk assessments to produce risk based internal audit plans.	Advise Audit & Risk Committee on relevancy of Internal Audit Charter, goals and priorities and support its determinations and activities. Advise executive management on relevant areas such as Risk Framework, Internal Control Framework, and Fraud Prevention Framework.
Undertake basic internal audit assignments where practice guidelines are clear.	Identify and recommend improvements or changes to substantive or compliance testing procedures.	Undertake complex internal audits and establish the scope, objectives and terms of reference of audit assignments	Develop strategies for improved audit and compliance outcomes within the organisation	Provide professional leadership and take ownership of audit, compliance and financial risk management assurance and compliance practices for the organisation.
Differentiate between substantive and compliance testing and interpret which internal audit procedures to apply.	Identify proactive changes to minimise exposure of the organisation to financial risk through internal controls.	Report internal audit results in an appropriate form to relevant recipients, supported by high quality interpretation and support the incorporation of outcomes into organisational practice.	Apply comprehensive internal auditing techniques and provide technical quality assurance to reinforce the adequacy of audit tests and validation.	Provide expert advice and recommendations to assist organisational leadership to develop and implement financial risk management plans and strategies across the organisation.
Participate in activities associated with defining and clarifying issues of risk management and exposure.	Provide technical peer review and guidance to less experienced internal audit staff or finance staff on matters of internal control and risk.	Apply appropriate analytical and modelling tools in the evaluation and assessment of risk factors.	Recommend controls and compliance strategies to better enable efficient management of business and financial risks.	
	Apply a working familiarity of the principles of risk management to identify sources of financial and compliance risk	Provide technical leadership and act as primary escalation point for internal audit staff and finance staff concerning more complex or unusual technical audit or compliance issues.	Identify trends and innovations in professional audit practice which can be implemented to improve audit efficiency and effectiveness for the organisation	
		Identify and monitor risks and exposures and provide recommendations required to actively mitigate these.	Undertake organisational risk assessments for executive management and Audit & Risk Committee to aid decision making and establishment of audit plans.	

## Capability 5 – Finance Operations and Systems

Level 1	Level 2	Level 3	Level 4	Level 5
Understand IPSAS required at this level, and financial delegation principles and processes.	Leverage proficiency in finance systems and processes to act as a source of training for other users.	Evaluate finance information systems, processes and user operating documentation for reliability, clarity and efficiency.	Monitor and identify opportunities to enhance financial system capabilities to support finance functions.	Identify the organisation's IT needs to meet financial data processing, control and reporting requirements and recommend systems which support the delivery of the organisation's strategies.
Correctly process accounts payable and receivable transactions.	Identify ways to enhance performance of financial systems through an understanding of compatibilities and relationships between different financial systems and tools.	Provide technical review and reliable advice relating to financial terminology and processes, IPSAS and finance regulations and policies and key financial measures.	Encourage feedback to assess adequacy of finance and accounting systems and reporting from all internal stakeholders and senior organisational leadership.	Maintain networks with other finance leaders in the sector to critically assess the efficiency and effectiveness of common and/or shared financial systems.
Utilise the organisation's financial systems to collect and present verified financial information.	Operate financial information systems effectively and evaluate specific output requirements.	Devise systems for appropriate financial data collection to comply with IPSAS and other external reporting requirements, and ensure that financial reports are distributed in accordance with policy and divisional requirements.	Implement and monitor appropriate financial system management policies, audit and compliance requirements and controls.	Engage with expertise in the technology function to identify infrastructure requirements in support of new or proposed enhancements to finance systems.
Prepare standard financial reports for both project managers responsible for a budget and management in the required format through familiarity with data input, verification and reporting processes.	Analyse and review journal and ledger processes and transaction entries ensuring efficiency and accuracy.	Establish and manage general ledger and account management processes and perform financial system checks, testing for compliance with control and related requirements.	Review and attest to compliance of a broad range of policies, audit and compliance requirements and processes in the operation of financial systems and transaction processing.	Provide expert advice within and across organisations on emerging technologies in financial systems which create opportunities to enhance organisational outcomes.
Operate system controls to ensure the accuracy and completeness of the financial data recorded in journals and ledgers.	Ensure the accurate forecasting of short-term cash requirements.	Assure the timely and accurate operation of the finance system to capture data and business information.	Review and analyse specifications for finance information systems and develop technically sound processes and system updates to maintain system integrity and align with organisational needs.	
Operate the organisation's accounting and financial reporting applications accurately.	Supervise the accurate and timely process of accounts payable and receivable, supporting good liquidity management.	Interpret and determine user requirements to assist development of financial systems and processes to satisfy IPSAS and meet organisational needs.	Apply current knowledge of emerging technologies in financial systems to provide improvements to systems or transactional processes.	
		Develop cash forecasting models to support multi-period cash requirements	Implement controls and feedback mechanisms to test accuracy and completeness of financial processes within the organisation.	

## Capability 6 – Business Partnering

Level 1	Level 2	Level 3	Level 4	Level 5
Apply knowledge across the range of financial systems and policies to inform and clarify the actions required by project managers and staff.	Address financial transaction recording and reporting issues with organisational leaders, team leaders and managers, to fully satisfy policy and procedural requirements.	Provide quality technical support to divisional leaders in preparation of budget submissions, capital investment business cases, program evaluation and cost modelling activities	Identify or propose the most appropriate funding solutions or services to respond to and support new or ongoing projects within the divisional business plan.	Improve organisational performance by ensuring that the organisation's senior leadership has access to expert strategic financial management advice and solutions
Work with key internal stakeholders to better understand and articulate its accounting, financial management and reporting needs.	Engage with managers to better appreciate organisational needs and to identify opportunities to streamline and enhance recording, analysis or reporting processes.	Source finance function resources and expertise to meet the expectations of senior management and organisational stakeholders	Partner with senior management to determine the underlying financial strength of the organisation and to decide how to remedy deficiencies and mitigate financial risks	Identify the strategic financial management challenges confronting the organisation and facilitate executive decision making and resolution
Pursue opportunities to establish and build networks and relationships beyond the finance function.	Provide feedback into finance function on behalf of divisions by monitoring and assessing the effectiveness and efficiency of financial and accounting processes.	Provide appropriate, high quality, reliable and trusted financial management and accounting advice, coaching and counsel to divisional managers and implementing partners.	Consult and advise divisional leaders around the achievement of the best technical and financial outcomes for programs and projects, to deliver on divisional business plans and objectives	Provide or source high quality trusted advice, coaching and support to organisational executives, targeting excellence in strategic financial management, funding and investment decision making
Provide relevant financial systems and recording information and guidance based on an understanding of the organisation and its operating context.	Network with peers within the organisation to identify changes or enhancements to financial systems or processes which might be adopted or leveraged to assist divisions.	Engage with managers and implementing partners to provide coaching and technical advice around financial controls and actions related to budget variances.	Reinforce a high level of understanding and appreciation of the successful alignment of divisional practices with the Finance Regulations and finance policies and guidelines and the need for early intervention when corrective actions are needed.	Apply contemporary practice to achieve exemplary financial governance for the organisation
	Work with managers in coaching and consulting discussions, to improve understanding and familiarity with budget preparation and forecasting systems, policies and processes.	Advise managers about the structure of financial delegations and the impacts of changes in IPSAS, financial policies or other financial issues which impact divisional business plans.	Apply thorough understanding of the Finance Regulations and policies and guidelines.	Align finance function resources and expertise to meet the expectations of senior divisional and organisational stakeholders
			Collaborate with divisional managers ensuring that appropriate expert financial advice and guidance add value to decision making or responses to issues or events	Direct and lead the provision of both internal and external strategic and expert advice on all financial management and accounting issues
			Implement appropriate professional networking within and outside of the sector to benchmark practices and solutions which improve business performance	Determine and drive professional networking strategies to enable best practices in financial management governance and leveraging of new approaches and solutions