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

**39th SESSION
1 – 3 November 2022**

Thursday, 3 November 2022

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

Presented by

Claudia Beier
Board Member, International Public Sector
Accounting Standards Board

*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.*

PATHWAYS TO ACCRUAL: KEY FEATURES AND INSIGHTS

Claudia Beier
IPSASB Member

UNCTAD – ISAR 39
Geneva
3rd November 2022

Supporting Stronger PFM and Accountability Capabilities

Pathways to Accrual

- New digital platform providing practical guidance and resources covering:
 - ✓ Overview of wider reform contexts – *PFM and Good Governance as templates*
 - ✓ Variety of pathways for accrual transition
 - ✓ Main accrual implementation tasks
 - ✓ Guidance on building capacity
- Launched Feb 28, 2022 - <https://pathways.ifac.org/standards/pathways/2021>



Pathways to Accrual

A TRAINING FRAMEWORK

Introduction

1. The migration to IPSAS represents a fundamental change in the way in which public sector entities will report their financial performance and financial position. There are three groups of people who will be affected by this change:
 - (a) Accountants and other finance staff;
 - (b) Those who input data to the system or provide other information as part of the reporting process; and
 - (c) Those who receive and use the financial reports.

Each group has different a different role and, therefore, different training requirements, although all groups are likely to need IT training.

Accountants and Finance Staff

 2. Not all of the skills and competencies required of someone working in a public sector finance function can be learned through a professional qualification. Public sector finance staff (not just the qualified or trainee accountants) need focused training that:
 - (a) Considers the extent to which the current syllabi offered by any public sector training institutes are relevant to what actually happens (or should happen) in the public sector and recommendations made for any necessary changes;
 - (b) Ensures that ethics, corporate governance and finance for non-finance managers (at an appropriate level) are covered;
 - (c) Considers links between any government accounting courses and what some of the officials might have learned in tertiary education and so whether there is scope for an exemptions policy;
 - (d) Covers IT training;
 - (e) Factors in any separate training requirements for middle managers and for the senior public service;
 - (f) Envisages how other stakeholders can play a key role in developing this training capacity and how to capacitate those stakeholders if necessary; and
 - (g) Thinks about the differing as well as the identical needs of finance staff, external audit (perhaps both from the Office of the Auditor General and the private sector firms) and internal audit.
 3. The program oversight management team could usefully also consider:
 - (a) How e-based learning can be used, particularly in thinking about ways in which to ensure that issues and solutions arising from the work with any pilot cadre can be shared with all other entities during the migration phase and thereafter as new issues arise; and
 - (b) The needs of internal and external auditors, who might be expected to play a key role in ensuring that the existing issues are resolved, in considering processes and procedures instructions, and in reviewing progress against key delivery milestones.

Training for Data Inputters and Providers of Information

 4. Experts such as engineers, surveyors, HR managers, actuaries, lawyers, procurement experts, and taxation experts need to be involved in developing the relevant areas of accounting guidance. It is

IFAC
Building Capacity – Planning the Reform – Meeting Training Needs

Definitions Resources

Resources are non-authoritative and should not be used in place of the standard.

GENERAL

Links

[2021 HANDBOOK OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING PRONOUNCEMENTS](#)

SPECIFIC

PDFs

- Accrual accounting is for the public sector too: A perspective for Arab central governments
3.71 mb
- High-Level Guide on Benefits of Public Sector Accrual Accounting
355.31 kb
- Implementing Accrual Accounting in the Public Sector
474.19 kb

IPSAS 33, First-time Adoption



- Transparent reporting - entity first-time reporting accrual basis IPSAS
- Transition starting point for entity can be:
 - Cash basis
 - Accrual basis under another reporting framework
 - Modified version of either cash or accrual
- IPSAS 33 should be applied at the end of transition program
 - Transition plan needed to guide reform project, including timing of IPSAS 33 implementation
- IPSAS 33 is a ‘one-stop shop’ – everything all in one place to help with final stage of transition to accrual

Swiss Experience



- Implementation of accrual based IPSAS
 - 2007: by the Federal Government
 - 2009: by the Canton of Zurich
- IPSAS is basis for uniform accrual accounting principles for budgeting/ planning and financial reporting
- Standardized Chart of accounts are linked to GFS
- Positive effects
 - of identification of fiscal risks
 - Increased transparency
 - Significant improvement of reliability and comparability
- Training is important