

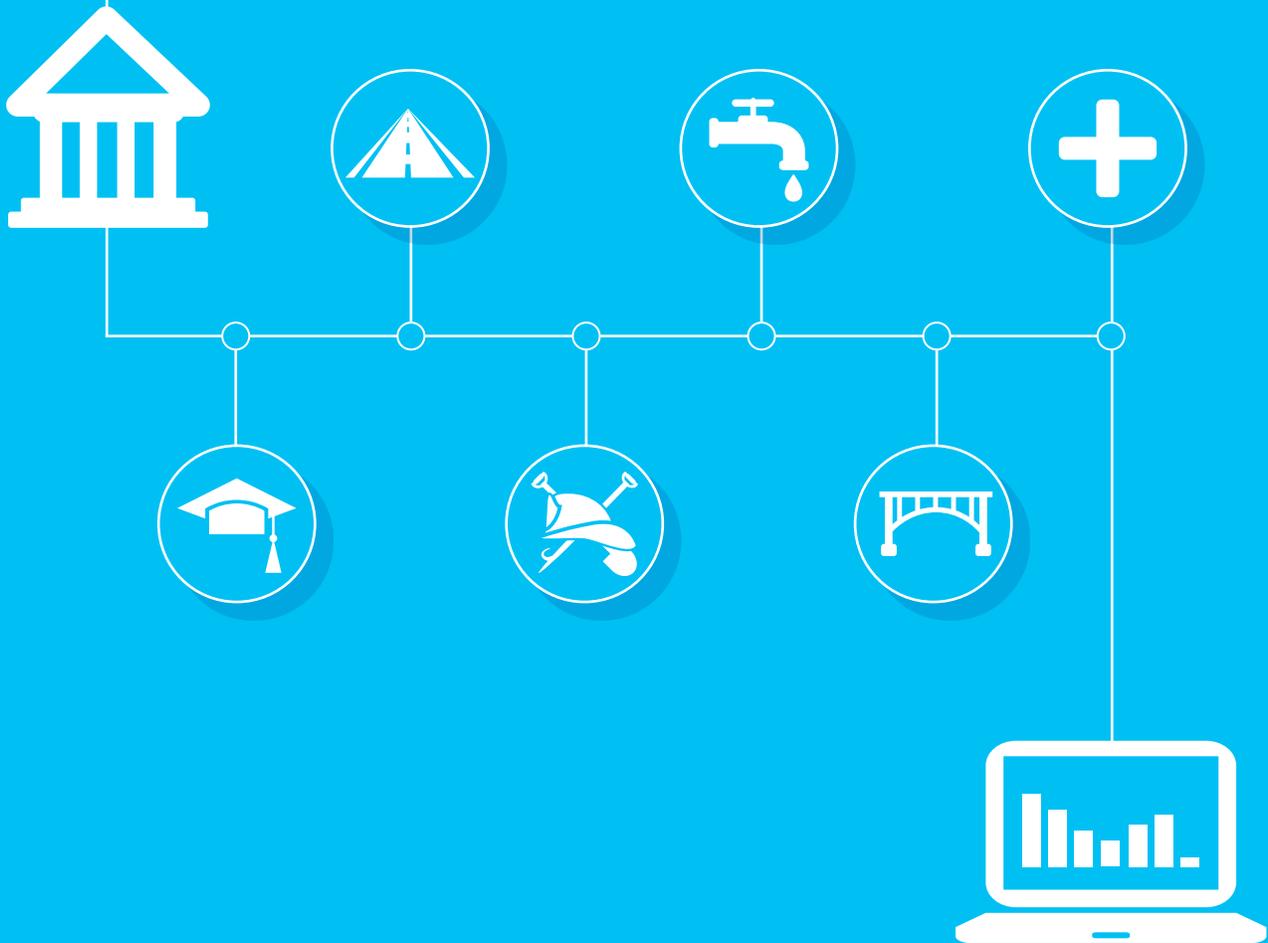
A CAMPAIGN
FOR ENHANCED
PUBLIC
FINANCIAL
REPORTING,
SOUND DECISION
MAKING, AND
ACCOUNTABILITY

ACCOUNTABILITY. NOW.

www.accountability-now.org

SOUND DECISION MAKING AND ACCOUNTABILITY REQUIRE ENHANCED PUBLIC FINANCIAL REPORTING

Governments around the world are entrusted by citizens to manage public resources in an effective and efficient way. They collect revenues, largely through taxation, and in return are expected to deliver a wide range of quality public services. This social contract between governments and citizens requires both parties to *be* accountable and to *hold each other* accountable. Timely, high-quality, decision-useful, and publicly-available financial information is critical to governments fulfilling this stewardship role, and to citizens holding governments accountable.



NUMBERS THAT DON'T STACK UP?

BAD DECISIONS, UNAFFORDABLE COMMITMENTS



The financial information necessary for sound decision making is surprisingly rare in the public sector. Many governments simply do not know what they can afford. Many governments do not give enough emphasis to “balancing the books.”

The global economic and sovereign debt crises are examples of the dangers of poor public financial management. A lack of financial information enabled governments to obscure their actual financial position and incur excessive debt. The effect of public financial mismanagement ultimately undermined global capital markets. Subsequent austerity measures resulted in significantly reduced public services. And a lack of creditworthiness led to high costs of debt, resulting in further public services reductions. All of these factors undermined confidence in governments and, in some cases, sparked civil unrest. Furthermore, the large debt burdens that governments are leaving for future generations will seriously impact the future growth of their economies.

Governments need to learn from the past and enhance their financial reporting as the basis for sound decision making.

The journey to robust public financial management, including enhanced financial reporting, is long and will require commitment and difficult decisions along the way at all levels, including politicians and senior government officials. Nevertheless, it is a journey worth making if governments are to fulfill their obligation to deliver a wide range of quality public services and be accountable for their actions at the same time.

Effective and efficient management of public resources. Better, more sustainable public services. Sound decision making based on enhanced financial reporting. Increased transparency on how public money is spent. These should be demanded from, and achieved by, all governments. This is why we are campaigning for **Accountability. Now.**

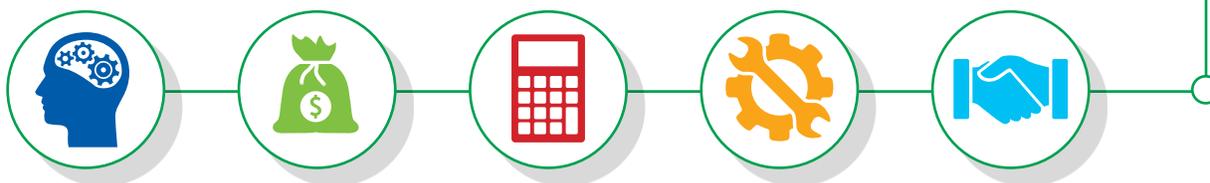
“It’s time for governments to move from laggards to leaders in connection with financial reporting.” - *David Walker, Former US Comptroller-General*

GOOD INFORMATION MAKES A WORLD OF DIFFERENCE



Many countries require private sector organizations to prepare financial statements, and have them audited, in accordance with rigorous international standards. Remarkably, similar requirements do not apply to the public sector.

The lack of high-quality public financial information means government decision makers have a poor foundation on which to base their policies and spending plans. Higher standards of financial reporting would radically improve both insight and foresight.



Enhanced public financial reporting can:

- ✓ assist decision makers to make sound choices based on a more accurate picture of financial performance, position, and outlook;
- ✓ bring higher standards of stewardship of tax payments;
- ✓ enhance transparency and allow for greater accountability;
- ✓ significantly reduce the risk of fraud; and
- ✓ provide high-quality information for credit rating agencies and investors to make decisions.

In Uganda, for example, enhanced financial reporting has helped the level of public sector expenditure reaching its citizens rise from 20% to 80%

- *Public Expenditure Tracking Survey, World Bank*

TOWARD SOLVING THE PROBLEM: HIGH STANDARDS FOR AN INTERCONNECTED WORLD



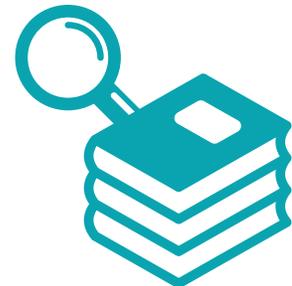
We believe the journey toward enhanced financial reporting begins with governments committing to the implementation of internationally recognized financial reporting standards that comprehensively capture their financial performance and position. The International Public Sector Accounting Standards®, a set of high-quality standards for use by public sector entities, already serve as a reference point for many governments.

A crucial element of these standards is the accrual basis of accounting, which helps to show a precise, current picture of financial position. Our goal is to encourage more governments to adopt these standards, and be part of a global solution.

THE JOURNEY AHEAD: A CHALLENGE WORTH ACCEPTING

Committing to higher standards is the easy part. Putting change into practice and fully integrating reforms across government are more challenging. Each government entity is unique and requires an approach customized to the country's particular circumstances.

Nevertheless, the outcome will be worthwhile. More effective and efficient management of public resources, as a result of sound decision making based on enhanced financial reporting, will give rise to a widening range of quality public services, sustainable economic growth, increased employment, and—ultimately—a better opportunity to tackle poverty and inequality.



ACHIEVING ACCOUNTABILITY. NOW.



Accountability. Now. is a campaign for enhanced public financial reporting around the world. It provides a catalyst for change. It encourages governments to recognize the importance of enhanced financial reporting that meets international standards.

THE CAMPAIGN INCLUDES MULTIPLE INITIATIVES.



Building a global coalition—bringing together organizations that support greater transparency and increased accountability in the public sector.



Developing partnerships to effect change—bringing together key actors in the public sector to take action to enhance public financial reporting.



Raising awareness—reinforcing the benefits of enhanced financial reporting to government decision makers.



Building capacity on a national level—through engagement with local professional accountancy organizations, helping develop a pipeline of professional accountants to work with governments and bring about the desired change.

Improved government decision making and efficiency, better stewardship of public resources, enhanced international comparability, more attention to intergenerational equity, and increased public trust. **Accountability. Now.** aims to persuade decision-makers across the world that the potential impacts of improved public financial reporting are enormous. - *Juan Pablo Guerrero,*

Network Director, Global Initiative for Fiscal Transparency

JOIN US ON THE JOURNEY: ACCOUNTABILITY. NOW.



Our goal is to support governments around the world in making better decisions and becoming more transparent and accountable. Enhanced public financial reporting is essential to address the problems highlighted by global economic and fiscal crises. It informs government policy and helps to make public services—and economies—more sustainable and resilient over the long term.

By adding your voice to ours, we can encourage governments around the world to enhance their financial reporting for the benefit of their citizens. To find out more and get involved, contact:

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#AccountabilityNow

“The loss of market confidence in governments with underestimated or hidden deficits in the wake of the recent crisis underscored the importance of fiscal transparency to global financial and economic stability.” – *International Monetary Fund*



