

An aerial photograph of a city skyline at sunset. The CN Tower is the most prominent feature, standing tall against the golden sky. The city is filled with various skyscrapers and buildings, some of which are illuminated. The sun is low on the horizon, creating a warm, golden glow over the entire scene. The water of a lake or bay is visible in the foreground on the left side.

**IPSASB**

International Public  
Sector Accounting  
Standards Board®

# INTERNATIONAL PUBLIC SECTOR FINANCIAL ACCOUNTABILITY INDEX: CHALLENGES AND TRENDS

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IPSASB Chair

PULSAR  
Virtual  
6<sup>th</sup> October 2021



# International Public Sector Financial Accountability Index: 2021 Status Report



- Index compiled by CIPFA and IFAC
- 2nd Status Report (original in 2018)
  - 2020 Index
  - 2025 Forecasts
  - 2030 Projections
- 165 jurisdictions (vs 150 in 2018)
- Financial reporting basis (cash, partial accrual, accrual)
- Financial reporting framework (Approach to IPSAS usage?)
- Pathways to Accrual (Study 14 update) – due late Autumn 2021

# 2020 Index: Practical Challenges



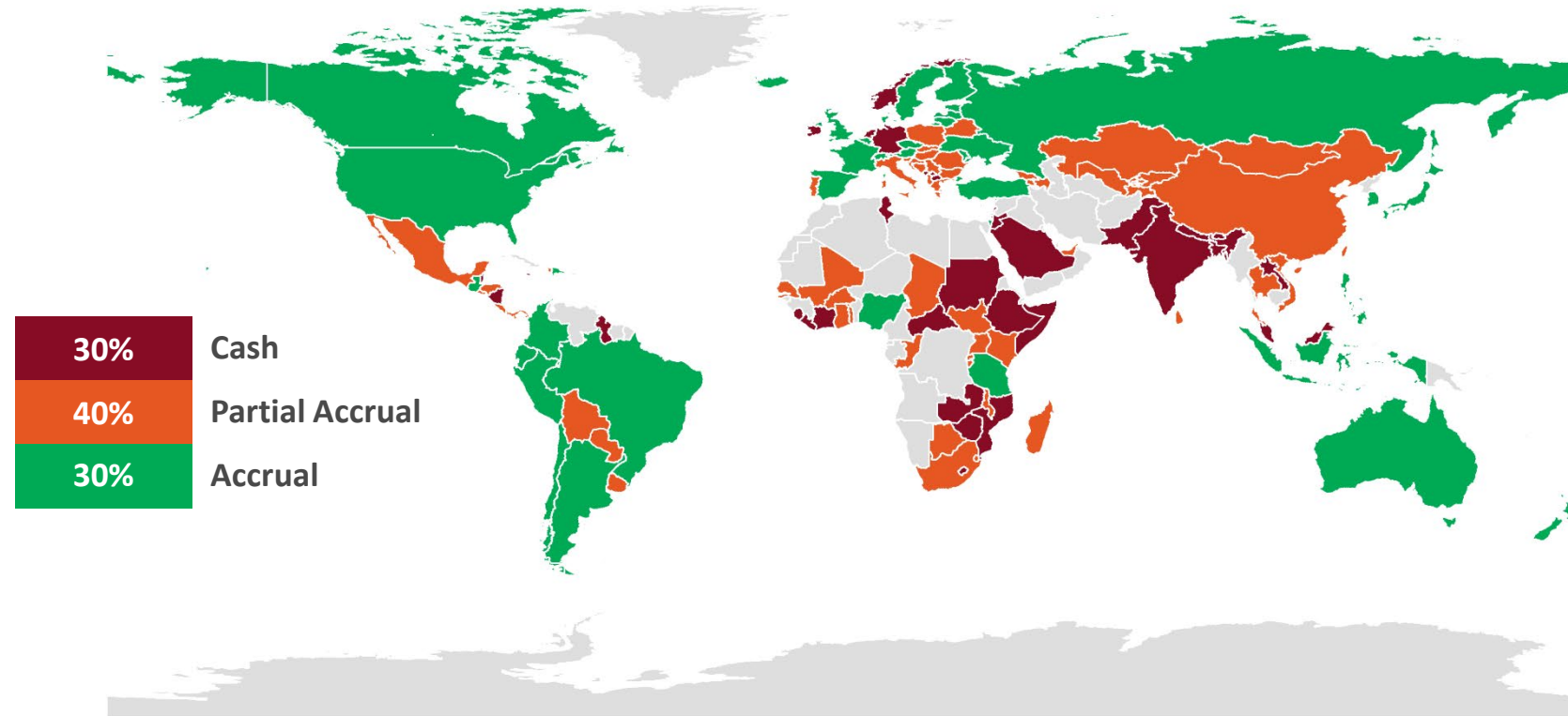
- Jurisdiction-level contacts:
  - Lack of central database – importance of partner organizations e.g. World Bank
  - General Data Protection Regulation (GDPR) – ability to use 2018 contacts?
  - Staff changes since 2018
- Refinements to 2018 questions
- Database rebuild
- Translation
- Data verification
- Pandemic started just as ready to launch
- Marathon rather than sprint.....

# Data Quality Policies



- Looking for evidence of accrual implementation
- Accrual adoption decisions different to implementation and insufficient in absence of implementation evidence
- Accrual categorisation most difficult to demonstrate:
  - Published verifiable accounts required
  - Without this evidence 2020 basis ‘downgraded’ to Partial Accrual
  - Adoption in legislation or regulations helpful, but not definitive
- 2025 ‘Forecast’ vs 2030 ‘Projection’
  - 2025 forecasts: reviewed available plans and progress reports – team judgement
  - 2030 projections: lesser burden of evidence due to period involved
- IPSAS framework usage inevitably more judgemental

# 2020 Index: 30% of Jurisdictions Reported on Accrual

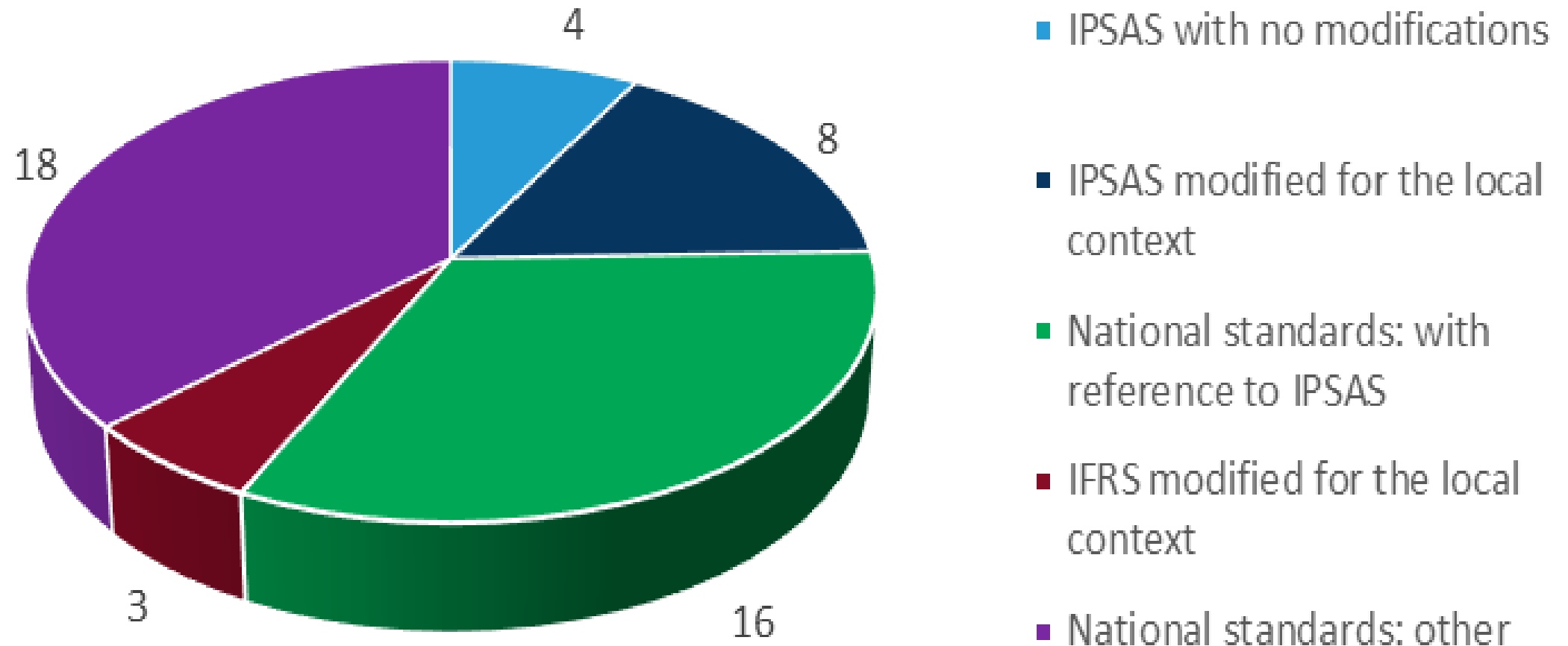


**+6% Accrual since 2018**

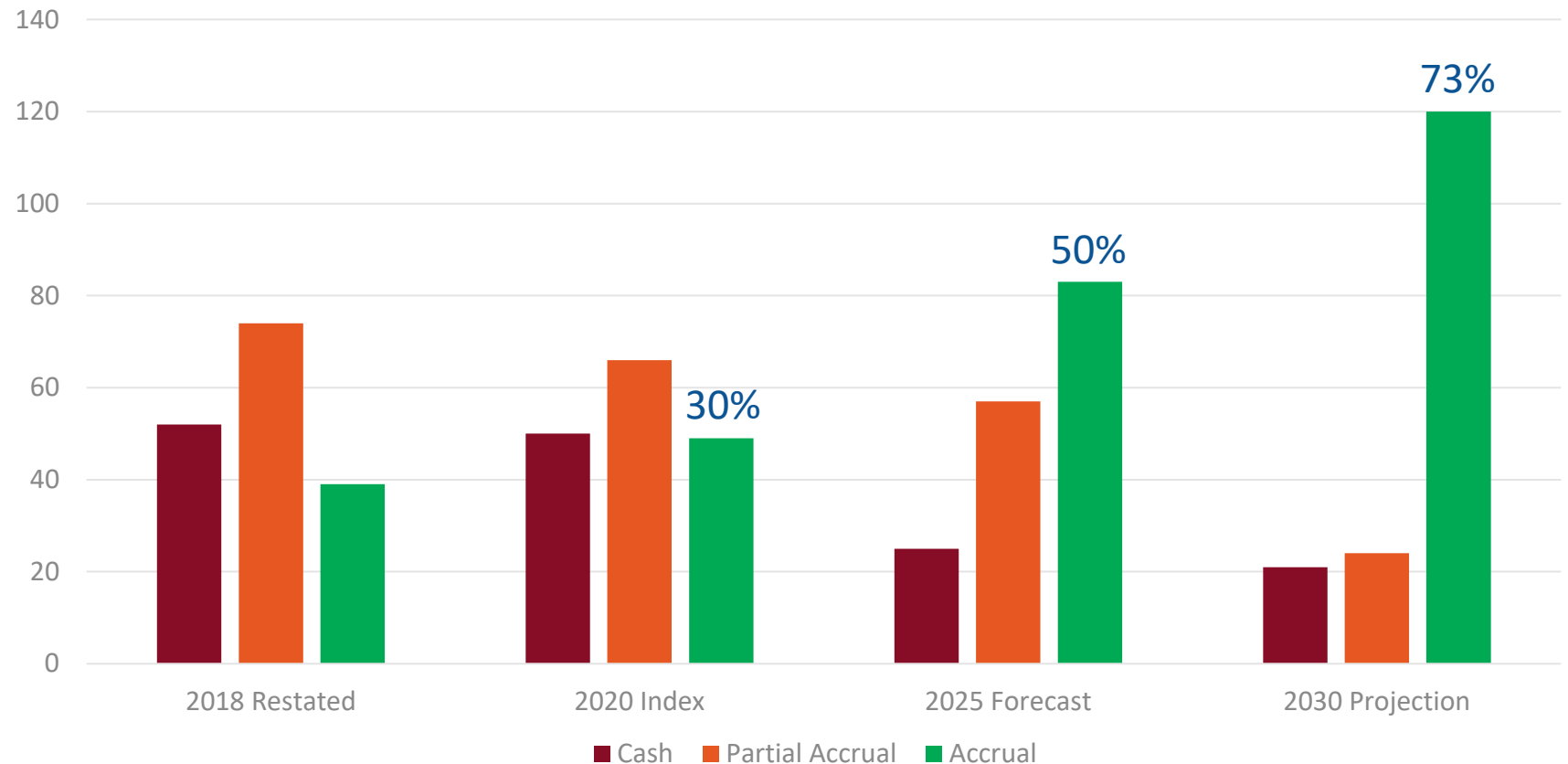
# 2020 Index: Financial Reporting Framework: 57% of Jurisdictions on Accrual Made Use of IPSAS



2020 – 49 Jurisdictions



# Global Trends (1): Continuing Shift from Cash to Accrual

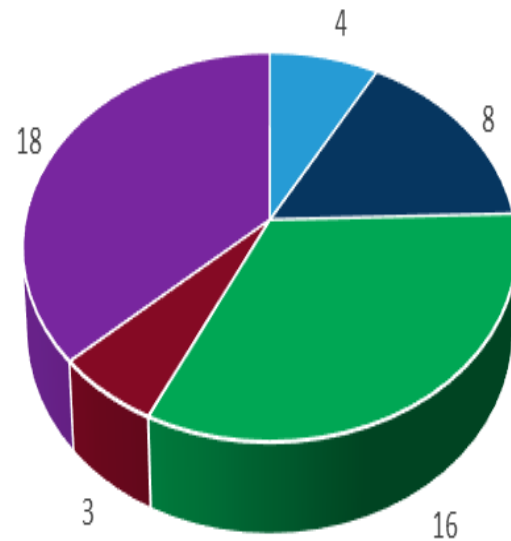


IPSAS usage and influence increasing in parallel

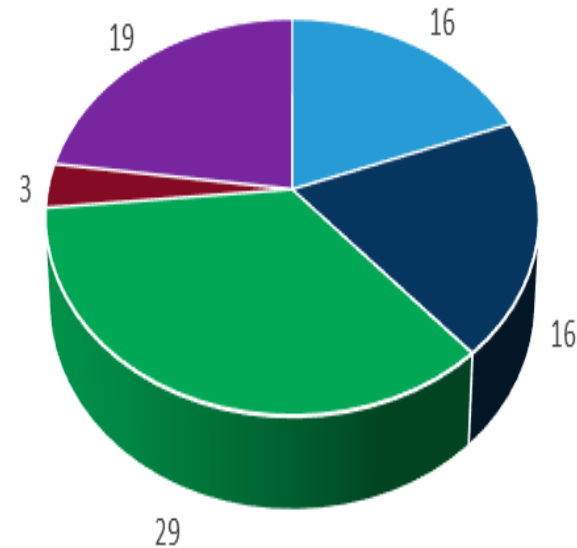
# Global Trends (2): Increasing Usage and Influence of IPSAS



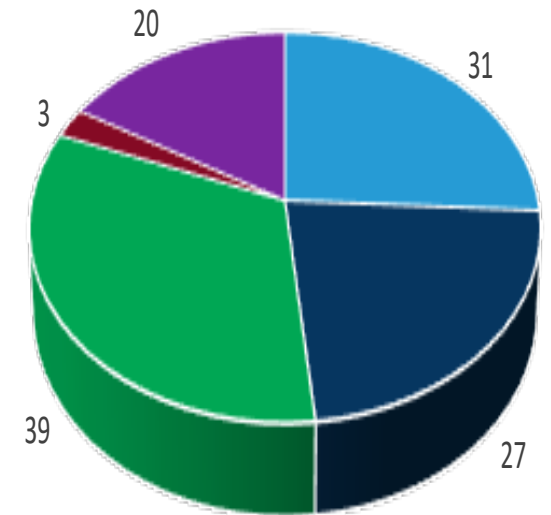
**2020 Index**  
49 Jurisdictions



**2025 Forecast**  
83 Jurisdictions



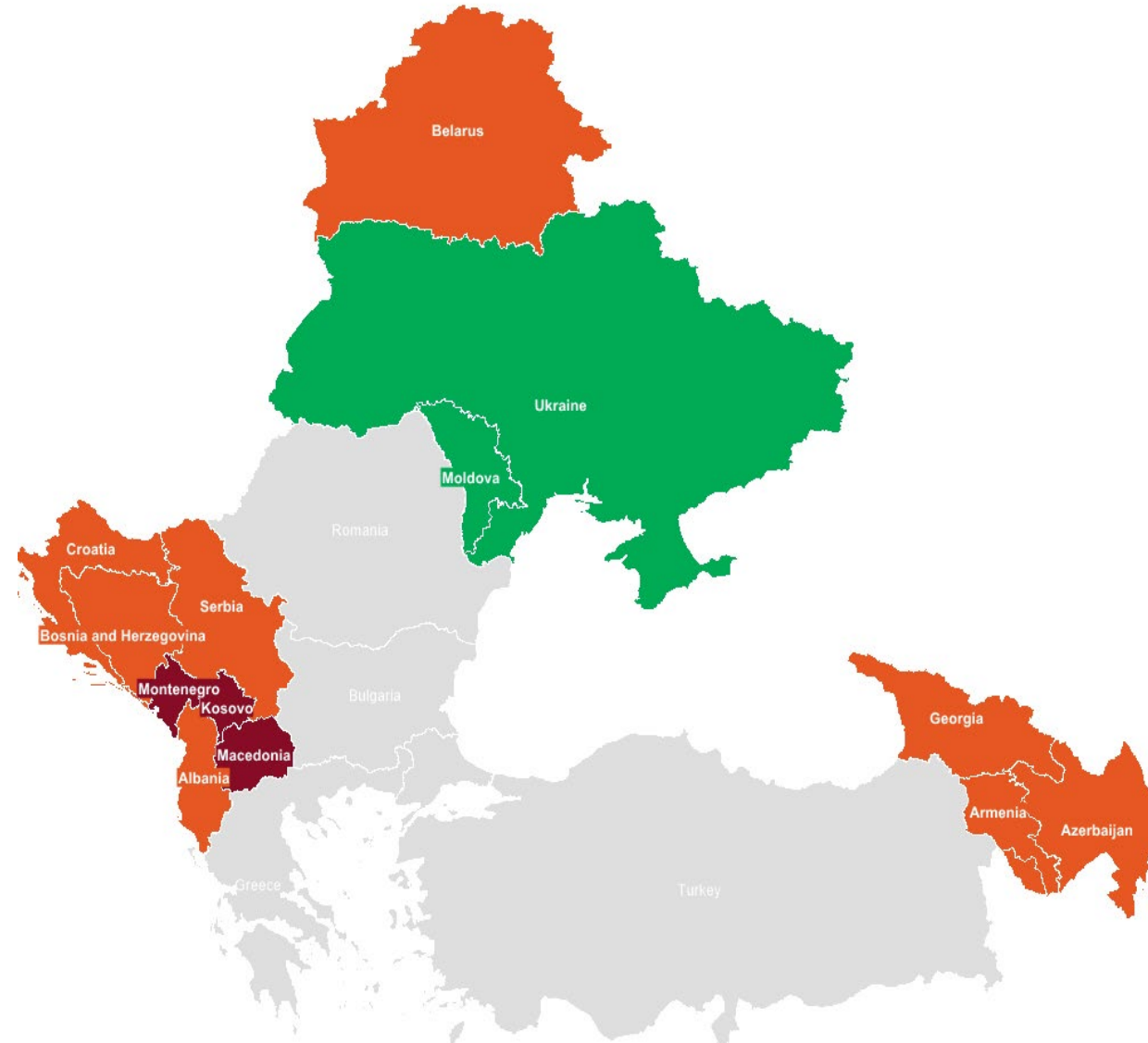
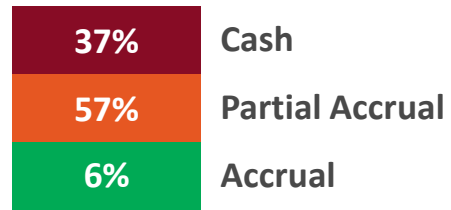
**2030 Projection**  
120 Jurisdictions



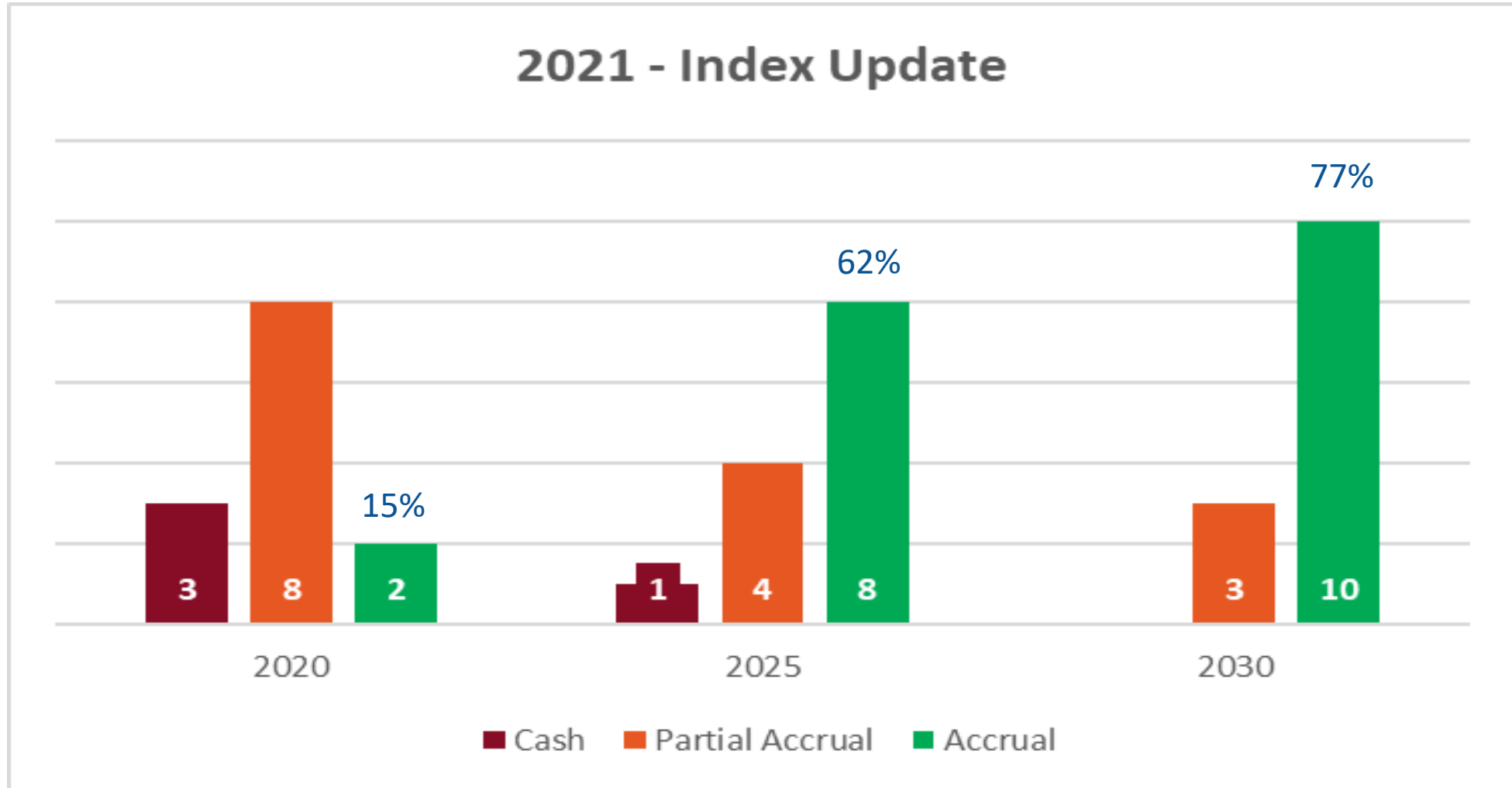
- IPSAS with no modifications
- IPSAS modified for the local context
- National standards: with reference to IPSAS
- IFRS modified for the local context
- National standards: other



# 2020 Index: PULSAR overview – 13 jurisdictions



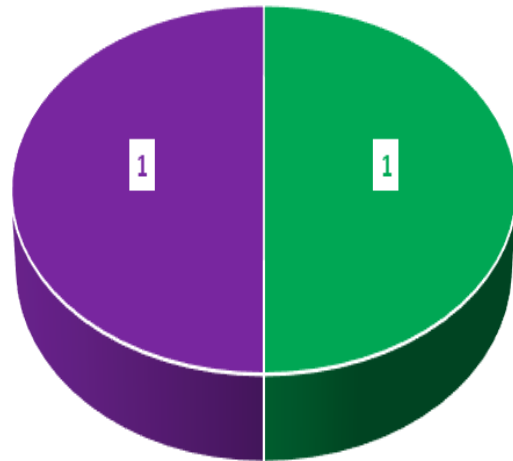
# PULSAR trends (1): Continuing Shift from Cash to Accrual



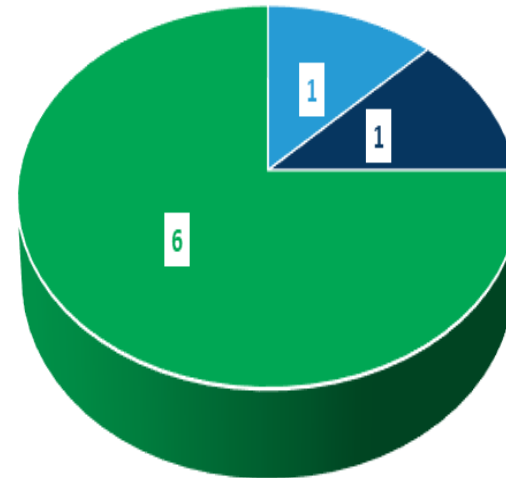
# PULSAR trends (2): Increasing Usage and Influence of IPSAS



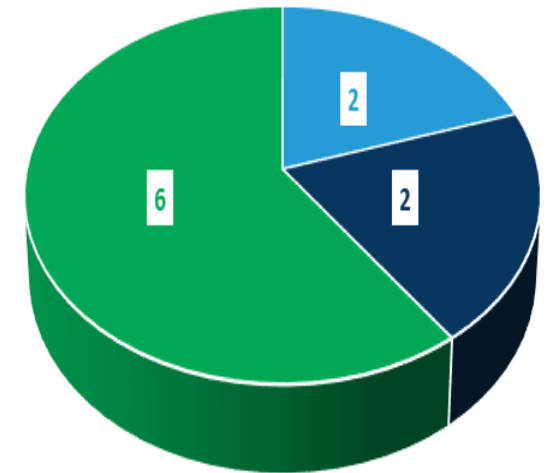
2020 Index  
2 Jurisdictions



2025 Forecast  
8 Jurisdictions



2030 Projection  
10 Jurisdictions



- IPSAS with no modifications
- IPSAS modified for the local context
- National standards: with reference to IPSAS
- IFRS modified for the local context
- National standards: other

# Next steps.....



- Add accounts pdfs to IFAC ‘Global Impact Map’
  - <https://www.ifac.org/what-we-do/global-impact-map/accountability>
- Next Index update 2022 or 2023
  - Coordinate with data partners e.g. World Bank/PULSAR, ADB, Eurostat
  - Links to regional events
  - Extend trend evidence – build on current 4 data points
  - Minimal changes to questions
- Expand jurisdiction coverage further – Africa, Asia, Middle East
- Expansion outside federal / central government on hold



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