

# International Federation of Accountants

## International Public Sector Accounting Standards Board (IPSASB)

**Transparency and accountability  
through the use of IPSAS**

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## **IPSASB has created a full suite of standards – which are applied world wide and help ...**

- 31 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 will be 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

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## **Adoption and implementation of Accrual Basis IPSAS adds value**

- Direct value added of fair presentation under IPSAS:
  - Transparency and Accountability: Governments are accountable to citizens, but increasingly also to other stakeholders, like the economy
  - Decision making: Is dramatically improved especially in areas with capital expenditure, e.g. government interventions (loans, asset purchase, nationalization).
- **Both are key areas for rapidly developing countries**

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## **Adoption and implementation of Accrual Basis IPSAS adds value**

- There is significant positive correlation between Accounting and PFM performance in general (VANY, 2010)
- Key impacts of good Accounting are according to Vany:
  - Sound Medium Term Expenditure Frameworks
  - Solid Cash & Debt Management, as well as Commitment Control
  - Reliable basis for Audit
- **Accounting is key for sound financial management**

# Questions and Discussion



- Visit our webpage <http://www.ifac.org/PublicSector/>
- Or contact us by e-mail

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