

SUCCESSFUL IPSAS IMPLEMENTATION: NEED TO UNDERSTAND ACTUAL PSA SYSTEMS STATUS

Ian Carruthers
IPSASB Chair

PULSAR – PULSE Framework Presentation
5th April 2022

Key accrual accounting information changes (1):

UK Public Sector Net Debt vs Whole of Government Accounts Net Worth

	2017-18	2018-19
	£bn	£bn
Public Sector Net Debt (National Accounts)	1,779	1,774
<i><u>Liabilities not recognised in National Accounts:</u></i>		
- Net public service pensions liability	1,865	1,894
- Provisions	422	311
- PFI contracts	33	32
<i><u>Assets measured differently in National Accounts</u></i>	(156)	(140)
<i><u>Assets excluded from Public Sector Net Debt (PSND):</u></i>		
- Property plant and equipment	(1,208)	(1,268)
- Other assets excluded	(210)	(220)
<i><u>Liabilities excluded from PSND:</u></i> Accruals and deferred income	62	61
Other adjustments (including eliminations)	(22)	12
Net liabilities (WGA)	2,565	2,456

Key accrual accounting information changes (2):

UK Whole of Government Accounts - Reconciliation of deficits

	2017-18	2018-19
	£bn	£bn
Public sector current budget deficit (National Accounts)	(1)	(6)
<i>Excluded from National Accounts: Increase in provisions</i>	5	21
<i>Measured differently in National Accounts:</i>		
- Depreciation and amortisation	(10)	(15)
- Impairments and revaluations	25	13
- Capital grants	9	10
- Research and development	2	2
- Other adjustments	14	31
Net expenditure on public services (WGA)	44	56
Financing of long-term liabilities e.g. Employee pension schemes	154	(57)
Revaluation of financial assets and liabilities	5	(1)
Total net expenditure (WGA)	203	(2)

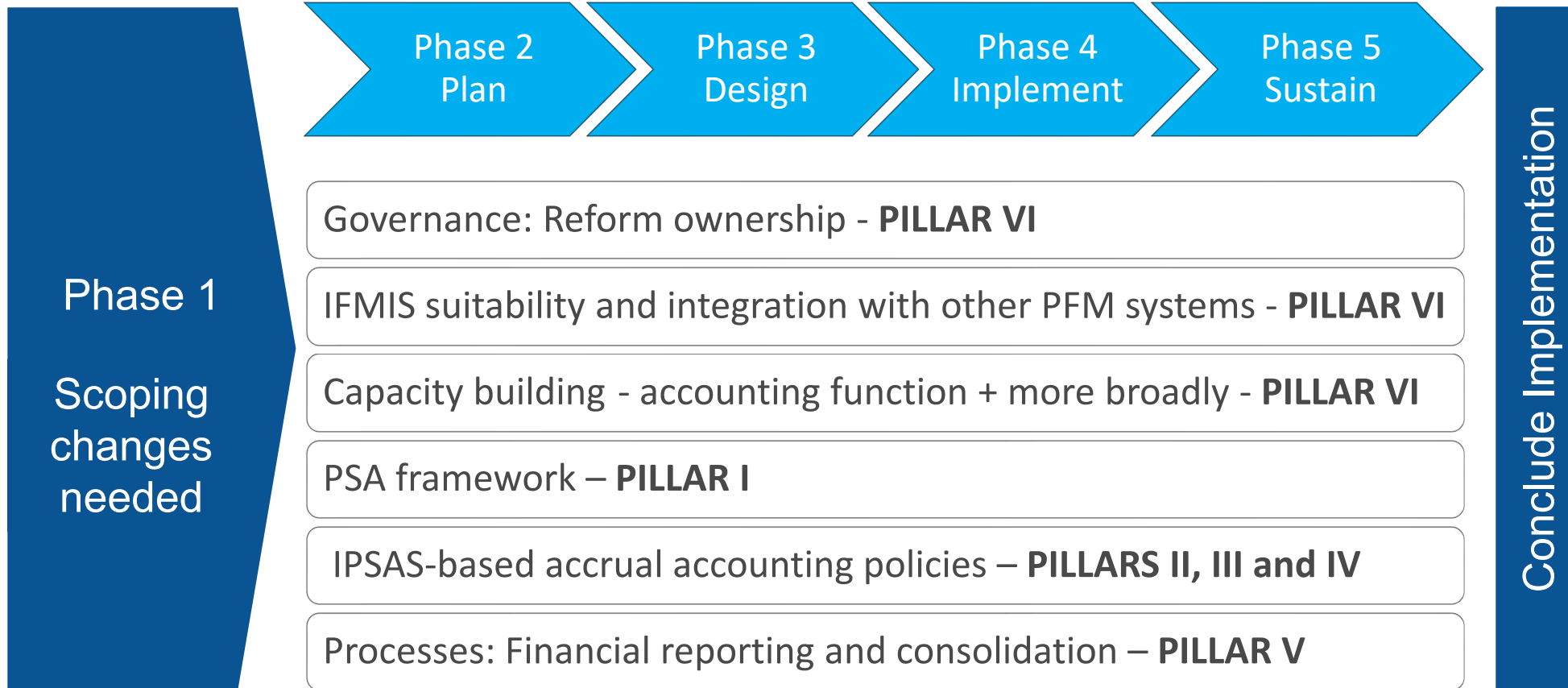
Successful IPSAS implementation: Scoping the suite of changes needed



Understanding status of PSA systems status crucial
to successful implementation planning and delivery

Transition to IPSAS-based accrual accounting:

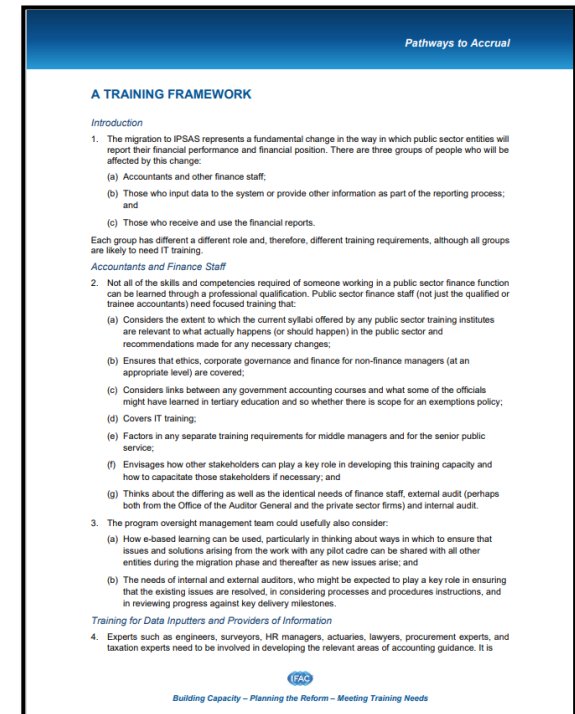
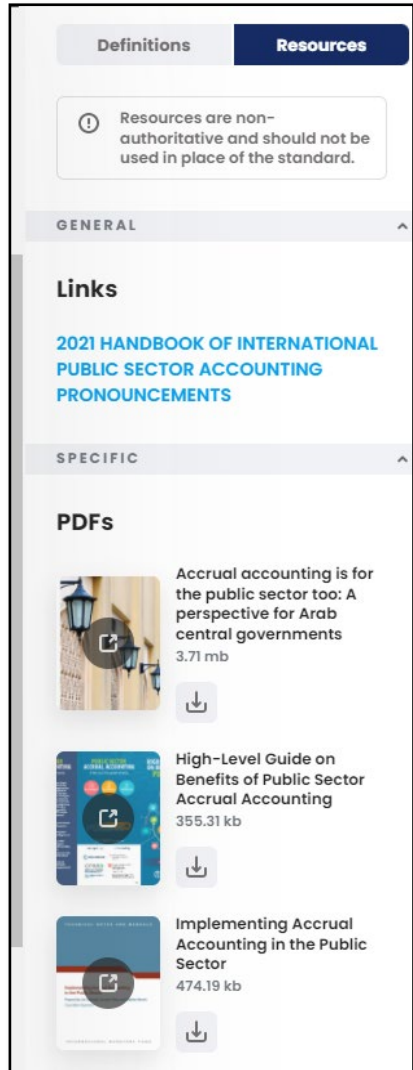
Implementation program – key project elements



Accrual transition: New on-line resources from IFAC

Pathways to Accrual

- New digital platform providing practical guidance and resources covering:
 - ✓ Overview of wider reform contexts – *PFM WSA and Good Governance as templates*
 - ✓ Variety of pathways for accrual transition
 - ✓ Main accrual implementation tasks
 - ✓ Guidance on building capacity
- Launched in early March -
<https://pathways.ifac.org/standards/pathways/2021>



International Public Sector Accounting Standards Board
277 Wellington Street West
Toronto, ON M5V 3H2
Canada
T +1 647 826 3171
www.ipsasb.org

Contact Details:

Ian Carruthers, IPSASB Chair: IanCarruthers@ipsasb.org

Ross Smith, IPSASB Program and Technical Director: RossSmith@ipsasb.org



[@IPSASB_News](https://twitter.com/IPSASB_News)



[@International Public Sector
Accounting Standards Board \(IPSASB\)](https://www.linkedin.com/company/@InternationalPublicSectorAccountingStandardsBoard(IPSASB))



YouTube [@IPSASB](https://www.youtube.com/@IPSASB)