

**PULSAR Launch Event,  
11th of December 2017**



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# **How to succeed with IPSAS implementation: a brief overview of the Austrian Experience**

**Klemens Gundacker, Austrian Court of Audit**

# Success factors for IPSAS implementation



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- Accounting and IT maturity
- Role of international Standards
- Capacity building
- Ongoing activities vs. Reform
- Importance of Audit
- Interesting things to read

# Accounting and IT maturity

## – Data availability & Data quality

- Registers/Inventories: Assets (Land, Buildings), Companies
- Consistent, Complete, Computable
- IT systems in place include accrual elements

## – Organizational Preconditions

- Recognition and Measurement Methodology
- Training programs, skilled staff
- Roles and procedures in administrative units for accrual accounting

**= Determine Implementation (Transition) Period and OBS quality**

# Capacity building



- Opening balance sheet is a challenge
- Is rather a marathon than a sprint
- Capacity building is needed in all areas (Administration, Audit Institutions, Parliament)
- Close cooperation with a mutual understanding of the overarching goal is important:
- ✓ Manage processes rather than payments

# Role of international Standards - IPSAS



- Independent (no undue influence)
- Transparent (process and standards)
- Comparable (exchange of experiences)
- Comprehensive (ongoing development)
- Capacity (standard setting needs resources)

Don't get intimidated by the number of standards or their volume. Your transactions define the scope of standards applicable.

# Ongoing activities vs. Reform



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- Implementing IPSAS accrual accounting is not a reform its a transformation of workflows
- The world (and therefore challenges for accrual accounting systems) wont stop spinning
- Ongoing activity of keeping up with Standards and Developments is necessary
- Can not be accomplished in project structure, accrual accounting must be fully integrated in administration organisation and responsibilities

# Importance of Audit



- Audit creates trust and creditability of (new) accrual accounting systems
- Audit provides support to accrual accounting challenges
- Audit serves as a challenger of administrative capacity to go to their limits
- Audit has to learn, develop and evolve itself
- Cycle of Feedback and Improvement

# The Austrian Way



- Staged approach:
  - 2009 – first part (new budget structure, mid term budget plan, reserves)
  - 2013 – full implementation (accrual budgeting and accounting, accrual federal financial statement)
- First Federal Financial Statement on Accruals in Sept. 2014 (changed audit approach)
- Evaluation of new Budget Law ongoing



**Thank you for your attention!**



  
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