

**UNCTAD-Intergovernmental Working Group of Experts on
International Standards of Accounting and Reporting**

Workshop on practical implementation of IPSAS

Tuesday, 31 October 2017
Room XVII, Palais des Nations, Geneva
Afternoon Session

Presentation

Presented by

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IPSAS Implementation

Think Ahead

ACCA



Maggie McGhee

Drivers of change – 8 themes

Economy

**Politics
and law**

Society

**Business of
government**

**Science and
technology**

**Environment,
energy and
resources**

**The practice of
accounting**

**The
accountancy
profession in
the public
sector**

RANK	GLOBAL DRIVERS	THEME
1	The level of economic growth	Economy
2	Quality and availability of the global talent pool	Business of Government
3	Business leader responsiveness to change and disruption	Business of Government
4	Use of Public Private Programmes (PPPs)	Business of Government
5	Big data: the development and exploitation of large organisational databases, data mining and predictive analytics	Science and technology
6	Non-financial information and integrated reporting	The accountancy profession
7	Stability of the global economic infrastructure	Economy
8	Cyber security challenges for government	Science and technology
9	Stability of national revenue bases	Economy
10	Spread of diversity in society and the workplace	Society

Format of workshop

The workshop was structured around 4 key areas:

What are the key internal challenges in your country in implementing IPSAS?

What are the key external challenges in your country in implementing IPSAS?

How will your country benefit from the implementation of IPSAS?

What are the cost implications for implementing IPSAS in your country?

Benefits of IPSAS adoption

- **Greater accountability and transparency**
- **Better decision making**
- **Improved efficiency**
- **Data consistency and application**
- **Sound financial management**
- **Professionalization and access to talent**
- **Broader economic and social advantages**
- **Government stability**
- **International comparability**



A roadmap to adoption

- **Stakeholder engagement**
- **Structural and legal foundations**
- **Transformation and change management**
- **Skills capacity**
- **Costs**
- **Technology and infrastructure**
- **Implementation approach**
- **External support**

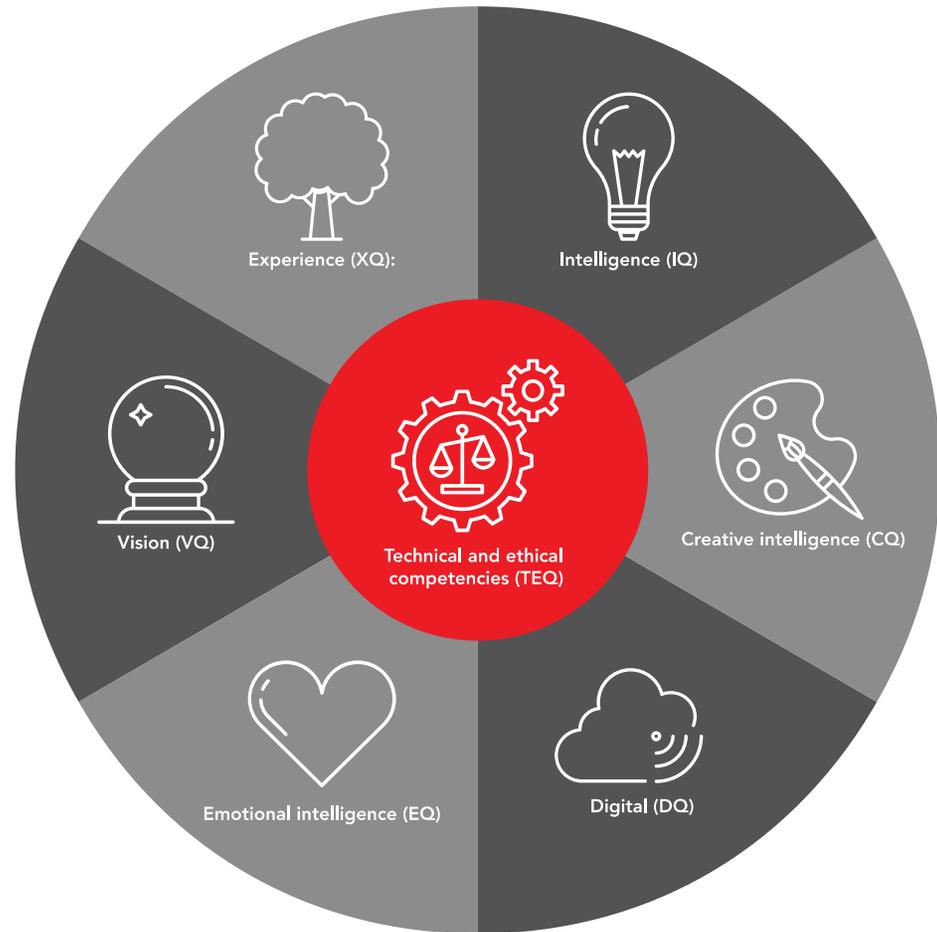


Skills required by the public professional accountant

- Strong **technical** and **professional** skills
- Professional **judgement**
- **Communications**
- **Leadership** and management skills
- **Vision**



Professional quotients for success



Overview of practice

COUNTRY	ADOPTION STATUS	UPDATE	PROPOSED IMPLEMENTATION DATE
 Ghana	Partially adopted	Ghana announced in 2014 that the country would implement accrual basis IPSAS from 2016, with full roll-out expected to take five years.	2016 to 2021
 Nigeria	Partially adopted	Nigeria began IPSAS implementation in 2016. Each of Nigeria's 36 independent states will determine its own implementation period.	2016
 South Africa	Partially adopted	Completed at local government level in 2009 using Generally Recognised Accounting Practice (GRAP). National and provincial public entities report on modified cash basis using either adopted IFRS or GRAP.	2009
 Tanzania	Completed	Tanzania adopted accrual IPSAS at all levels of government.	2013
 Zambia	In progress	Zambia adopted cash basis IPSAS in 2016 and is committed to adopting full accrual IPSAS in 2020.	2016 to 2020
 Zimbabwe	Planned	Zimbabwe has announced it will adopt accrual basis IPSAS by 2021. Central government and local authorities are currently using cash accounting.	2021

Overview of practice

COUNTRY	ADOPTION STATUS	UPDATE	PROPOSED IMPLEMENTATION DATE
 Abu Dhabi	In progress	Abu Dhabi is committed to adopting accrual basis IPSAS, but currently uses cash basis IPSAS.	Not announced
 Bangladesh	In progress	Bangladesh applies a cash basis of accounting based on IPSAS.	Not announced
 India	Not Started	India applies a mixture of cash and accrual based accounting.	Not announced
 Indonesia	Adopted	Indonesia has adopted IPSAS type standards, but central and local government accounts are currently prepared on a modified cash and partial accrual basis.	2015
 Jordan	Adopted	Jordan adopted IPSAS in 2015. But not all the standards are complied with and full implementation has not been achieved.	2016
 Malaysia	Adopted	Malaysia implemented accrual standards based on IPSAS in 2015 for the federal government and in 2016 for state governments.	2015/16
 Nepal	Partial	Nepal has adopted cash basis based IPSAS for its 16 government ministries. No announcement has been made regarding accrual basis IPSAS.	Not announced
 Pakistan	In progress	Pakistan has adopted cash basis IPSAS type standards as its reporting framework for central government. Disclosures around contingencies and accruals are not included.	Not announced
 Sri Lanka	In progress	Sri Lanka has adopted 10 IPSAS standards into its IPSAS type standards. It announced in 2006 that 21 IPSAS standards would be adopted by 2012, but this has not been completed.	2012, but not completed
 Vietnam	In progress	Vietnam is in the initial assessment stages of adopting IPSAS type standards. A revised Accounting Law came into effect in January 2017 mandating the adoption of accrual based standards.	2020

Overview of practice

COUNTRY	ADOPTION STATUS	UPDATE	PROPOSED IMPLEMENTATION DATE
 Barbados	Adopted	Barbados adopted IPSAS in 2010 and is pursuing further government reforms.	2010
 Guatemala	In progress	Guatemala began using accrual accounting for public accounts in 1997 and began adopting IPSAS in 2005.	2005 to 2015
 Jamaica	In progress	Jamaica uses modified cash accounting standards across central government.	2021
 Mexico	None	Mexico uses modified accrual standards for its public sector accounts and has no plans to adopt IPSAS.	None

Overview of practice

COUNTRY	ADOPTION STATUS	UPDATE	PROPOSED IMPLEMENTATION DATE
 Estonia	Fully adopted	Estonia adopted IPSAS type standards in 2004.	2004
 Latvia	In progress	Latvia has adopted accrual accounting, but some standards need to be assessed and a project plan developed for full compliance.	2019
 Lithuania	Fully adopted	Lithuania adopted IPSAS type standards in full for the entire country.	2014
 Malta	In progress	Malta is committed to adopting IPSAS in 2019. Malta currently uses a modified accrual accounting basis defined as cash accounting supplemented with accrual disclosures.	2019

Overview of practice

COUNTRY	ADOPTION STATUS	UPDATE	PROPOSED IMPLEMENTATION DATE
 Argentina	None	Argentina uses government-set standards that do not comply with IPSAS.	None
 Brazil	In progress	Brazil aims to adopt IPSAS by 2020. It currently applies modified accrual basis standards.	2020
 Chile	In progress	Chile intends to fully adopt accrual accounting based on IPSAS by 2019. It currently applies modified accrual basis standards.	2019
 Colombia	In progress	Colombia adopted accrual accounting for its public sector accounts in 2007. It has agreed to implement full IPSAS in 2017.	2017
 Peru	In progress	Peru began adopting IPSAS in 2006, but was initially unable to complete the process. It adopted IPSAS in 2016.	2016

Questions?

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