Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

35th SESSION
24 - 26 October 2018
Room XVII, Palais des Nations, Geneva

Friday, 26 October 2018
Morning Session

Agenda item 4.
Issues of practical implementation of international standards of accounting and reporting in the public and private sectors

Presented by

Barbara Pabersath
INTOSAI General Secretariat and
the Austrian Court of Audit

This material has been reproduced in the language and form as it was provided. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
Issues of practical implementation of IPSAS

UNCTAD Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, 35th session

Barbara Pabersath, Austrian Court of Audit (ACA), INTOSAI
Implementation in Austria

- traditionally cash basis accounting – invented 250 years ago
- 2013: change from cash basis accounting to accrual accounting
- rules and regulations for the accrual accounting are embedded in the national accounting law
- high accordance with IPSAS at the central level
  the change for local level is scheduled for 2020
Challenges in the Implementation

- biggest challenging parts where the national accounting law does not coincide with IPSAS:
  - consolidation (state level and local level)
  - pension liabilities
  - restatements
  - recognition of assets in respect of taxes
- ‘frozen’ national accounting law
Lessons Learnt

- accrual accounting provides more information and can be well used as decision support
- close cooperation with a mutual understanding of the overarching goal: manage processes rather than payments
- for an integrative overview: accrual budgeting
- staff and quality control in all processes: capacity building is needed in all areas
- one integral part of a successful implementation: Audit
- the implementation is rather a marathon than a sprint
Audit related Issues

- missing or inadequate processes
- various records of transactions when there is no appropriate legal regulation
- main problem: due to the lasting cash based accounting tradition no economical assignment but cash based assignment
Many thanks for your attention!