

International Federation of Accountants

International Public Sector
Accounting Standards Board

Andreas Bergmann, IPSASB Chair

IPSASB Update

OECD

March 2010



IPSAS Status December 2009

- 31 Standards approved (accrual basis) covering all main areas of government activity
- Substantial convergence at December 31, 2009 with IFRSs at December 31, 2008
 - All relevant IFRS converged, except Business Combinations (due for Board approval April 2010)
- Standards include sector specific standards
 - Disclosure of Information about the GGS (Financial Statistics)
 - Revenues from Non-Exchange Transactions
 - Presentation of Budget Information

Converge with IFRSs

- Approved by December 31, 2009 for substantially all IFRSs as of December 31, 2008
- IPSASs finalized:
 - Financial instruments (3 IPSASs)
 - Intangible assets
 - Agriculture
 - Improvements
- Continued liaison with IASB

IPSAS Status December 2009

- Conceptual Framework

- Increased focus of IASB to capital markets/investors only requires own framework
- Initially intended to be developed in parallel with IASB, with strong support from NSS
 - Group 1: Objectives, scope, qualitative characteristics, entity
 - Group 2: Elements of Financial Reports
 - Group 3: Measurement
 - Group 4: Presentation, Cash Basis

Goal: Completion by end 2012

IPSAS Status December 2009

- Sector specific projects
 - PPP/Service concessions: ED to be issued soon
 - Long term sustainability of public finances: comment period for consultation paper until mid 2010
 - Performance reporting: early stages

IPSASB/IMF Government Reporting Initiative

Objectives – to learn and be informed:

- How are governments accounting for and reporting assets, obligations, and commitments acquired as a result of their interventions?
- How well do existing accounting standards report the variety of government actions?
- Compare the reporting and valuation approaches

IPSASB's Environment

- Global financial crisis – unprecedented interventions; potential shift to government sector?
 - Most interventions should be recognized or disclosed, but they aren't in all countries
 - Governments may also be the main issue themselves, because of unsustainable levels of spending and/or debt
 - Some preliminary evidence that the crisis is better managed in countries with a sound financial reporting, probably also – but not exclusively! – due to financial reporting

IPSASB's Environment

- Momentum in adoption
 - About 30 countries are adopting accrual basis IPSAS; including France, South Africa, Switzerland, Russia, Israel, Slovakia, Brazil
 - Some adopt IPSAS directly (e.g. Switzerland, Slovakia)
 - Some adopt IPSAS through national standards (e.g. South Africa, Brazil)
 - Also sub-national governments are adopting IPSAS when the decentralized structure allows them to move independently – e.g. Prefecture of Tokyo, State of Hesse, State of Zurich
 - Entire UN system, OECD, NATO, Interpol and EC

Long Term Vision

If we are thinking beyond what we can achieve with current resources

Vision:

- Keep pace with IASB
- Eliminate all unnecessary gaps with GFS
- Speed up projects in public sector specific areas
- More countries adopting - in a perfect world all!

IPSASB Strategic Themes 2010-2012

Developing a **conceptual framework** for the public sector

Public sector critical projects (public sector specific, IFRSs convergence, maintenance)

Communications and promoting adoption & implementation