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Leading recovery: the evolving role of senior finance leaders in the public sector

Senior finance leaders in the public sector have a critical role in enabling their organisations to tackle the challenges societies face.

The pandemic highlighted how the public sector was able to respond rapidly and adapt during a crisis. Now, as governments recover from the last two years in the face of challenging economic circumstances, strong leadership from finance professionals in the public sector has never been more important.



Responding to the pandemic

The Covid-19 pandemic presented a unique challenge for the public sector, as senior finance leaders had to react rapidly to enable their organisations to support governments' dual aims of saving lives and protecting livelihoods.

The public sector's response across different countries featured similar themes:

- Increased spending
- Streamlined decision making processes
- Better integration of the finance function in decision making.

'Before the pandemic, my team were an afterthought, not integrated into [the] policymaking process, not brought in often or upfront early enough into things that impact on budget.' **Central government participant**

During the pandemic the profile and influence of senior finance leaders and the finance function in the public sector rose. Senior finance leaders are eager to ensure that positive changes made in their organisations during the pandemic are retained and built upon.

Learning the lessons

Reflecting on their experiences since 2020, senior finance leaders identified three broad areas where lessons can be learned from the pandemic, each with specific recommendations for senior finance leaders (shown in Figure 1 below).

'We had to adapt, I think, in terms of partnership. You know, all of the barriers between our organisations and the reasons we can't do things – suddenly we had to do things.' **Health sector participant**

The pandemic has been a difficult period, but it demonstrated the public sector's ability to adapt to change. To enable governments to respond effectively to future challenges, senior finance leaders need to build on these lessons as the public sector evolves.

Leading recovery: the challenges ahead

While the circumstances of the pandemic were exceptional, the public sector faces a legacy of challenges which have built up since 2020, as well as new and emerging risks. In our roundtables, finance leaders identified three major areas where the public sector faces difficulties in the years ahead:

- Recruiting and retaining finance professionals
- Preparing for reducing budgets for public services
- Adapting to wider societal change, such as climate change, digitalisation and automation.

'[There] is a challenge about short term against long term... how do we make sure we are keeping our eyes on the long-term policy goals that we're trying to deliver and make sure as finance leaders we're helping make that stuff happen?' **Central government participant**

Senior finance leaders will need to be innovative and creative as they navigate the challenges faced by public sector organisations. Responding to these difficulties, senior finance leaders must build sustainable organisations, fit for the future.

The evolving role: an 'ABCD' of skills for future senior finance leaders

Professional accountants are well-equipped to provide the leadership that public sector organisations need as they learn the lessons of the pandemic and look ahead to the challenges in the years ahead. Their technical knowledge, commitment to ethical standards of integrity and trust, as well as their wider perspective, developed through a professional qualification and continuing professional development, will enable the public sector to respond effectively to the ways in which society is changing.

For finance professionals to develop into the finance leaders of the future, they need to build on the solid foundations of a professional accountancy qualification to focus on an 'ABCD' of skills:

- Adaptability
- Business sense
- Communication
- Determination



'We really need to reinvent how we show up in the world as finance professionals and what we have to offer. So it's a challenge but it's also a very exciting opportunity for us to really step outside of our comfort zone, think creatively, think outside the box... you're able to tell your staff that the job they are applying for in accounting and finance is actually a creative job.' **Government agency participant**

By broadening their outlook in this way, senior finance leaders can ensure that they are at the heart of public sector organisations, enabling them to deliver effective public services for the future.

FIGURE 1: Key lessons for senior finance leaders to focus on, emerging from the pandemic

