

Welcome to the PULSAR September 2024 Newsletter, which highlights key activities of the Public Sector Accounting and Reporting Program ([PULSAR](#)), implemented by the World Bank's Centre for Financial Reporting Reform – CFRR. This issue summarizes recent achievements, activities and publications since last edition in December 2023.

Past Events

[PULSAR joint Education and Financial Reporting Communities of Practice 9th Workshop, June 5-7, 2024, Ulcinj, Montenegro](#)



The 9th PULSAR workshop gathered 64 participants from 13 countries to discuss Public Sector Accounting (PSA) reforms, with insights from international experts and case studies from four countries. The Minister of Finance from Montenegro and the Deputy Minister of Finance from Ukraine expressed support for PULSAR and its upcoming Ministerial Conference planned for the spring 2025 in Vienna.

Speakers, representing International Public Sector Accounting Standards Board (IPSASB), IMF, INTOSAI Development Initiative (IDI), European Court of Auditors, International Federation of Accountants (IFAC), led the discussions, supplemented with experience sharing from Professional Accounting Organization (PAOs) and

Universities, members of both PULSAR Communities of Practices and showcases of Croatia, Montenegro, Bosnia Herzegovina, and Georgia experiences in specific areas of Public Sector Accounting (PSA) reform implementation.

The workshop's goals were to link Public Asset Management (PAM), Public Investment Management (PIM), and Public Sector Accounting (PSA), and to discuss the role of auditors, present updates from IPSASB, and development of sustainability reporting for public sector. The discussions emphasized the significance of accrual accounting, asset management, and high-level backing for PSA reforms. The IMF highlighted inefficiencies in public investment, suggesting that better PIM could double the impact on economic output.

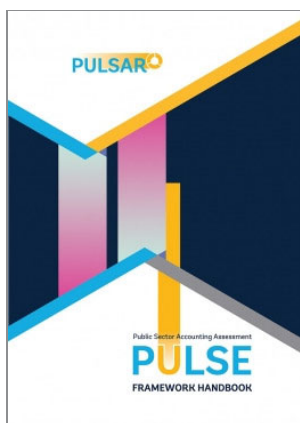
Legal frameworks, adherence to international standards, and auditor IPSAS knowledge were noted as crucial for PSA reforms. The IPSASB's new strategy focuses on enhancing public financial management and sustainable development, with sustainability reporting standards expected by 2025. Practices in sustainability reporting from the UK, New Zealand, Brazil, and Switzerland were presented, along with their integration into budgeting and reporting.

IFAC proposal of educational changes to include sustainability topics were discussed, with feedback to be provided by EduCoP members. The workshop emphasized the need for consistent standard-setting, guidance on sustainability reporting, and the sharing of experiences in sustainability education for accountants. Participants also discussed the next steps and focus areas for both EduCoP and FinCoP work programs.

You can learn more about this event and download materials, including available translations on the [event page on CFRR website](#).

Publications

[PULSE 2024 Update](#)



2022 edition of PULSAR Public Sector Accounting Assessment (PULSE) Framework Handbook was updated in 2024. PULSE aims to support national and subnational governments in developing efficient and effective PSA systems. It provides one single tool to measure and report on both: the conceptual and actual implementation of accrual accounting standards for the public sector according to the International Public Sector Accounting Standards (IPSAS). In turn, the objective of the PULSE handbook is to describe PULSE structure, process, scoring methodology, and its quality assurance mechanism, among other relevant aspects of the PULSE framework.

The present 2024 PULSE Methodology Handbook is an updated version of the 2022 Handbook including some clarifications, the recently issued IPSAS 43 to 48, two new performance indicators (PI-11 "Investment property", which resulted in a numbering change of all subsequent indicators) and PI-20 "Transfer expense". Also the following eight indicators were modified: PI-1 "Conceptual framework", PI-6 "Derivatives, hedge accounting, loss allowance, and borrowing cost", PI-7 "Presentation, offsetting, and disclosures", PI-10 "Leases", PI-12 "Property, plant, and equipment - recognition and measurement", PI-13 "Property, plant, and equipment - First time adoption and depreciation", PI-19 "Revenue", and PI-22 "Presentation of financial statements".

All new IPSAS foresee material changes to financial reporting of public sector entities, as compared to the previous standards on the same or similar topics. The new standards are already in effect or will reach their respective effective dates very soon. If the national PSA framework is still based on the previous IPSAS, this will result in lower scores, reflecting the need to update the national framework.

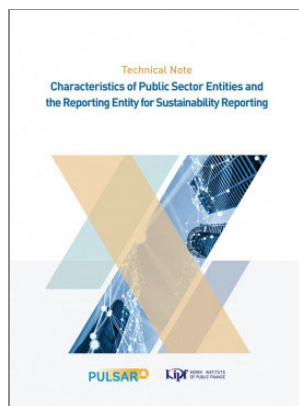
First Pilot PULSE Reports for [Armenia](#) and [Ukraine](#)



The two reports document the results and findings of the first pilots of the Public Sector Accounting Assessment (PULSE) conducted in the Republic of Armenia and Ukraine, which aim to support countries to develop an effective and efficient accounting system. PULSE assessment evaluates the quality of the public sector accounting (PSA) system and the progress of reforms implemented by the countries in this area. The assessment reviews the progress and level of the conceptual and actual implementation of accrual accounting standards for the public sector and benchmarks the compliance of public sector accounting standards with the International Public Sector Accounting Standards (IPSAS). In addition, both assessments also served as a pilot to confirm the completeness and effectiveness of the PULSE tool.

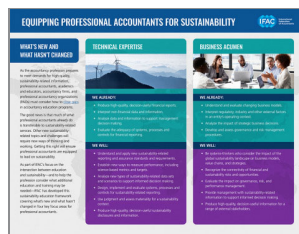
The reports are available on the PULSAR website in English version.

Characteristics of Public Sector Entities and the Reporting Entity for Sustainability Reporting



The main objective of this knowledge product is to identify, explore, and propose the characteristics for disclosure of sustainability-related information of public sector entities and the reporting entity. In doing so, the technical note contrasts the key concepts of the public sector highlighted in the IPSAS Conceptual Framework, since they will serve as a primary reference source in drafting the public sector-specific sustainability reporting standards, and the key concepts developed in relation to ESG topics, the UN Sustainable Development Goals (SDGs), and private sector developments in sustainability reporting. The technical note also considers the experiences of the UK, New Zealand, and Switzerland in disclosing sustainability-related information. The note aims to contribute to the development of sustainability reporting, at the level of international standards (namely the IPSAS), as well as at the national and jurisdictional level, by standard setters and regulators. This knowledge product represented a first of a series of joint papers developed by PULSAR and Korean Institute of Public Finance (KIPF) in collaboration with Zurich University of Applied Science (ZHAW).

Equipping Professional Accountants for Sustainability



This publication sets out four key areas where accountants need to update their knowledge to meet the growing demand for high-quality sustainability-related information. It speaks to the vital role accountants play in producing reliable sustainability-related data, reporting and assurance, as well as the importance of education and training in ensuring professional accountants are able to meet society's needs. The Brochure was prepared by IFAC in English and translated by the CFRR into Albanian, BSC, and Russian for its presentation and dissemination during PULSAR 9th Workshop in Ulcinj, Montenegro.

Upcoming PULSAR Events

- **The next 10th PULSAR joint Education and Financial Reporting Community of Practice Workshop** will take place in the week of December 2, 2024. The workshop discussion topics would include Accounting for State-Owned Enterprises, Accounting for Provisions and Contingent Liabilities (IPSAS 19), Accounting treatment for PPPs (IPSAS 32), Progress on Sustainability Reporting in the public sector, and continuous support of IESs implementation. The event is by invitation to members of both COPs and relevant counterparts responsible for public sector accounting.
- **The next Ministerial Conference** is planned on March 18, 2025 in Vienna. The objective of the conference is to raise awareness of and mobilize political support for financial and sustainability reporting reforms align with international and regional standards. The event targets Minister of Finance, public officials, policy makers, other stakeholders from 12 countries participating in CFRR programs. In addition on March 17 and 19, the CFRR will organize technical workshops and training for both corporate and public accounting and auditing streams. The participation in the event is by invitation.

Upcoming PULSAR Publications


- **Guidance paper on Good Practices in Public Sector Financial Reporting and Fiscal Transparency is under preparation and will be published in the second half of 2024.** This practical guidance will present country cases of year end reporting based on accrual accounting standards, with the overall objective to: (i) Promote and enhance the usage and access to financial information and reporting prepared under accrual basis as part of the broader fiscal transparency agenda in Public Financial Management, (ii) Raise awareness on the value of transparent and comprehensible communication on year-end financial reporting with civil society and other non-professional accounting users, (iii) Support the enhancement of participating countries public sector accounting and financial reporting frameworks in line with international standards and in accordance with good practices, in order to improve government accountability, fiscal transparency, and performance.
- **Knowledge product on the implications of Sustainability Reporting for public sector and the next steps is under**

preparation and will be completed in the second half of 2024. It will be the second joint paper to be developed in collaboration between PULSAR, Korean Institute of Public Finance (KIPF) in collaboration with Zurich University of Applied Science (ZHAW). The main objective of this paper will be to discuss the main implications of implementing sustainability reporting in public sector, taking into consideration country experiences of Brazil, New Zealand, Switzerland, and United Kingdom in connection with the following aspects: (i) rationale for implementing Sustainability Reporting in public sector; (ii) identification of the main stakeholders and definition of the governance structure; (iii) development of reform strategy and roadmap; (iv) definition of the standard-setting mechanism, roles, and responsibilities; (v) assessment and revision of the current regulatory framework; (vi) implications of using double materiality approach; (vii) connectivity between financial and non-financial reporting; (viii) budgeting and GFS; (ix) transparency and accountability; (x) sustainability assurance; (xi) development of change management and capacity building strategies.

- **Knowledge product on public sector accounting education models is being finalized and prepared for publication and disseminating in the fall 2024.** This knowledge product contributes with an analysis of Public Sector Accounting education models in six countries from different parts of the world. It considers the similarities, differences, successes and challenges for Public Sector Accounting education at both university and Professional Accountancy Organization levels, and may be used by relevant stakeholders to further consider the role of education in ensuring the availability of highly qualified public sector accountants equipped with up-to-date skills and competences that allow them to implement new standards and requirements and to move public financial management reform forward.
- **PULSE assessment for Georgia is under development and will be completed by the end of CY24.** The report will document main results and findings of the assessment, which aims to support Georgia to identify key strengths and weaknesses of the current public sector accounting system in terms of its compliance with IPSASB from conceptual and actual implementation perspectives.

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Let us know what you think

We hope you find this issue of the newsletter interesting and useful. Please let us (cfrr@worldbank.org) know if you have any comments or suggestions for topics that could be featured in future editions.