

CFO(SA) Competency Framework

The framework assists potential applicants in developing the competencies necessary to obtain the designation Cert. Fin. Officer (SA). It is based in most part on the ICAO/Queen's University Collaborative Study, which incorporated a combination of prior literature and a comprehensive survey of financial executives. It begins with a list of 34 competencies structured within four general roles of a Cert. Fin. Officer (SA):

- **Steward:** Accounting, control, risk management and asset preservation are the province of the Steward. The Steward must ensure company compliance with financial reporting and control requirements. Information quality and control rationalization are top-of-mind issues for the Steward (8 competencies).
- **Operator:** Efficiency and service levels are the primary areas of focus for the Operator. The Operator must dynamically balance cost and service levels in delivering on the finance organization's responsibilities, and adapt finance's operating model as necessary. Talent management, offshoring and shared service decisions are often the key issues to be addressed. This role is oriented toward best practices of the finance function itself (9 competencies).
- **Catalyst:** The Catalyst is an agent for change, focused on establishing a value attitude throughout the organization. The Catalyst gains business alignment to identify, evaluate and execute strategies, and serves as a business partner to other decision makers including business unit leaders, the chief information officer, and sales and marketing leaders. The Catalyst establishes a structure of enterprise accountability directed toward results, drives enterprise execution and gains acceptance from business management as the organization's catalyst. This role is oriented toward best practices of the entire organization (9 competencies).
- **Strategist:** The Strategist is a director, focused on defining the future of the company to enhance business performance and shareholder value. The Strategist provides a financial perspective on innovation and profitable growth; leverages this perspective to improve risk-awareness, strategic decision-making and performance management integration; and translates the expectations of the capital markets into internal business imperatives. This role is oriented toward long-term, strategic issues, and is outwardly directed (8 competencies).

For each competency, the framework indicates *how* to develop each competency—through education, experience, or with the help of a mentor and provides additional detail about each competency, along with ways to develop that competency.

Competencies for the Steward Role

Steward role: Accounting, control, risk management and asset preservation are the province of the Steward. The Steward must ensure compliance with reporting and control requirements. Information quality and control rationalization are top-of-mind issues for the Steward.

Competency:	Description:	How to Develop (from those who have the competency):
Working knowledge of risk management, budget, and forecasting tools	Risk management activities such as the use of monitoring, reporting, historical comparisons, evaluation tools, predictive analytics, risk-adjusted forecasts and process controls. Knowledge of budgeting and forecasting for units of an organization and the organization as a whole.	Experience in various jobs, trial by fire, discussions with other experts, university, formal education, seminars, ACCA, CIMA, CA, CFA, MBA, CPA, etc. experience, self instruction through reading, using tools, learning from mentors.
Investment and credit risk knowledge	Knowledge of risks and returns for investments and credit (e.g. customer credit).	On the job experience, reading financial statements, interaction with other professionals and experts, university, analysts or investment/commercial banks, etc. MBA, CBA (SA) training and experience, etc.
Accounting knowledge (IFRS and taxation)	Up-to-date knowledge of IFRS and taxation in South Africa and all countries in which the company accesses capital markets.	University, ACCA, CIMA, CA, CFA, MBA, CPA, etc. experience, public accounting experience, reading financial statements, reading industry journals, discussions with auditors or lawyers.
External financial and regulatory reporting knowledge	Knowledge of regulatory reporting requirements in South Africa and other countries in which the organization does business. If the organization is cross-listed, must understand the requirements of relevant statutes. Knowledge of industry- specific requirements.	University, ACCA, CIMA, CA, CFA, MBA, CPA, etc. experience, public accounting experience, reading financial statements for listed companies, etc. CPE, discussions with auditors and company regulators.
Understanding financial information systems and informational needs of decision makers	Thorough understanding of the informational needs of decision makers within the organization (from top level down through the organization). Overseeing a financial information system that is capable of producing useful information to meet those needs (e.g. budgeting, profitability of products, business units, and customer relationships)	Experience in general as well as in different industries; university and ACCA, CIMA, CA, CFA, MBA, CPA, etc. experience; lots of interactions with vendors and related experts; active listening to the needs of decision makers; participation in special projects within the organization; web searches.
Understanding of systems, processes, and internal controls over financial information	Ability to create or oversee IT systems, processes, and internal control policies and procedures to ensure high quality of information.	Experience in general as well as audit experience; university and ACCA, CIMA, CA, CFA, MBA, CPA, etc. and experience; professional training and seminars; reading industry journals; discussions with auditors and IT experts; etc. mistakes.
Understanding the business environment	Understanding the environment in which the organization operates. This includes the industry, the regulatory environment, and economic environment, etc.	Experience and asking questions; visiting other organizations within the company; reading (e.g. Business Week, etc.) etc. mentors can help significantly; listening to the needs of decision makers.
Fraud prevention, detection, investigation	Understanding of the types of fraud that can be committed within the organization and the conditions that often lead to fraud. Continuous monitoring of control systems to watch for weaknesses that could make committing fraud easier. Having a healthy scepticism to investigate possible fraud when red flags appear.	University and ACCA, CIMA, CA, CFA, MBA, CPA, etc. experience, public accounting, CPE, reading industry journals, etc. specific frauds, being aware and developing a healthy scepticism; networking with others, working with mentors.

Competencies for the Operator Role

Operator role: Efficiency and service levels are the primary areas of focus for the Operator. The Operator must dynamically balance cost and the finance organization's responsibilities, and adapt finance's operating model as necessary. Talent management, offshoring and shared services issues to be addressed. This role is oriented toward best practices of the finance function itself.

Competency:	Description:	How to Develop (from those who...)
Staff planning	Branding the company as a career destination for finance professionals is critical for attracting top talent.	Formal education, public accounting experience with increasingly larger teams, courses on how others do this and learning from their HR
Project management	Identifying, developing, and overseeing projects that create value and meet or exceed financial goals.	University, ACCA, CIMA, CA, CFA, MBA experience, audit experience, being a mentor, observing how others manage projects, etc.
Staff management, mentoring, team building, and creating accountability	Manage staff not only for maximum performance, but also for advancement within the organization. Cert. Fin. Officer (SA) must provide their own future leaders with similar advancement opportunities, and give them room to excel, even beyond the realm of finance. Ability to manage a diverse staff with differing backgrounds, expectations, and goals; ability to build/facilitate effective teams.	University, ACCA, CIMA, CA, CFA, MBA experience, audit and industry experience, results, special training courses, peer review, advisor for Junior Achievement, help from mentors
Corporate finance	Develop sets of strategic measures that can be used to anticipate challenges and monitor progress	University, ACCA, CIMA, CA, CFA, MBA experience; direct experience where possible (e.g., discussions with vendors, consultants, CF professionals, bankers).
Treasury and investment management	Monitoring financing activities and adapting strategies and tactics to changes in debt and equity markets. Knowledge and use of financial instruments to gain the greatest risk/return on investments.	University, ACCA, CIMA, CA, CFA, MBA experience; on the job experience; banking with the organization's treasurer, bankers, industry colleagues; outsourcing the function to suppliers.
Mergers and acquisitions, strategic alliances	Ability to analyse potential M&A deals and strategic partnerships for strategic benefit.	Some coursework; try to get experience through teamwork with lawyers and investment bankers
Maximizing capital employed	Enhance value and service to the organization while holding down costs. Carry out cost-effective services without disruption. Outsourcing may be one alternative.	This competency appears more important in smaller organizations than large public ones. Develop through discussions with industry colleagues, suppliers, start small and learn from mistakes.
Achievement / results orientation	The Cert. Fin. Officer (SA) must be able to translate performance into results. Being responsive to the needs of the organization and meeting those needs using measures that are appropriate and understandable.	One can begin developing this early through setting goals in school, setting and meeting deadlines, becoming a professional accountant; combining theory with experience, observation, and help from mentors
Organizational and administration skills	Ability to organize and prioritize effectively. The Cert. Fin. Officer (SA) must be able to process large amounts of information within limited time constraints, and must identify situations in which digging into details is necessary versus remaining in an oversight position. Being organized oneself, the Cert. Fin. Officer (SA) is better able to run the finance function most effectively.	Starts with education but continues primarily through experience, observation, executive education

Competencies for the Catalyst Role

Catalyst role: The Catalyst is an agent for change, focused on establishing a value attitude throughout the organization. The Catalyst gains, evaluates and executes strategies, and serves as a business partner to other decision makers including business unit leaders, the chief information officer, and other senior leaders. The Catalyst establishes a structure of enterprise accountability directed toward results, drives enterprise execution and gains acceptance as the organization's catalyst. This role is oriented toward best practices of the entire organization.

Competency:	Description:	How to Develop (from those who...)
Leadership and influence	Inspiring and motivating others in the organization. Providing the necessary guidance and direction to meet and exceed organizational goals and objectives.	One can begin developing this competency through extracurricular activities, student council, university clubs, in-house courses, volunteer to lead teams, and work with decision makers by learning the business, observing, and practicing.
Communication/presentation skills and executive presence	Ability to communicate effectively in writing and verbally, to connect with others, to persuade others, and to communicate complex information in an easy-to-understand manner. Ability to act appropriately for each occasion and with each audience. To be accessible to and respected by others at all levels in the organization.	University (including team projects in class), professional training (MBA, CBA (SA) training and experience, media training, experience in sales or marketing), and self learning and continuous improvement.
Corporate governance	Understanding elements of corporate governance and instituting best practices for creating a culture of excellence and ethical performance.	University and ACCA, CIMA, CA, CFA, MIA, etc. experience; specific courses; discussions with mentors, a committee, professional advisors, investment advisors, reading relevant publications; learning from others.
Negotiation	Ability to negotiate with others in both friendly and adverse circumstances. Being a good listener is an important element in negotiation. Ability to resolve conflict.	Formal courses, experience negotiating with vendors, observation, practice.
Relationship building and collaboration	Cert. Fin. Officer (SA) interacts widely with members of the entire organization. Networking with others, developing strong relationships, being a good team player and good collaborator. Being a good bridge-builder.	Can start early in school, volunteering, or working in a CA firm; experience, observation, practice, feedback.
Personal integrity, ethics, ability to identify ethical dilemmas and make ethical decisions	Understanding motivations of oneself and others, and recognizing the very real possibility of unethical behaviour. Taking active and public steps to thwart misbehaviour and encourage ethical behaviour. Being a role model. Setting the "tone at the top". Having a social conscience.	Some argue this is innate – you either have it or it is acquired early in life from parents. Identification and decision-making can be learned through experience, observation of others (both "good" and "bad"). Mentors are quite helpful.
Change management and flexibility	Manage change with minimum disruption; being a positive change agent. Being flexible and assisting others within the organization to be the same.	Sponsoring and leading significant projects in a CA firm; read financial press; courses with practical application (to be immediately applied to the job); observing others.
Self awareness and insight	To be able to see one's own faults or mistakes and take responsibility for them. To assist others to do the same without doing so in a patronizing manner or with harsh criticism/blame.	Experience or courses with 360 degree feedback, testing, working with a mentor, observing others, and learning from it, continuous self-teaching and learning.
Persistence	Having the courage and resilience to persist in the face of adversity. Being passionate about one's work enables persistence.	To some extent, this is innate, but it can be developed through working hard at school and thereafter, planning, and help from mentors, ACCA, CIMA, CA, CFA, etc. and experience, on the job training. Never give up.

Competencies for the Strategist Role

<p>Strategist role: The Strategist is a director, focused on defining the future of the company to enhance business performance and shareholder value. The Strategist's perspective on innovation and profitable growth, leverages this perspective to improve risk-awareness, strategic decision-making and performance management into the expectations of the capital markets into internal business imperatives. This role is oriented toward long-term, strategic issues, and is outwardly directed.</p>		
Competency	Description:	How to Develop (from those who...)
Goal setting / visioning	The ability to develop visions that prompt buy-in from a wide range of organizational stakeholders. As well, the ability to align finance Function's priorities with business strategy and organizational goals. Being a forward thinker.	University and MBA; experience by trial and error; serving on committees dealing with vexing issues; in setting personal goals for oneself, ensuring one's goals align with the team and company; observation.
Strategic risk management	Understanding the "big picture," that is, how the environment could impact the organization both negatively and positively. Understanding how internal and external factors can interact to create or reduce risk.	University; experience from auditing, deal-making; observation; personal research; strong mental models.
Strategic thinking and decision-making	The ability to take a holistic and futuristic perspective of the organization that recognizes the synergies and interdependencies between the different parts. This perspective is leveraged in the use of information to create strategies that enable growth. This ability uses innovation and creativity, and often involves thinking "outside the box".	Academic foundation built upon with experience; exposure to senior executives and board; studying the work of mentors; observation; practice.
Performance management integration	Performance management integration is a holistic approach that spans all the processes and technologies related to performance management, and consists of the integration of reporting and performance measurement, budget planning and forecasting, and organizational alignment. This includes the elimination or reduction of "non-value-added" activities, measuring financial performance, establishing efficiency metrics, measuring non-financial performance and measuring customer satisfaction.	Observation of and experience with implementation of performance systems and processes, as well as meeting with the board; post-performance feedback; formal reviews, etc., but critical determination of milestones and the alignment of goals across the organization.
Critical thinking	The ability to make assertions based on sound logic and evidence. This consists of being able to distinguish between fact and opinion, ask questions, make detailed observations, and uncover assumptions. Make sound conclusions based on appropriate information.	University and ACCA, CIMA, CA, CFA, MSc; experience; watching senior management; adopting a questioning attitude, curiosity, and skepticism; solutions; trial and error; start practicing this early.
Managing ambiguity	The ability to deal effectively with uncertain situations. This requires the ability to control one's anxiety levels so that a level of clarity in thinking is maintained in order that an accurate evaluation of the situation can be ascertained and an effective response made.	Keep an open mind and practice being comfortable with situations in which there is "no right answer"; experience with complex functions or organizations; mentoring; as a mentor; observation; reading.
Dedication to continuous improvement	Having a desire to learn and to never be satisfied with current knowledge. Being inquisitive; taking every opportunity to learn new things and continually working on self-improvement. Self-motivated.	University should instill this; job experience; setting high personal expectations, not being satisfied with the status quo; self-improvement seminars; developing a habit of self-criticism.
Advocate / ambassador for the organization	As the #2 person in the organization, the Cert. Fin. Officer (SA) must represent the organization to the outside world. This includes networking with shareholders, analysts, suppliers, customers, and the public at large. The Cert. Fin. Officer (SA) must have a keen sense of when and how to best portray both positive and negative information about the organization.	Experience; mentors; volunteering to speak at industry investor forums, in front of clients, Chambers of Commerce; what you are doing; observing great corporate leaders.