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

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Morning Session

Follow-up on the Accounting Development Tool (ADT)

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International
Federation
of Accountants

Introduction to IPSASs

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Scenario - Why government accounting is important

	Gross debt to GDP	Total liabilities to GDP	Net worth to GDP
UK	61%	164%	-81%
NZ	49%	88%	29%

Government Accounting is Important

- Contribute significantly to GDP
- Collect taxes
- Fund activities that contribute to quality of life
 - Health
 - Education
 - Public safety
 - National security

Accountability Now!



- Encourage governmental transparency and accountability
- Advocate adoption, implementation of high quality, accrual-based accounting standards
- Build awareness and drive change

Accrual Accounting Produces High-Quality Financial Information

- Enhances transparency and accountability
- Supports better government decision making
- Helps governments understand what they owe now and what they will owe later, so they consider the long-term impact of political decisions
- Enhances stewardship of citizens' tax payments
- Reduces risk of financial reporting fraud
- Provides credit rating agencies, investors, banks, aid agencies, and other users with reliable data
- Correlates with lower cost of debt

IPSASB has created a full suite of standards

- 32 Standards approved (accrual basis) covering all main areas of government activity, 1 cash basis standard
- Substantial convergence at December 31, 2009 with IFRSs at December 31, 2008
 - All relevant IFRS converged
 - 2009 IFRS improvements incorporated at 1 January 2011
- Standards include sector specific standards
 - Disclosure of Information about the GGS (Financial Statistics)
 - Revenues from Non-Exchange Transactions (Transfers and Taxes)
 - Presentation of Budget Information
 - Service Concession Arrangements: Grantor

IPSASB has created a full suite of standards

- Adoption and implementation guidance
 - Study 14
 - Practically oriented («How to do it») and Including hints for project management
 - Current project: First time adoption
 - ED providing relief published – IPSAS expected December 2014
 - **Introduction to IPSASs training materials**

Introduction to IPSASs Training

- Tailored –based on needs and time restrictions - 2 to 5 days
- Targeted to professional accountants and auditors involved in the first-time implementation of accrual IPSASs - technical
- Emphasis on most significant issues when transitioning to IPSASs for the first time (e.g., non-exchange revenues, liabilities, reporting entity, and asset impairment).

Introduction to IPSASs Training

The training package includes:

- Classroom instruction;
- Group exercises and IPSAS-focused case studies;
- Printed materials include PowerPoint presentations, course notes, and review questions; and
- Analysis and discussion of implementation challenges.

Introduction to IPSASs Training

- Introduction
- Assets and liabilities
- Revenues
- Consolidation
- Financial instruments
- Presentation
- Developing an opening balance sheet

Introduction to IPSASs Training

- Test run in Jamaica – well received
- Changes made based on feedback
- Will be updated annually to reflect new IPSASs
- Available immediately

Momentum in Adoption

- Increase in adoption and implementation
 - Over 40 Countries apply Accrual IPSAS; including South Africa, New Zealand, Switzerland, Russia, Israel, Slovakia, Brazil, Indonesia
 - Some apply it directly (e.g. Switzerland, Austria, Estonia, Lithuania, Chile)
 - Some others indirectly through National Standards (e.g. South Africa, Brazil, Indonesia, Malaysia, Spain, New Zealand)
 - Entire UN System, OECD, NATO, Interpol and EC
 - Eurostat: IPSAS indisputable reference for a EU framework



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