

Innovation in public finance

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Think Ahead

Our global reach in numbers

219,000
members
and
527,000
students
in **179** countries

67,000 public
sector member
and students
around the world

110
offices and
centres
in **52** countries

Over **100** years'
of working with
governments to
support better
PFM.

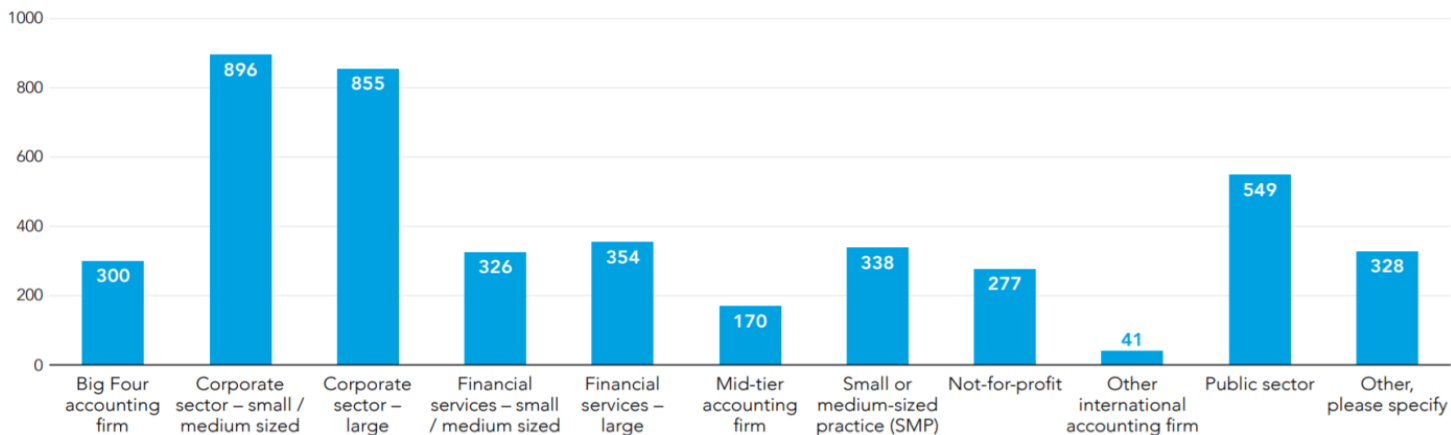
Content

- Research method
- Innovation in public finance?
- The innovation compass
- Completing the journey & the accountant
- Getting involved

Research Methodology

1. ACCA member survey
2. Online panel discussion
3. Expert interviews
4. Literature review

Figure: Sector breakdown of ACCA member survey



Source: ACCA 2019 member survey; all respondents; n: 4,436

Innovation in the public sector

In the context of the public sector, innovation is a change or initiative that:

- Was **new** to the context
- Had been **implemented**, and
- Sought to improve **public value**.

Poll 1: Based on this definition, has your organisation implemented an innovation in the last 12 months?

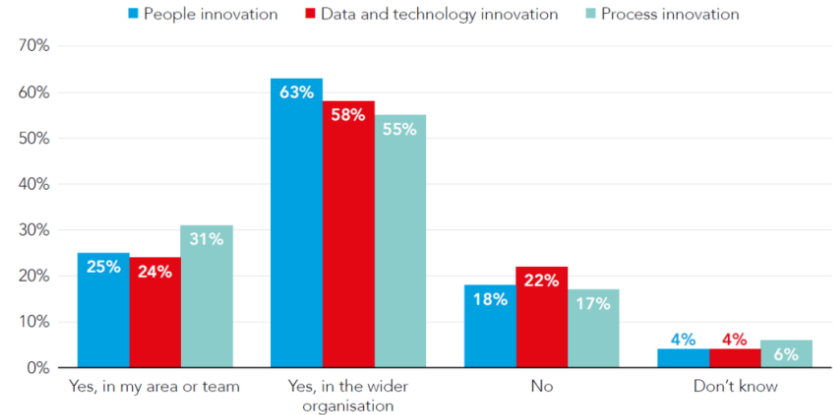
- Yes
- No
- Don't know

Innovation in the public sector

In the context of the public sector, innovation is a change or initiative that:

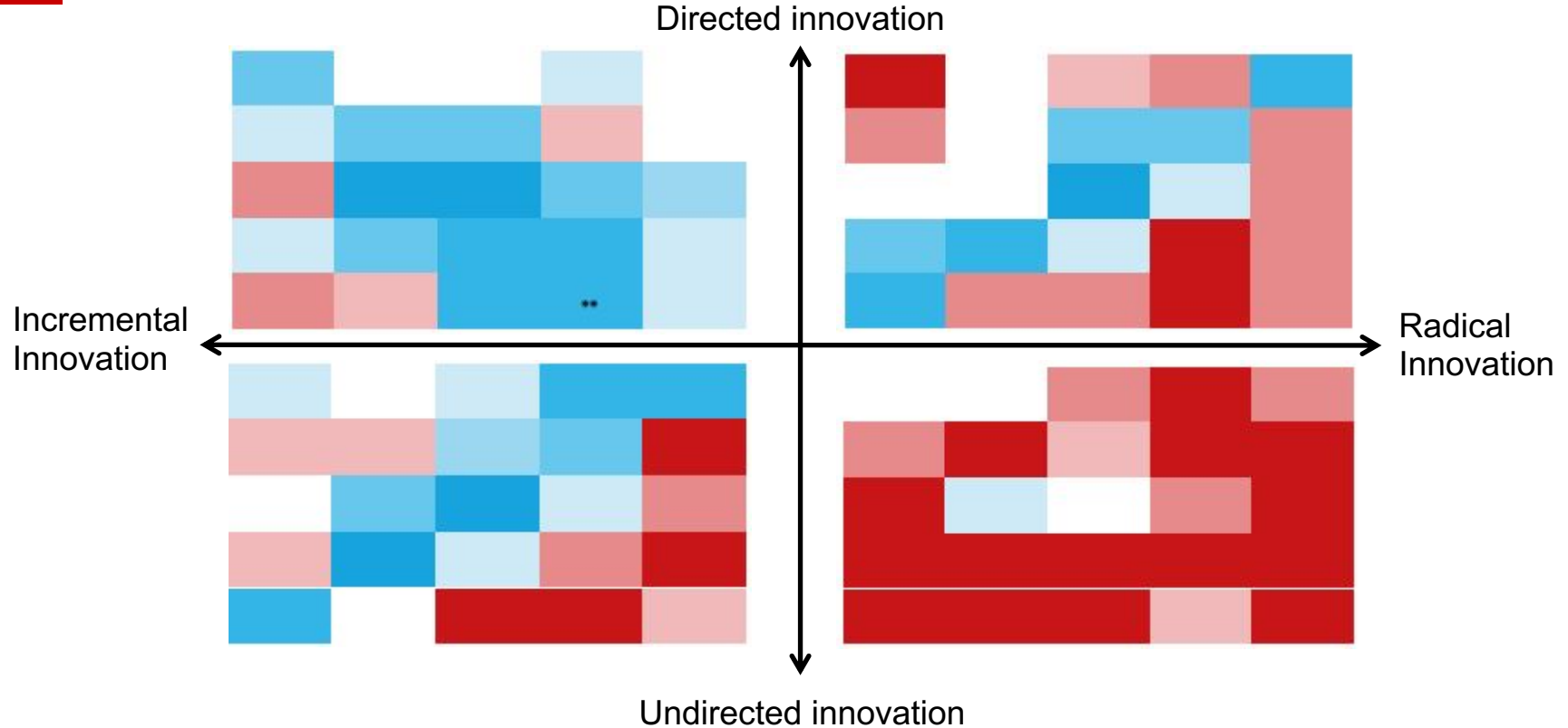
- Was **new** to the context
- Had been **implemented**, and
- Sought to improve **public value**.

Figure: Current levels of innovation in public sector finance



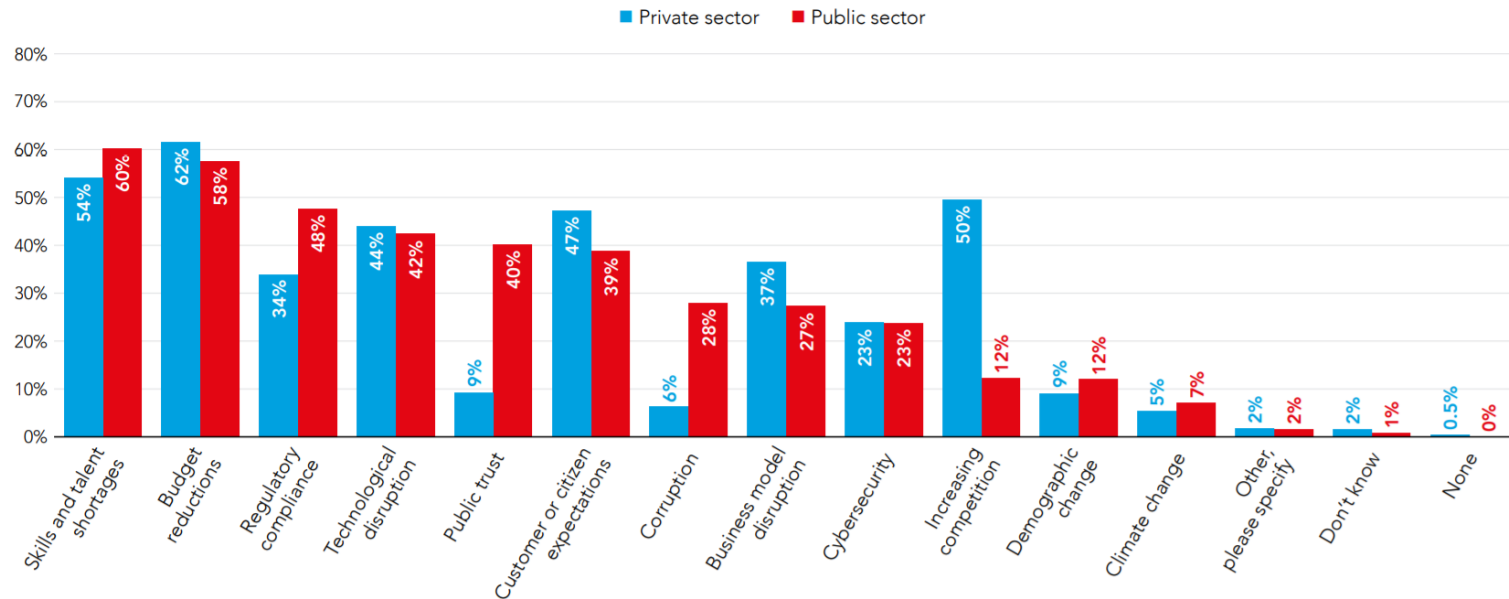
Source: ACCA 2019 member survey; public sector respondents

The innovation compass, Current environment



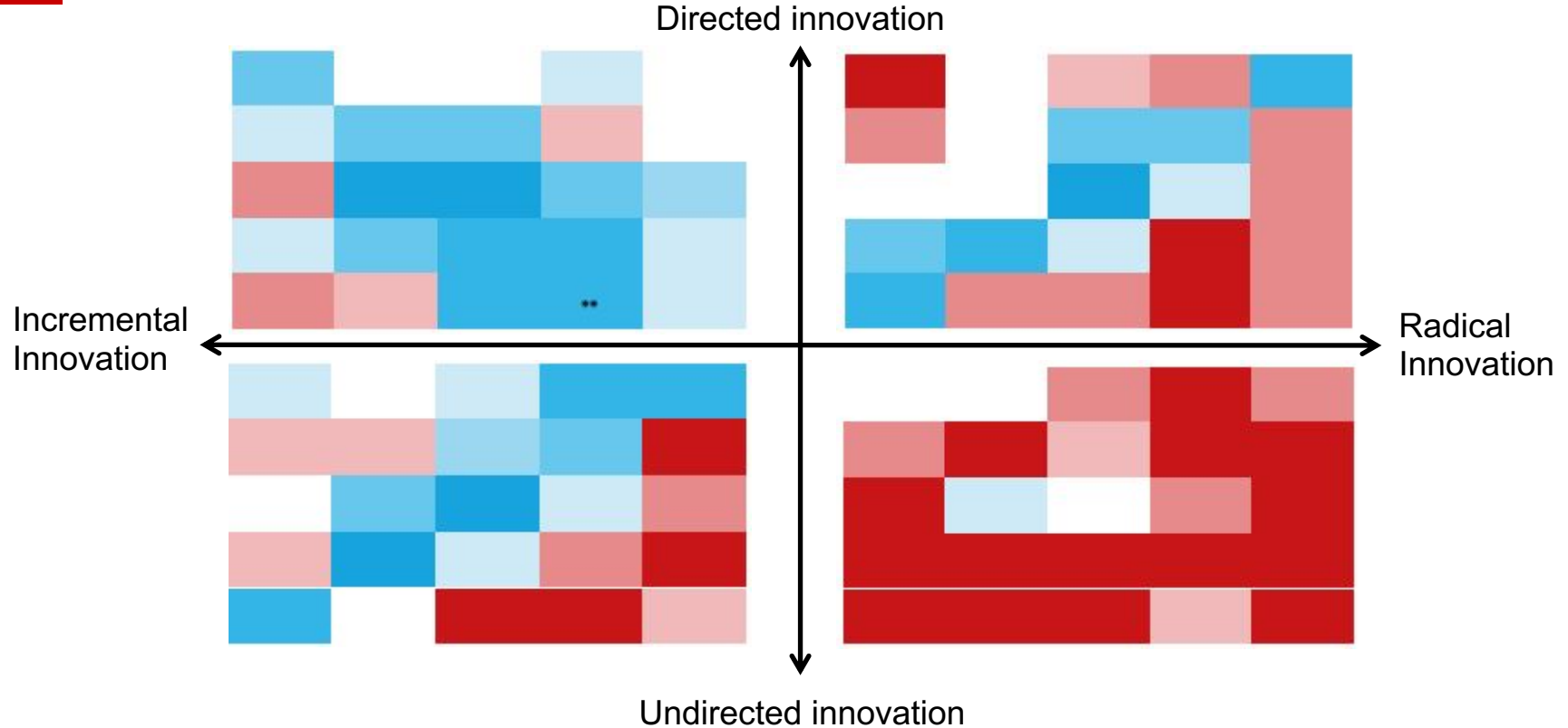
Main challenges requiring innovation

Figure: What are the main challenges for your organisation that require innovation?

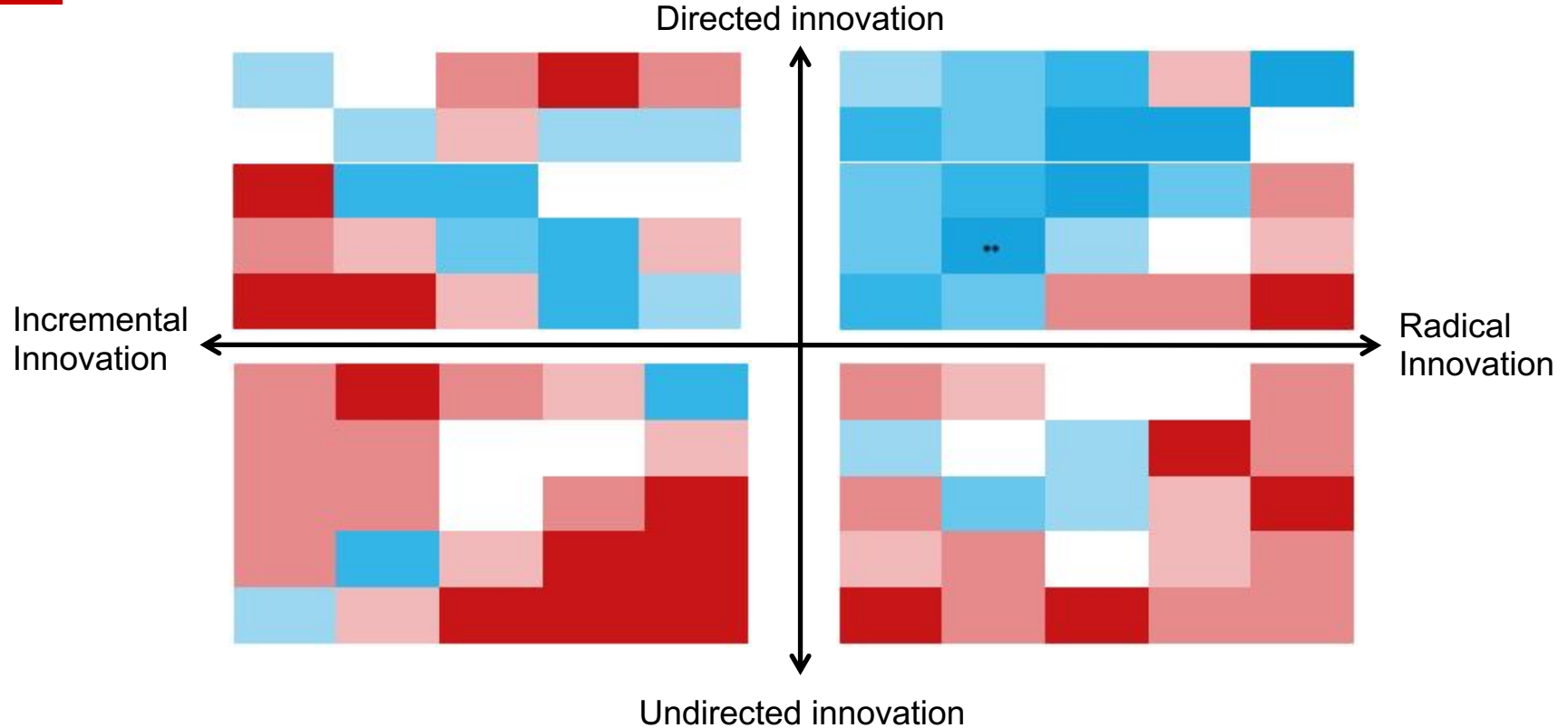


Source: ACCA 2019 member survey; public and private sector respondents; n: 4,159

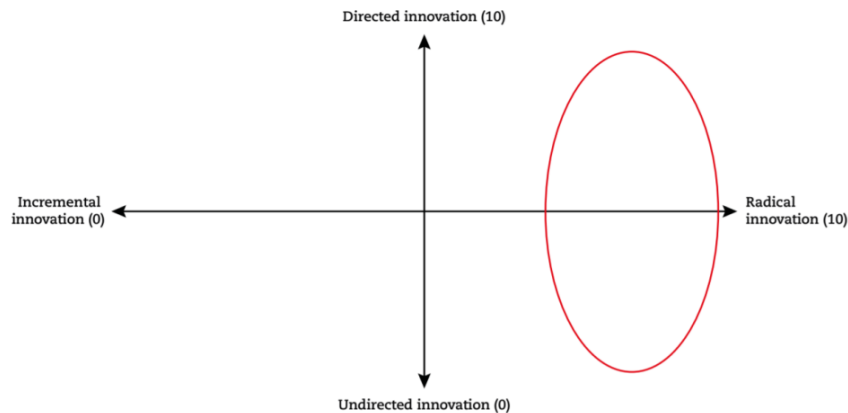
The innovation compass, Current environment



The innovation compass, Preferred future



Completing the journey to radical innovation in public finance



RADICAL	INNOVATION
<ul style="list-style-type: none"> Large-scale changes to systems Fundamental reorganisation of the ways value are created in an organisation Substantial reallocation of power between public managers, professionals, the public, and politicians. 	<p>The change or initiative must be:</p> <ul style="list-style-type: none"> new to the context implemented, and intended to improve public value.

	% RANKING IN TOP 3
Direction and vision from senior management	68%
Collaborative teams (strong team working)	45%
Encouraging creativity	43%
Formal training	40%
Recognition / reward for innovative ideas	37%
Additional funding	32%
Willingness to take risks	15%
Increasing diversity of the team (eg gender, age, ethnicity)	15%
Additional time	4%

Completing the journey to radical innovation: public sector challenges



Maintaining
a stable
environment,
while
innovating

First-mover
disadvantage

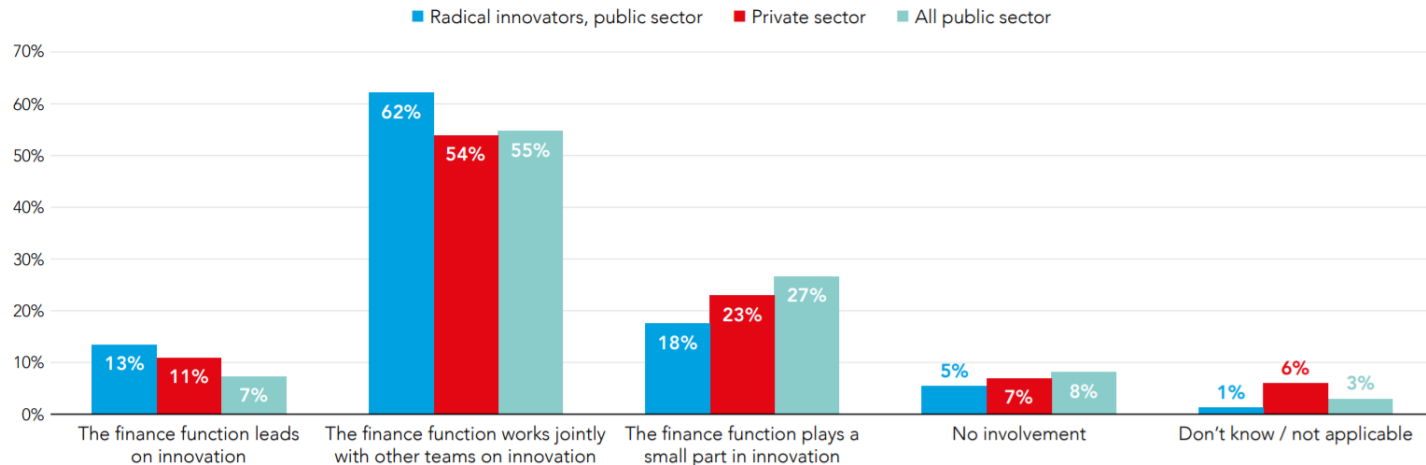
The challenge
of diffusion

Poll 2: The finance function is critical for achieving radical innovation in the public sector. Do you:

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

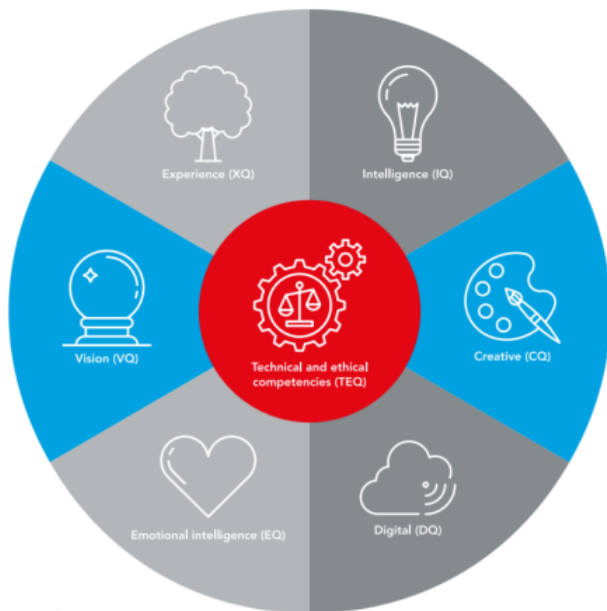
Innovation and the finance professional

Figure: How involved is the finance function in the innovation taking place in your organisation?



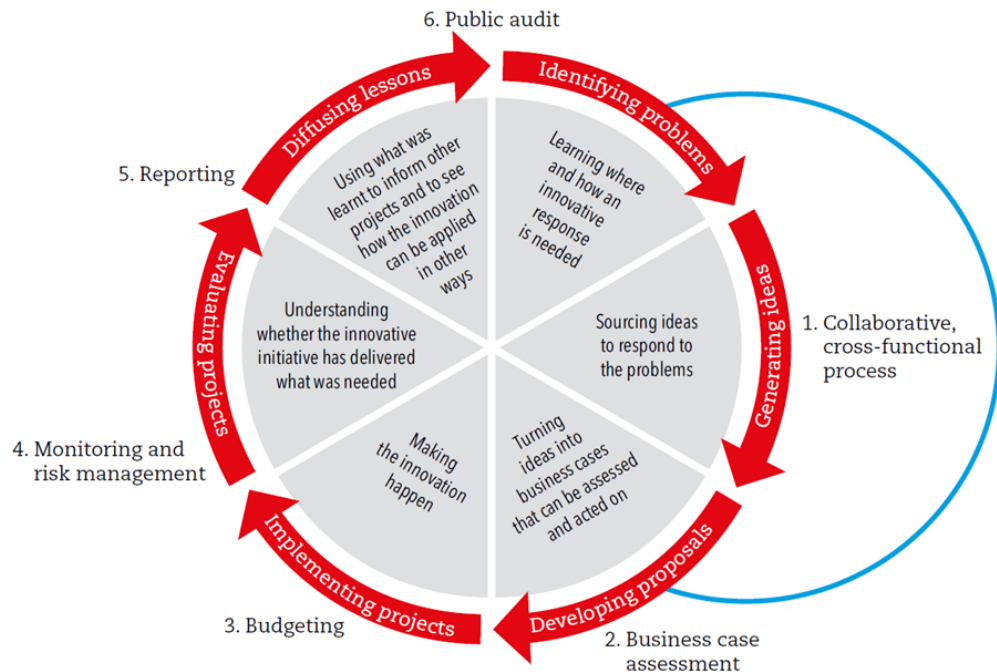
Source: ACCA 2019 member survey; public and private sector innovators; n: 3,665

Innovation and the finance professional: ACCA's Professional Quotients



PROFESSIONAL QUOTIENT	DESCRIPTION
Technical and ethical competencies (TEQ)	The skills and abilities to perform activities consistently to a defined standard while maintaining the highest standards of integrity, independence and scepticism.
Intelligence (IQ)	The ability to acquire and use knowledge: thinking, reasoning and solving problems.
Creativity (CQ)	The ability to use existing knowledge in a new situation, to make connections, explore potential outcomes, and generate new ideas.
Digital quotient (DQ)	The awareness and application of existing and emerging digital technologies, capabilities, practices, strategies and culture.
Emotional intelligence (EQ)	The ability to identify your own emotions and those of others, harness and apply them to tasks, and regulate and manage them.
Vision (VQ)	The ability to anticipate future trends accurately by extrapolating existing trends and facts, and filling the gaps by thinking innovatively.
Experience (XQ)	The ability and skills to understand customer expectations, meet desired outcomes and create value.

Mapping finance to the OECD's Innovation Lifecycle

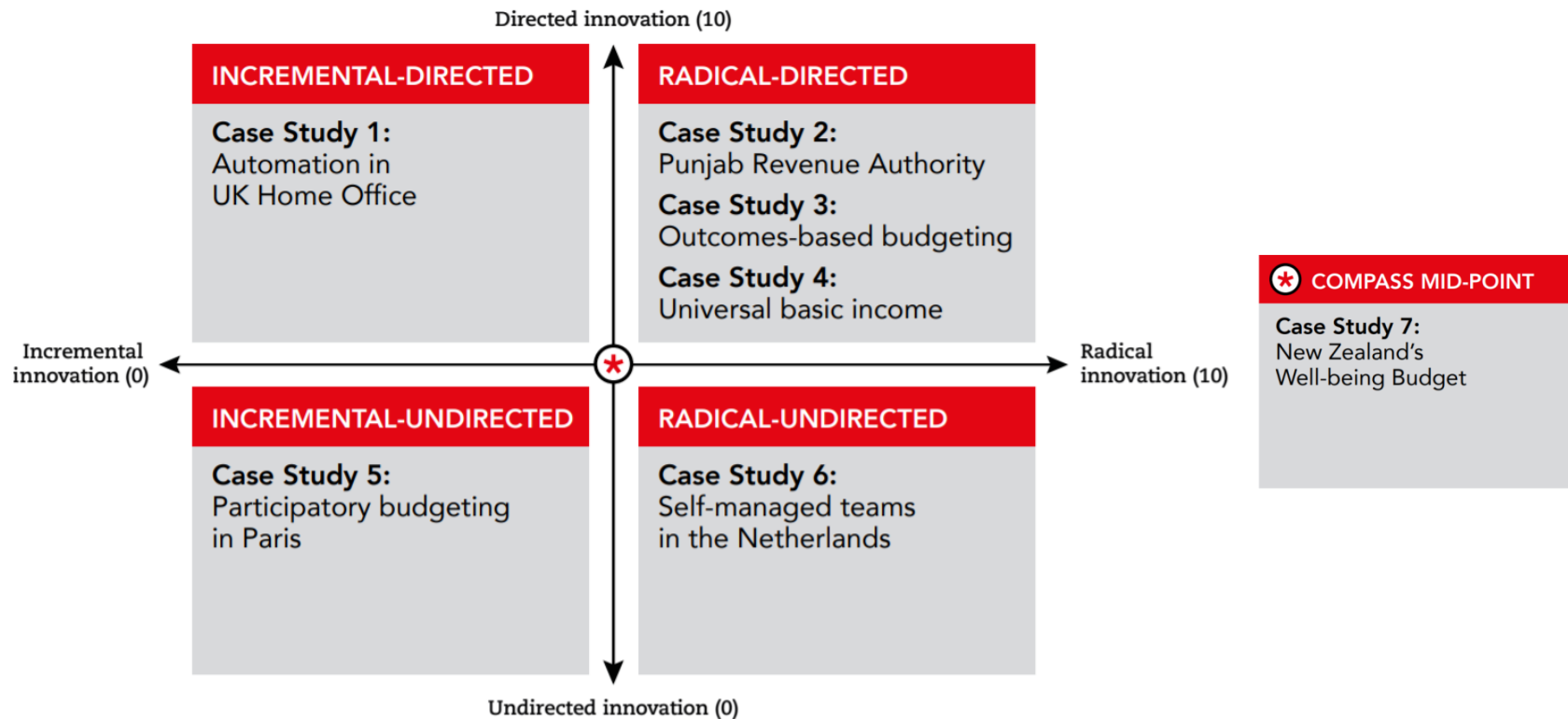


Three key findings and recommendations

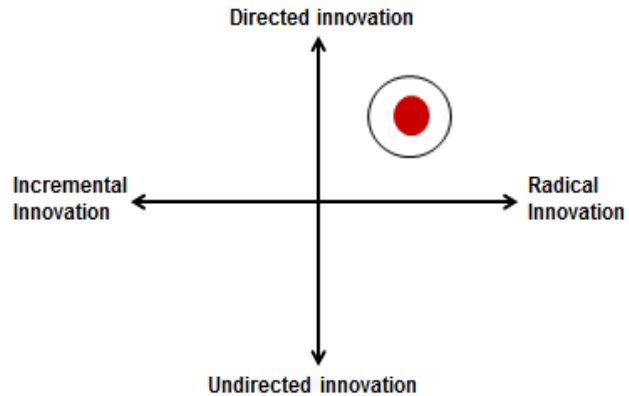


KEY FINDINGS	RECOMMENDATIONS
1. Public finance professionals believe that governments need to shift from the current dominance of incremental innovation to more radical forms of innovation.	Policymakers and public sector leaders should share a vision and strategic direction enabling staff to understand how the organisation can proactively address the complex challenges it faces (see Chapter 3).
2. The finance function has a critical role to play in the wider public sector innovation process.	Public finance professionals should apply the concepts of integrated thinking and value creation through multiple capitals to help in the construction and assessment of business cases for innovation.
3. It is through the <i>power of connections</i> that public finance functions will be able to realise fully the desired shift to more radical forms of innovation.	Public finance professionals should work with finance business partners to connect across the organisation and help shape a culture of innovation.

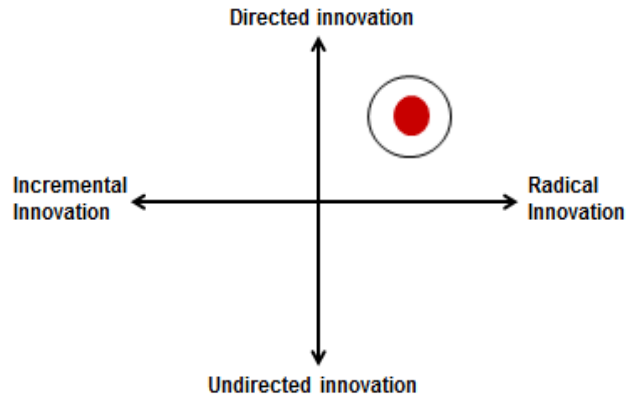
Innovation case studies



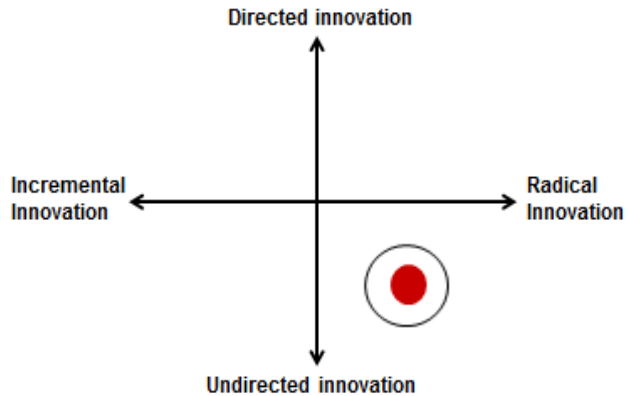
Innovation case studies



Innovation case studies



Innovation case studies



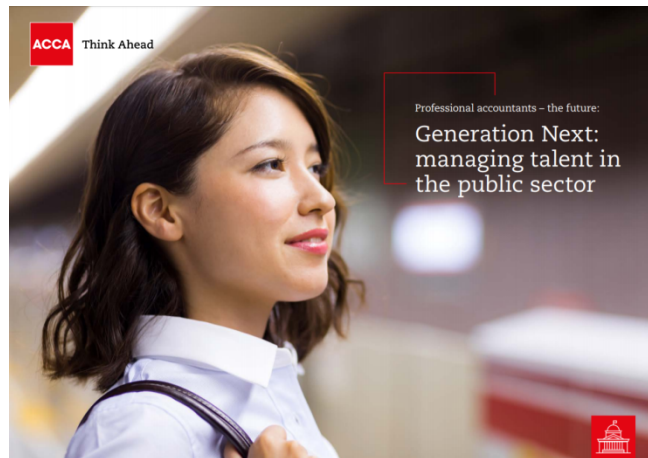
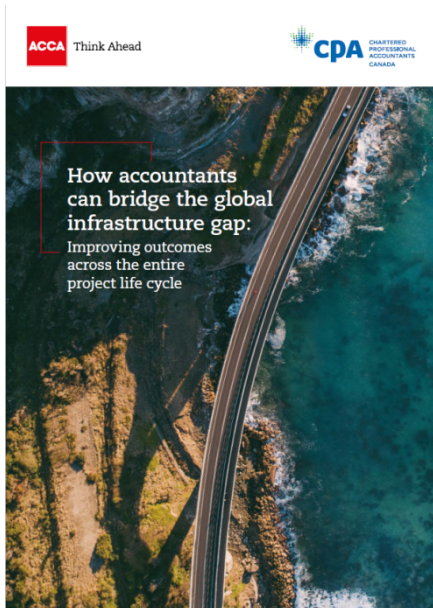
Case study 6: Self-managed teams in the Netherlands



RADICAL, UNDIRECTED

Think Ahead

ACCA's Public Sector Thought Leadership



Where to find us – ACCA and the public sector

The screenshot shows the ACCA website header with the 'Think Ahead' logo, a search bar, and navigation links: Home, Our qualifications, Employers, Learning providers, Members, Students, Affiliates, and Professional insights. The main banner features a canyon landscape with the text 'ACCA and the public sector'. Below the banner, the breadcrumb trail reads 'Home / Technical activities and advice / ACCA and the public sector'. On the left, a sidebar contains links: '← Back to Home', 'Data and information security', 'Technical resources', and 'UK technical advice and support'. The main content area displays a photo of a historic bridge over a river, with the text 'Public sector conference 2019' below it. To the right of the photo, a text box states: 'The International Public Sector Conference is our flagship event for finance professionals in the public sector' with a right-pointing arrow.

- [Visit ACCA and the public sector](#)
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Q&A

