

Good Practices and Knowledge Products in PSA

Fin COP

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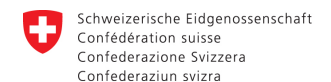


CFRR»
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Objective



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- To provide participants with a brief overview of readily available PSA materials.
- Recognize what is useful and what knowledge gaps need to be filled.
- Stimulate discussion on the type of knowledge products that participants would like to develop in FinCOP.

Content



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- PEMPAL – activities and achievements
- IFAC/GFSM/EPSAS/OECD Pronouncements and Publications
- Diagnostic Toolkits and Assessment Frameworks
- IMF Technical Notes
- Useful Blogs and Websites
- Good Practice Guides



TCOP: Public Sector Accounting Policies and Practices – Three Thematic Groups (a) [Accounting Standards in the Public Sector](#), (b) [Accounting of Public Assets](#) and (c) [Consolidation of Financial Reporting](#).

Knowledge Products	<ul style="list-style-type: none"> Financial Reporting Consolidation https://www.pempal.org/sites/pempal/files/financialreportingconsolidationguidanceeng.pdf TCOP Working Group on Assets Management: Summary Report https://www.pempal.org/sites/pempal/files/pempal_tcop_thematic_group_on_assets_accounting_-_summary_report_eng.pdf Integration of the Budget Classification and Chart of Accounts: Good practice among TCOP member countries https://www.pempal.org/sites/pempal/files/good_practice_design_of_coa_in_tcop_member-countries_eng.pdf
Video Conferences	Public Assets Accounting (2014), Financial Reporting Consolidation (2014), Accounting Standards (2015).
Workshops	Workshops – Thematic Group Meetings Skopje (2013), Podgorica (2014), Minsk (2016). (Minsk event included sessions providing peer advice on PSA reforms in Belarus).
Study Visits	UK (2013) and Austria (2015). (The main objective of the Austria visit (3 days) was to introduce to TCOP members the experiences of Austria in reforming the PFM system in general, and in particular in accrual budgeting, accrual accounting, IPSAS implementation, Austrian opening balance sheet and the federal financial statement).

IPSASB/GFSM Pronouncements and Publications



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IPSASB

<https://www.ipsasb.org>

- *Handbook of IPSAS Pronouncements – Volumes I and II 2017 Edition* International Public Sector Accounting Board (IPSAS) (2017)
- Exposure Drafts (most recent Financial Instruments (ED62) and Social Benefits (ED63))
- Consultation Papers – Financial Reporting for Heritage (2017)
- Webinars (on YouTube – most recent on ED62)
- Twitter @IPSASB_News

Government Financial Statistics

<http://www.imf.org/external/Pubs/FT/GFS/Manual/2014/gfsfinal.pdf>

- Government Financial Statistics Manual , 2014.

European Public Sector Accounting Standards



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<p>Main EPSAS Website</p> <p>https://www.epsas.eu/en/</p>	<ul style="list-style-type: none">• Background to the EPSAS Project• Eurostat sponsored reports (see below)• Links to EU Member States MOF Websites
<p><i>Overview and comparison of public accounting and auditing practices in the 27 EU Member States</i> Ernst and Young – Prepared for Eurostat (19 December 2012)</p> <p>http://ec.europa.eu/eurostat/documents/1015035/4261806/study-on-public-accounting-and-auditing-2012.pdf/5ad43e2b-2ba7-4b05-afab-d690fc2ad9dd</p>	<ul style="list-style-type: none">• Eurostat sponsored report.• Useful and fairly detailed summary of public accounting and auditing practices in EU Member States.• Questionnaire based approach (institutions and practitioners).
<p><i>Collection of information related to the potential impact, including costs, of implementing accrual accounting in the public sector and technical analysis of the suitability of individual IPSAS standards</i> PwC – Prepared for Eurostat (1 August 2014)</p>	<ul style="list-style-type: none">• Eurostat sponsored report.• Measured maturity of accounting standards and IT infrastructure.• Interviews, survey questionnaires and literature review.

Other Recent Studies



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Accrual Practices and Reform Experiences in OECD Countries

<http://dx.doi.org/10.1787/9789264270572-en>

OECD collaboration with IFAC.

This study looks at accounting and budgeting practices at the national government level in OECD countries. It discusses the challenges and benefits of accruals reforms and considers what steps countries are taking to make better use of accrual information in the future.

Diagnostic Toolkits and Assessment Frameworks (1)



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World Bank Framework for comparing PSA to IPSAS (Gap Analysis)	<ul style="list-style-type: none">• Identify where local practices standard in accordance with international standards of financial reporting.• Modular approach• Regulations as well as practice.
PEFA methodology and copies of many assessments https://pefa.org/	<ul style="list-style-type: none">• 2016 Upgrade aligned indicators to IPSAS where relevant.• PI-9 (Public access to information), PI-10 (Fiscal risk reporting), PI-12 (Public asset reporting) and PI-29 (Annual financial reporting) particularly relevant.• Scoring based on evidence for 31 indicators – four point ordinal scale.• Most assessments are available through PEFA website.
IMF Fiscal Transparency Evaluation http://www.imf.org/external/np/fad/trans/	<ul style="list-style-type: none">• FTE is based on the updated Fiscal Transparency Code issued in 2014.• Built around pillars including Pillar I which addresses fiscal reporting.• Dimensions determine whether government practice is basic, good or advanced.• 20 reports available online.

Diagnostic Toolkits and Assessment Frameworks (2)



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Building blocks to better PFM – a cash to accruals toolkit.
The Institute of Chartered Accountants of England and Wales (2017)

- Intended to complement other guidance (e.g. IFAC - Transition to the Accruals Basis of Accounting Guidance for Public Sector Entities (January 2011))
- Briefing note available at <http://www.icaew.com/-/media/corporate/files/about-icaew/what-we-do/policy/public-finance/building-blocks-of-pfm-summary.ashx?la=en>

Budget Transparency Toolkit Practical steps for supporting openness,, integrity and accountability in Public Financial Management available at
<http://www.oecd.org/governance/budgeting/Budgeting-Transparency-Toolkit.pdf> OECD (2017)

- Introduction/gateway to various institutions, official instruments and guidance materials.

IMF Technical Notes



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Cavenagh, J. Flynn, S. and Moretti, D. *Implementing Accrual Accounting in the Public Sector* Technical Guidance Note International Monetary Fund Fiscal Affairs Department (September 2016)

- What is accrual accounting in the public sector?
- How should governments prepare to move from cash to accrual accounting?
- How to sequence the move from cash to accrual accounting in the public sector?
- What can be learned from countries that have successfully made the transition?

Khan, A. and Mayes, S. *Transitioning to Accrual Accounting* Technical Guidance Note International Monetary Fund Fiscal Affairs Department (September 2009)

- What is accrual accounting?
- What are the reasons for moving from cash to accrual accounting?
 - What are the differences between accrual accounting and accrual budgeting?
 - What are the main steps to be taken in moving from cash to accrual accounting?
 - What are the preconditions for introducing accrual accounting?
 - How should a move to accrual accounting be sequenced and managed in relation to the government's overall agenda for public management reform?

Other Useful Blogs/Websites



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IMF Public Financial Management
Blog <http://blog-pfm.imf.org/>

- Interesting materials on all aspects of PFM from across the globe.
- Periodic materials on PSA reforms

Overseas Development Institute
Monthly Round Up

- To draw attention to some of the major research papers, articles and blogs relevant to people working on questions of public finance and development <https://www.odi.org/comment/10575-public-finance-and-development-four-things-read-november>

The PFM Board
<http://www.pfmboard.com/>

- Run by practitioners - section on PSA – worth dropping into from time to time.

Good Practice Guide – Example - overall approach to reform of Polish PSA



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- Research

- Compare Polish GAAP with IPSAS - done mid-2015
- Develop and deliver training on IPSAS to key government officials – done end-2015
- Study tours to EU countries that apply IPSAS or similar to understand costs, benefits and approach to reform – done mid-2016 - to France, Austria, Portugal, Switzerland

October 2016

- Understand needs of Polish users – not done
- Inventory of human capacity and IT systems – not done
- Summarize results of above –drafting started

- Plan

- Workshop to share results and start development of reform action plan – planned for 11/2016



Thank you for your attention