

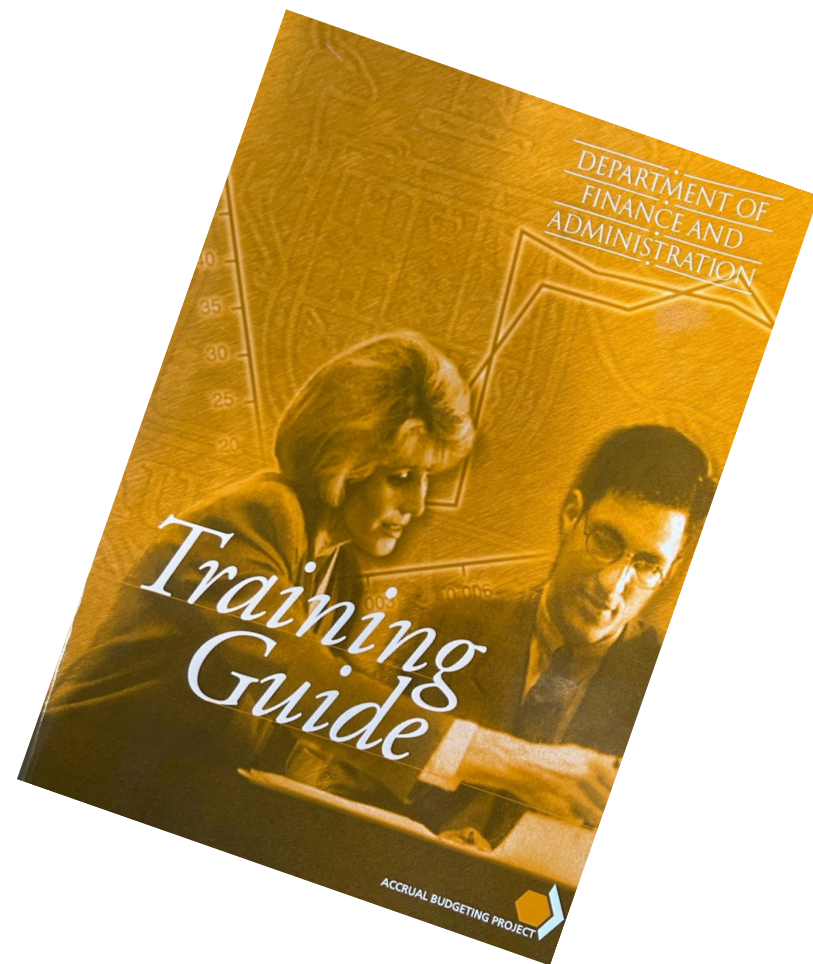
The Changing Role of Chief Financial Officers in the Australian Public Service

Commentary on the 2023 Allan Barton Memorial
Research Lecture delivered by Janine Bristow, Chief
Financial Officer, Australian Taxation Office

Tom Moloney,
Partner KPMG

—

26 September 2023

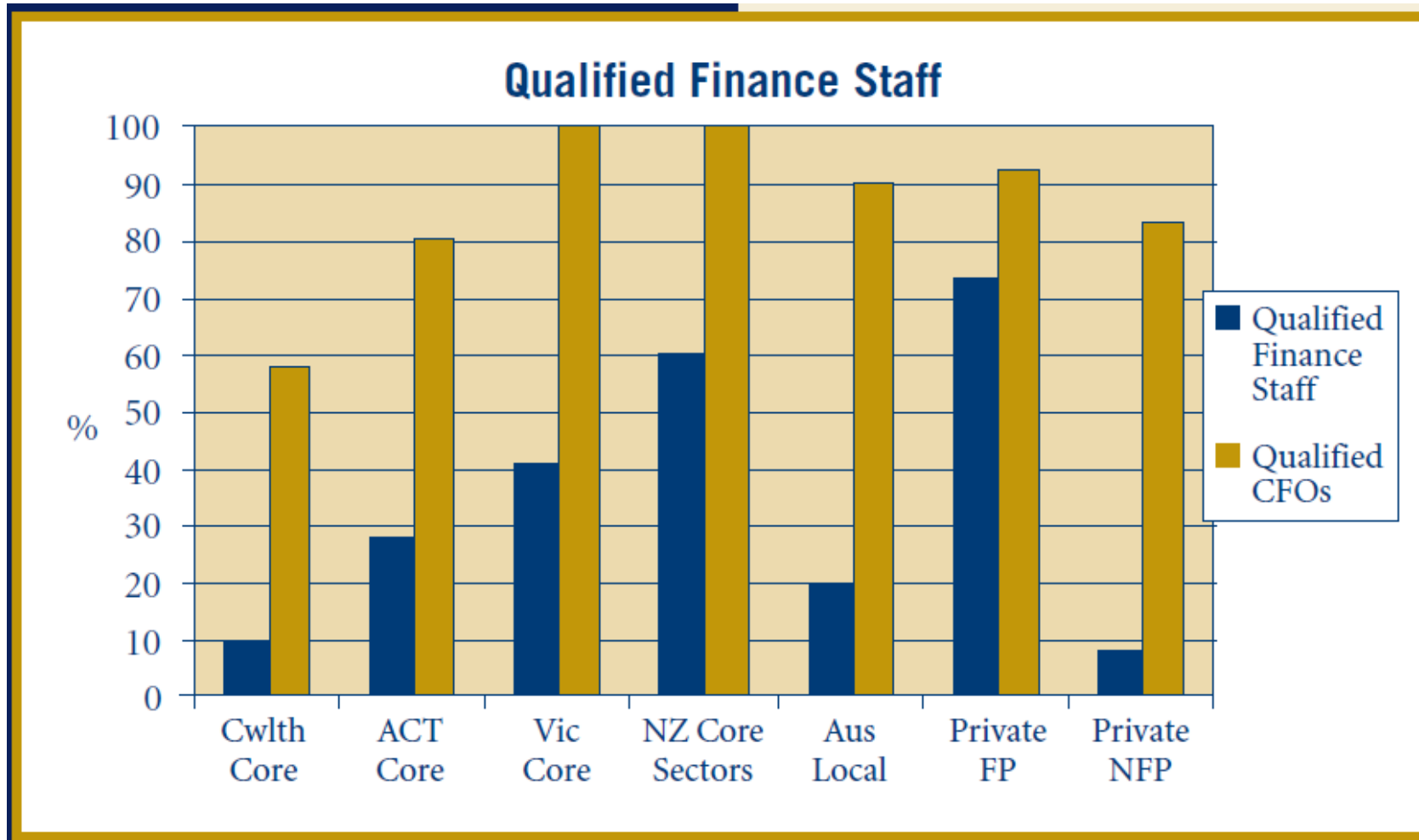


Towards a professional CFO career path

"In positioning organisations for the new millennium, agency executives should seek to appoint CFOs that have skills and experience consistent with the new trends in accountancy"

"Agencies should seek to employ a CFO who is professionally qualified and is a full member of a recognised professional body.... Such professional status is, in essence, a 'licence to practice'".

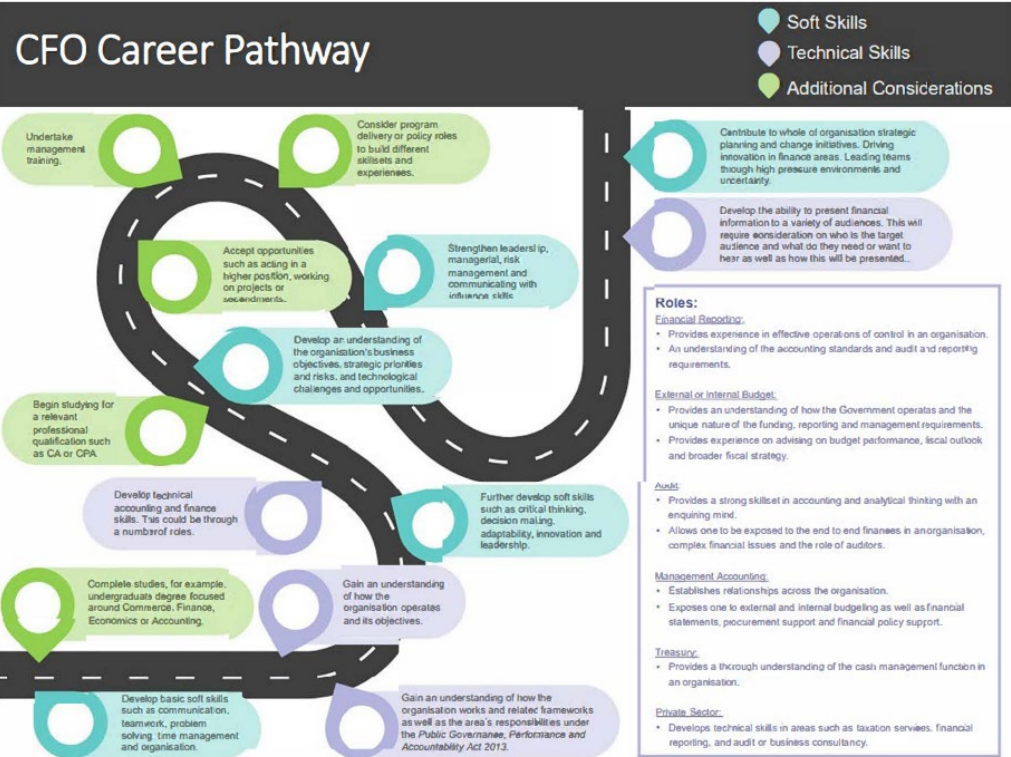
Beyond Bean Counting, The Modern Chief Financial Officer



Source: Beyond bean counting, Part 2, 'The APS benchmarked'

1997

APS Accounting and Finance Profession Capability Framework



APS Accounting and Finance Profession Capability Framework

Chief Financial Officer¹

Finance and leadership	Shapes and manages strategy	Achieves results	Communicates and influences effectively
❖ CA, CPA or equivalent qualification and significant demonstrable expertise and leadership in financial management, or equivalent qualification and experience	❖ Demonstrated ability to influence outcomes at the Board / Executive Committee level, including explaining and distilling complex financial information in a way that is understood by decision makers.	❖ Provides influential advice to the Accountable Authority / Chief Executive on financial sustainability and leads the organisation to achieve the efficient and effective financial management and ongoing financial sustainability. ❖ Leads the implementation of appropriate financial	❖ Demonstrated ability to present financial and related information in a way that is persuasive and easily understood by the audience. ❖ Demonstrated ability to advise and communicate financial information to influence the strategic direction of the organisation, including to the Chief Executive / Accountable Authority.

Source: Department of Finance

A direct line between CEOs and CFOs

"Best practice, and what is increasingly the trend in the private sector, is to appoint a CFO who has a direct reporting line to the Chief Executive."

"The shift in emphasis from private to public sector does not explain, however, why the person with strategic financial responsibility is generally not included on the top management team and is, in fact, well down the seniority line in many public sector agencies."

Beyond Bean Counting, The Modern Chief Financial Officer

1990s

CEO



COO



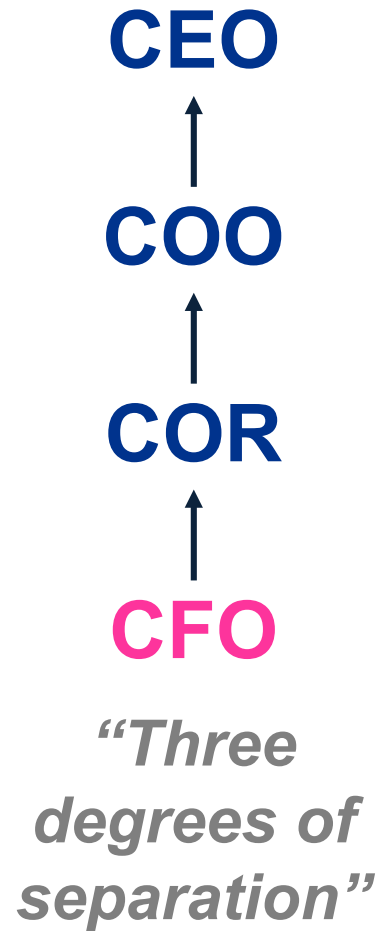
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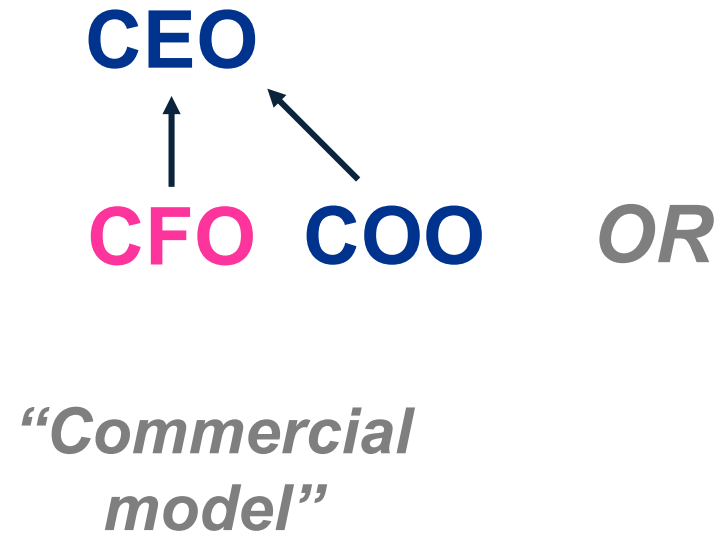
CFO

*“Three
degrees of
separation”*

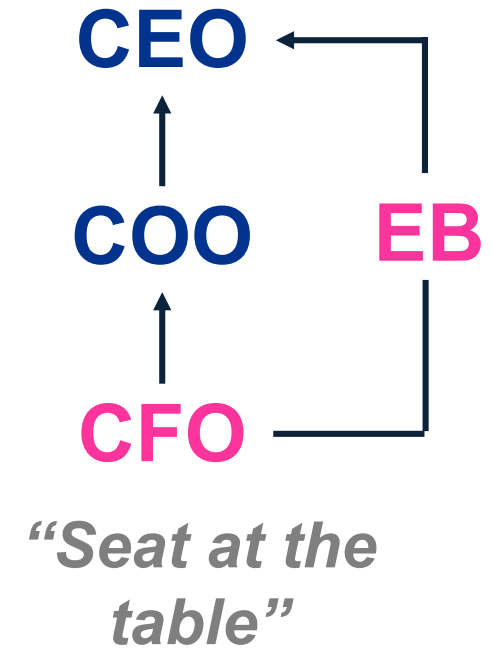
1990s



MAB Expectation



OR



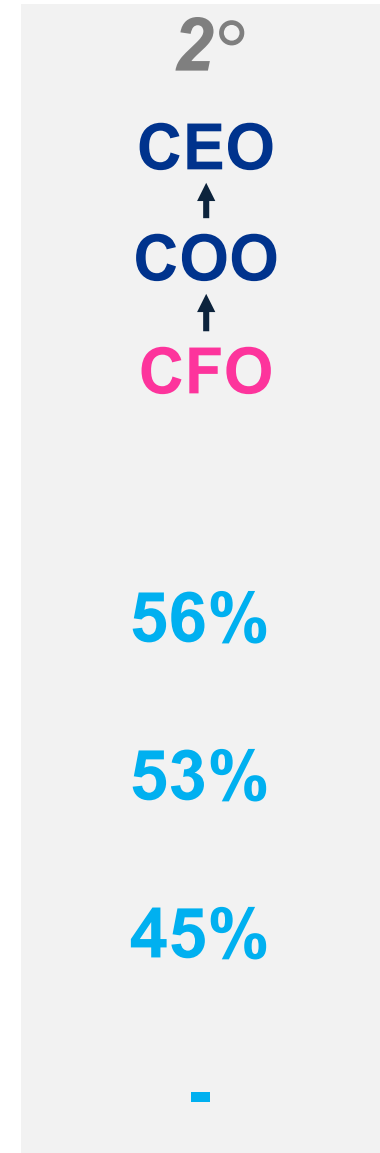
APS CFO Reporting Lines - Now

16 Departments

30 Material Entities

31 Smalls (*Sample*)

8 GBEs



From data processor to data assurer

"This change will see traditional accounting skills being replaced by what are termed 'assurance' skills."

"The move is largely driven by the introduction of better information technology which has given rise to cheaper and more powerful systems that threaten the routine work of accountants."

Beyond Bean Counting, The Modern Chief Financial Officer



Hello ChatGPT. I am an accountant working with CFOs in the public sector. The media are saying that you will make me redundant. Should I be worried?

 TM

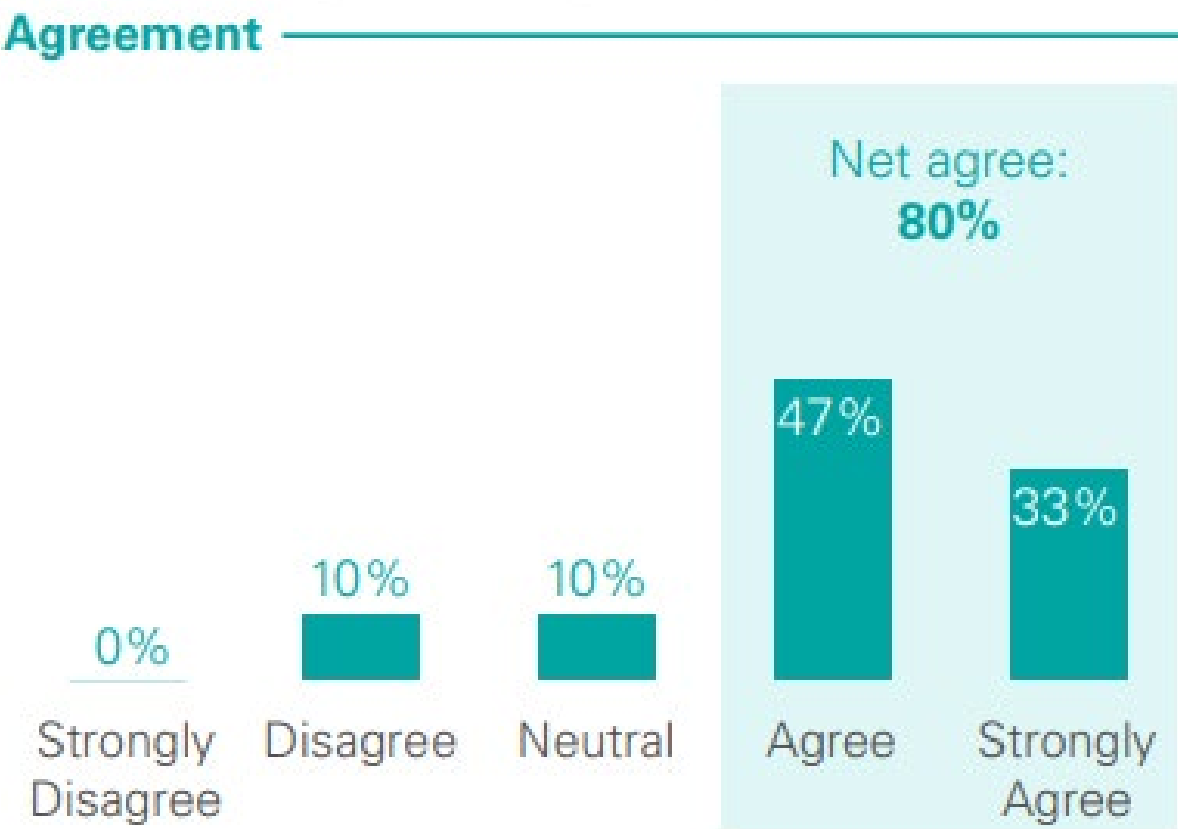
Hello ChatGPT. I am an accountant working with CFOs in the public sector. The media are saying that you will make me redundant. Should I be worried?



"Technology and AI have the potential to transform the role of CFO teams by automating routine financial tasks, improving data analysis, and streamlining reporting processes, which may reduce the need for some lower-level finance positions. However, the core functions of CFO teams, including strategic financial planning, decision-making, risk management, stakeholder communication, and ethical oversight, rely on human judgment, expertise, and leadership skills that technology and AI cannot fully replicate. Instead, technology and AI can empower CFO teams by providing valuable insights and freeing up time for more strategic and value-added activities, making them more effective and efficient in their roles."

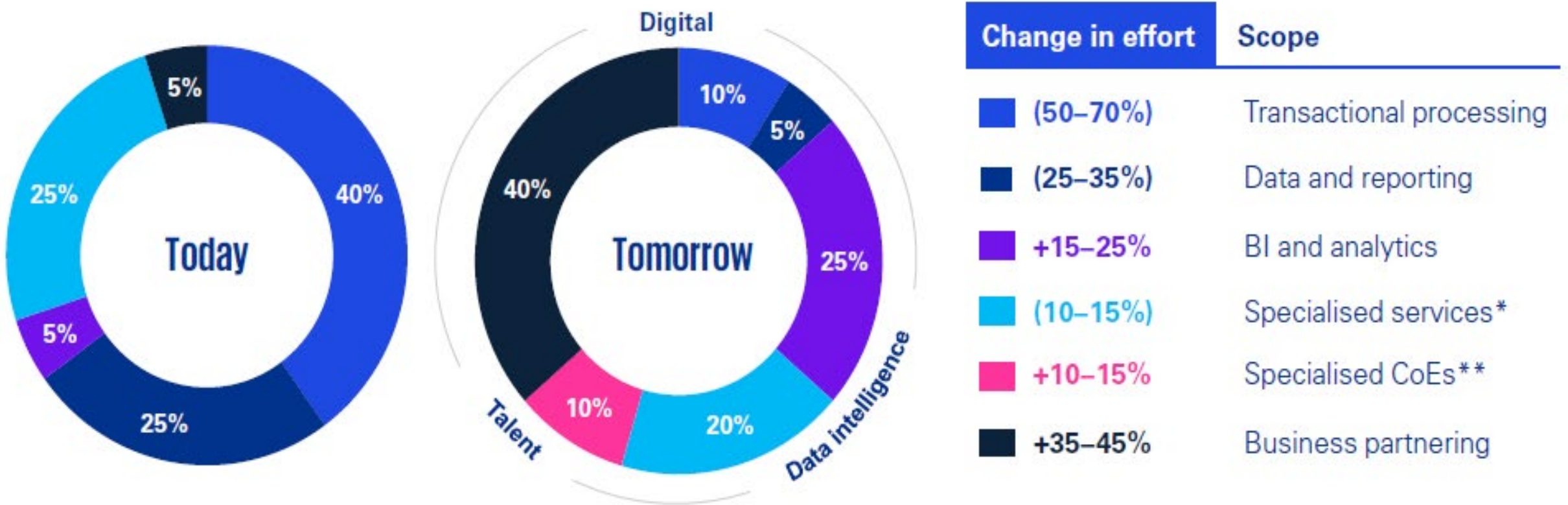
SURVEY RESULTS

The finance team will be 'headcount-lite' and require different skills including: enhanced technology, digital and modelling skills; deep analytical skills; as well as data governance, process and controls excellence.



Source: KPMG Australia survey of finance executives.

The changing work distribution in finance teams



Source: International survey results, 'The Future of Finance – CFO Agenda for Elevating Finance', September 2023.

Thank y
