

IPSASs and Government Finance Statistics Reporting Guidelines

Comments from ACCA

28 March 2013

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

We support our 154,000 members and 432,000 students throughout their careers, providing services through a network of 83 offices and centres. Our global infrastructure means that exams and support are delivered – and reputation and influence developed – at a local level, directly benefiting stakeholders wherever they are based, or plan to move to, in pursuit of new career opportunities.

www.accaglobal.com

Further information about ACCA's comments on this matter can be obtained from:

Gillian Fawcett

Head of Public Sector

Email: gillian.fawcett@accaglobal.com

ACCA welcomes the opportunity to comment on this Exposure Draft 'IPSASs and Government Finance Statistics reporting Guidelines'. The ACCA Global Forum for the Public Sector has considered the matters raised and their views are represented below.

SUMMARY

ACCA is supportive of the proposals set out in the consultation paper on IPSASs and Statistics Reporting Guidelines. It is a challenge for a range of users of financial statements to understand the unique differences between government finance statistics reporting and government financial accounts prepared using IPSAS standards. This consultation paper is a welcome development.

SPECIFIC COMMENTS

Specific matter 1

Do you agree that the issues categorized as resolved (category a) are indeed resolved?

Yes

Are there further differences between IPSASs and GFS reporting guidelines that should be added to the list? If so, please describe these.

No, the list set out in category B appears comprehensive.

Specific Matter 2

Do you agree that the IPSASB, in conjunction with the statistical community, should develop guidance on the development of integrated Chart of Accounts, which would include (i) an overview of the basic components of an integrated Chart of Accounts, and (ii) wider coverage such as that listed in paragraph 4.16 of this CP?

Yes, we agree that the development of Chart of Accounts would be useful. We also agree that guidance should incorporate a wider set of issues relating to the development of expertise and training, as well as providing a clear description of the benefits of Chart of Accounts.

Specific Matter for Comment 3

Do you think that the IPSASB should take a more systematic approach to reducing differences between IPSASs and GFS reporting guidelines?

We believe that the proposals set out in the consultation paper provide a sensible approach to ensuring GFS considerations are built into the standard setting process.

We very much like the approach the UK government has taken in respect of its whole of government accounts (2009-10 and 2010 -11) where it has set out in plain English the differences between the financial statements and government finance statistics reports. Countries which publish consolidated accounts should be encouraged to include similar explanations which will help to ensure that the users of accounts better understand the differences and similarities between the two sets of financial statements and have a complete picture of a government's finances. Also, we believe that there are lessons to be learnt from countries such as Australia where the standard setter has attempted to reduce the differences between government's consolidated accounts and GFS.

If so, are there changes other than those listed in paragraph 5.4, which the IPSASB should consider adopting?

As above.

Specific matter for comment 4

Are there other areas where IPSAS changes could address GFS differences? Please describe these.

In our view the areas identified are comprehensive.

Specific matter for comment 5

This CP describe three options concerning IPSAS 22: Option A, revisions to improve IPSAS 22; Option B, withdrawal of IPSAS 22 without replacement; and, Option C, replacement of IPSAS 22 with a new IPSAS.

Are there any further IPSAS 22 options that should be considered? If so, what are these?

No.

(b) Which one of the options do you consider that the IPSASB should consider adopting?

We consider option one to be the most practicable approach.