

## Introduction

This document is the professional competency framework for the government corporate finance profession (GCFP).

This professional framework should be used in conjunction with the Civil Service Competency Framework and other Civil Service professional frameworks where appropriate.

## Who is this framework for?

The framework is for all staff working in government corporate finance.

## How to use the Framework

The Framework is aimed at a number of different groups of people, including staff working in government corporate finance areas, their line managers, departmental Heads of Profession and departmental Human Resources. The framework, along with the Civil Service Competency Framework, is designed to be used for a number of different purposes, including:

- **Describing job roles.** The framework is intended to help departments align roles which require corporate finance skills and knowledge with business requirements. It is not expected that any one role will require an individual to have the same level of expertise in every professional competency, for example, a role may require an individual to have an 'Affiliate' level for some skills areas but a 'Practitioner' level for others. Similarly, not every role will require all the competencies included in the framework.
- **Recruitment and selection.** The competencies in the framework will support the recruitment and selection of applicants to corporate finance roles.
- **Supporting career development planning.** Using the framework will support individuals in the government corporate finance profession to plan their future development by identifying what skills and knowledge they need to develop their careers. Line managers can use the framework to support their assessment of jobholders in their roles. The framework could also be used by jobholders and Line Managers in the development of any learning and development plans.
- **Creating a team.** The framework could be used, together with the Civil Service Competency Framework and other relevant professional frameworks, in the development of roles in a new team or the restructuring of roles in an existing team.

## GCFP Competency Framework

There are six skills and knowledge areas in the government corporate finance profession framework. These are:

1. Financial analysis and strategy
2. Debt and / or equity capital markets
3. Valuation
4. Corporate governance and regulation
5. Project financing
6. Management of transactions

The GCFP skills and knowledge framework outlines the technical topics covered by each of these areas. The GCFP competency framework is based on these skills and knowledge areas and the GCFP membership structure.

## Government Corporate Finance Profession Competency Framework

|    | Competency                                | Technical Topics covered by Competency   | Affiliate Level  | Practitioner Level   | Expert Level  |
|----|---|--|--|--|---|
| 1. | <b>Financial Analysis and Strategy</b>    | <ul style="list-style-type: none"> <li>a) financial statements layout, structure and interpretation</li> <li>b) accounting standards</li> <li>c) financial statements analysis and ratios</li> <li>d) group and company accounts and intra-group accounting</li> <li>e) transaction accounting</li> <li>f) applying judgment to financial accounts</li> <li>g) strategic reviews and options analysis, including financing and entity status</li> <li>h) strategic planning and budgeting</li> <li>i) key features of government accounting and budgeting (Consolidated Budgeting Guidance) and principal differences compared with the private sector.</li> </ul> | <ul style="list-style-type: none"> <li>• Demonstrates an awareness of Financial Analysis and Strategy.</li> </ul>    | <ul style="list-style-type: none"> <li>• Demonstrates ability to:                             <ul style="list-style-type: none"> <li>a) undertake Financial Analysis and Strategy work at an advanced level</li> <li>b) deliver projects and provide guidance, advice and review on Financial Analysis and Strategy to others.</li> </ul> </li> <li>• The practitioner level builds on the skills and knowledge for this competency at Affiliate level.</li> </ul> | <ul style="list-style-type: none"> <li>• Demonstrates:                             <ul style="list-style-type: none"> <li>a) deep expertise of Financial Analysis and Strategy</li> <li>b) significant experience of leading projects requiring Financial Analysis and Strategy expertise.</li> </ul> </li> </ul>       |
| 2. | <b>Debt and/or Equity capital markets</b> | <ul style="list-style-type: none"> <li>a) debt, equity and hybrid and derivative products</li> <li>b) debt pricing, restructuring and covenant monitoring, including supporting financial models</li> <li>c) applicability and suitability of products in practice</li> <li>d) sources of capital (quoted markets, unquoted sources) in a private sector context</li> <li>e) sources of capital and constraints in a Government context</li> </ul>   | <ul style="list-style-type: none"> <li>• Demonstrates an awareness of debt and/or equity capital markets.</li> </ul> | <ul style="list-style-type: none"> <li>• Demonstrates ability to:                             <ul style="list-style-type: none"> <li>a) undertake debt and/or equity capital markets work at an advanced level</li> <li>b) deliver projects and provide guidance, advice and review on debt and/or equity capital markets to others.</li> </ul> </li> <li>• The practitioner level builds</li> </ul>   | <ul style="list-style-type: none"> <li>• Demonstrates:                             <ul style="list-style-type: none"> <li>a) deep expertise of debt and/or equity capital markets</li> <li>b) significant experience of leading projects requiring debt and/or equity capital markets expertise.</li> </ul> </li> </ul> |

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|    | Competency                                 | Technical Topics covered by Competency  | Affiliate Level   | Practitioner Level   | Expert Level  |
|----|--|---|---|--|---|
|    |  | <ul style="list-style-type: none"> <li>f) capital structure analysis</li> <li>g) golden shares and minority rights</li> <li>h) special situations.</li> </ul>   |   | <p>on the skills and knowledge of this competency at Affiliate level.</p>  |   |
| 3. | <b>Valuation</b>                           | <ul style="list-style-type: none"> <li>a) valuation techniques, including supporting financial models, both for purpose of steady state portfolio monitoring, and assessment of disposal and other transaction options, including:                             <ul style="list-style-type: none"> <li>i. ratio based methodologies</li> <li>ii. asset based methodologies</li> <li>iii. cost of capital analysis</li> <li>iv. cashflow and dividend methodologies</li> </ul> </li> <li>b) valuation of cyclical and distressed assets and special situations</li> <li>c) valuation of financial institutions</li> <li>d) valuing unusual or unique assets.</li> </ul> | <ul style="list-style-type: none"> <li>• Demonstrates an awareness of valuation.</li> </ul>                           | <ul style="list-style-type: none"> <li>• Demonstrates ability to:                             <ul style="list-style-type: none"> <li>a) Undertake valuation work at an advanced level</li> <li>b) deliver projects and provide guidance, advice and review on valuation to others.</li> </ul> </li> <li>• The practitioner level builds on the skills and knowledge for this competency at Affiliate level.</li> </ul> | <ul style="list-style-type: none"> <li>• Demonstrates:                             <ul style="list-style-type: none"> <li>a) deep expertise of valuation</li> <li>b) significant experience of leading projects requiring valuation expertise.</li> </ul> </li> </ul>   |
| 4. | <b>Corporate Governance and Regulation</b> | <ul style="list-style-type: none"> <li>a) corporate governance best practice (UK Corporate Governance Code)</li> <li>b) the range of government commercial models and entities</li> <li>c) key features of Managing Public Money</li> <li>d) governance structures in a government context (for example, delegations, accounting officer role, advisory boards and bespoke</li> </ul>   | <ul style="list-style-type: none"> <li>• Demonstrates an awareness of corporate governance and regulation.</li> </ul> | <ul style="list-style-type: none"> <li>• Demonstrates ability to:                             <ul style="list-style-type: none"> <li>a) undertake corporate governance and regulation at an advanced level</li> <li>b) deliver projects and provide guidance, advice and review on corporate governance and regulation to</li> </ul> </li> </ul>   | <ul style="list-style-type: none"> <li>• Demonstrates:                             <ul style="list-style-type: none"> <li>a) deep expertise of corporate governance and regulation</li> <li>b) significant experience of leading projects requiring corporate governance and regulation expertise.</li> </ul> </li> </ul> |

**Government Corporate Finance Profession Competency Framework**

|    | <b>Competency</b>                | <b>Technical Topics covered by Competency</b>   | <b>Affiliate Level</b>  | <b>Practitioner Level</b>   | <b>Expert Level</b>   |
|----|----------------------------------|---|---|---|---|
|    |                                  | arrangements)<br>e) the role and responsibilities of the Board (including performing NED role in ex officio capacity at Expert level)<br>f) board effectiveness and accountability<br>g) board and executive recruitment and remuneration<br>h) company ethics, money laundering, market abuse, company law<br>i) shareholder relationships<br>j) strategic, operational and financial risk management<br>k) financial services regulation<br>l) state aid. |   | others.<br><ul style="list-style-type: none"> <li>The practitioner level builds on the skills and knowledge for this competency at Affiliate level.</li> </ul>  |   |
| 5. | <b>Project Financing</b>         | a) project financing, including: financing structure; credit analysis; financial analysis and projections; returns analysis; risks and mitigants (and supporting financial models)<br>b) design and review of project financing arrangements<br>c) execution including negotiation<br>d) project finance documentation.   | <ul style="list-style-type: none"> <li>Demonstrates an awareness of project financing.</li> </ul> | <ul style="list-style-type: none"> <li>Demonstrates ability to:                             <ol style="list-style-type: none"> <li>undertake project financing at an advanced level</li> <li>deliver projects and provide guidance, advice and review on project financing to others.</li> </ol> </li> <li>The practitioner level builds on the skills and knowledge for this competency at Affiliate level.</li> </ul> | <ul style="list-style-type: none"> <li>Demonstrates:                             <ol style="list-style-type: none"> <li>deep expertise of project financing</li> <li>significant experience of leading projects requiring project financing expertise.</li> </ol> </li> </ul> |
| 6. | <b>Management of Transaction</b> | a) range of potential transactions, including: acquisitions and mergers; disposals (businesses, assets, land);  | <ul style="list-style-type: none"> <li>Demonstrates an awareness of management of</li> </ul>      | <ul style="list-style-type: none"> <li>Demonstrates ability to:                             <ol style="list-style-type: none"> <li>undertake management of transactions at an</li> </ol> </li> </ul>  | <ul style="list-style-type: none"> <li>Demonstrates:                             <ol style="list-style-type: none"> <li>deep expertise of managing transactions</li> </ol> </li> </ul>  |

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| Competency | Technical Topics covered by Competency   | Affiliate Level      | Practitioner Level   | Expert Level  |
|------------|--|----------------------|--|---|
|            | <p>initial public offerings; strategic equity placements / cornerstone; corporate restructuring and distressed situations; joint ventures; and equity, debt and capital raising.</p> <p>b) options analysis, supporting financial models, transaction design, and planning and execution (including managing multiple transaction paths)</p> <p>c) composition and roles of advisory teams (including financial advisers, lawyers, reporting accountants, valuers etc.)</p> <p>d) procurement life-cycle, including management of advisers</p> <p>e) the Five Case Model ('HMT Green Book') including practical application.</p> | <p>transactions.</p> | <p>advanced level</p> <p>b) manage transactions and provide guidance, advice and review on management of transactions to others.</p> <ul style="list-style-type: none"> <li>• The practitioner level builds on the skills and knowledge for this competency at Affiliate level.</li> </ul> | <p>b) significant experience of managing large and / or complex transactions.</p> |