



International  
Federation  
of Accountants

# Harmonization of GFS/IPSAS Reporting

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# Session Overview

- Background
- Comparison between IPSASs and GFS
- Management of differences
- Opportunities to resolve differences:
  - IPSASB
  - Statistical community
- Next steps

# Background : Benefits from Using Same Data

- A single integrated information system (IPSAS statements, GFS reports)
- Reductions in GFS report preparation time, costs, and effort
- Improvements to:
  - Source data
  - Report quality, including timeliness
  - Report understandability and credibility

# Comparison of IPSASs and GFS

Both show:

- Financial, accrual based information
- Assets, liabilities, revenue and expenses
- Comprehensive information on cash flows

BUT:

- Some fundamental differences
- Some differences that can be addressed

# Comparison of IPSASs and GFS

## Differences:

- Objectives
- Reporting entity
- Recognition criteria - liabilities
- Revaluations and other value changes:
  - Value vs volume
  - Realised/unrealised gains/losses

# Management of Differences

- Allows single information system to be used
- Chart of Accounts designed to allow dual classification
- Choose accounting policies in light of GFS needs
- Additional data: Reduce to a minimum but some still needed

# Opportunities to reduce differences: IPSASB

## Consultation:

- Potential changes in standard-setting approach
- IPSAS 22 Options – revise, withdraw, replace
- Guidance on GFS – aligned IPSAS options
- Possible IPSAS developments

# IPSASs : Possible Developments

- Reporting entity definition
- Currency on issue (seignorage)
- Subscriptions to international organizations
- Inventory measurement
- Defense weapons — capitalization and classification
- Measurement (assets, liabilities, and net assets/equity)
- Financial statement presentation



# Opportunities: Statistical Community

- Use accounting data for GFS reporting as default
- Measurement (assets, liabilities, and net assets/equity)
- Other specific issues
  - Reporting on extractive industries
  - Subscriptions to international organizations
  - Treatment of costs related to intangibles assets

# Next steps

- Deadline for Consultation Paper comments:  
31 March 2013
- IPSASB will then:
  - Review responses
  - Make decisions on proposals for changes to IPSASs and other guidance
- IPSASB will continue to work with statistical community to eliminate unnecessary differences

# Questions and discussion



- Visit the webpage <http://www.ipsasb.org>
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