



Summary of International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB (SMO 5) Workshop

Presenters:

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Key Takeaways and Questions

Public sector accounting in most jurisdictions, including adoption and implementation of the International Public Sector Accounting Standards (IPSAS), is a domain of the government. PAOs need to understand and assess their role and responsibilities amongst all relevant stakeholders that may include, but are not limited to, ministries of finance, accountants general, supreme audit institution, public accounts committees, statutory boards, amongst others.

Even PAOs who have “shared” or “no responsibility” under IFAC’s definition of degree of responsibility will have some responsibilities to work toward adoption and implementation. For example, a PAO with “no responsibility” status is expected to use their best endeavors to encourage those responsible for the requirements to adopt the IPSAS and to assist in implementation where appropriate.

PAOs must be proactive in creating opportunities to engage and collaborate with their public sector stakeholders. PAOs can consider exploring the following:

- Collaborating on joint conferences, learning series, training courses, workshops, and other activities on topics of mutual interest. Alternatively, invite representatives of these stakeholders and provide speaking opportunities in the PAO’s events and activities.
- Collaborating on curated/tailored capacity building trainings and workshops, targeting specific development needs for accountants in the public sector. Also, on awareness building activities for leaders, key decision/policy makers, and staff of the public sector institutions.
- Inviting representatives of these stakeholders to participate in the PAO’s board, committees and/or working groups.
- Organizing a public sector focused working group to gather feedback for better engagement with the public sector community. PAOs can use this as an opportunity to identify areas of support.
- Organizing communities of practices with experts sharing on topics of interest for public sector accountants followed by discussions on pain points and sharing best practices for process improvements.
- Identifying public sector leaders as champions to work with the PAO to drive finance transformation, competency development and finance workforce planning.
- Establishing regular meetings with key government stakeholders to provide updates and insights from the profession and to listen to government stakeholders’ needs.
- Actively contribute to government consultations (e.g., amendments to proposed legislation where relevant to the profession). Also, include these stakeholders in relevant PAO consultations (e.g., when curriculum is being updated).

PAOs may consider the following actions to raise awareness on the vital role of the accountancy profession in building a strong and accountable public sector ecosystem:



- Promote accrual based IPSAS to produce reliable financial information as cornerstone of sound public financial management. This can be done by actively advocating for IPSAS adoption, organizing meetings with senior government officials, and facilitating submission of updated information for IFAC's [International Public Sector Financial Accountability Index](#).
- Promote the public interest role of PAOs in the public sector. PAOs and their stakeholders need to avoid re-inventing the wheel and leverage/spotlight existing tools and resources.
- Facilitate access to knowledge. This may include guidance published by IPSASB and IFAC.
- Enhance technical excellence.
- PAOs may consider working with their public sector stakeholders to nominate suitable candidates as IPSASB members and other relevant regional and international positions.
- Work with public sector stakeholders to participate in relevant global consultations.

PAOs may consider the following actions to support adoption and implementation of IPSAS:

- Seek IFAC's permission to publish IPSAS and/or their local equivalent on your website and continue promoting the standards to members, partners, and stakeholders.
- Actively monitor developments in IPSAS and share relevant updates with members, partners, and stakeholders. Also, encourage them to participate in IPSASB's consultations.
- Organize IPSAS-based CPD/CPE activities. Profile and identify champions among members, partners, and stakeholders to work with the PAO in promoting IPSAS.

In supporting upskilling public sector finance professionals and accountants in the public sector, what are some of the common challenges faced by PAOs? How do PAOs overcome these challenges?

PAOs' members have diverse upskilling needs. There are some development needs that are similar across different membership segments (e.g., adoption and implementation international standards, technology, etc.). However, more specific, and segmented needs targeted toward the public sector (e.g., accounting for a government grant, risk management in public financial management, etc.) requires a PAOs to have the capacity to deliver.

PAOs need to maintain close engagement with their members and stakeholders to better understand the key areas for developments and identify latest trends. The availability of trainers, resource persons, and/or subject matter experts with the right expertise and experience to deliver the development programs and courses are limited. Identifying those with relevant public sector background and experience remains challenging. PAOs need to maintain a network of experts, who may include those currently working in the public sector.

What are some examples of how PAOs can effectively communicate their (and the profession's) value propositions to stakeholders in the public sector, especially relevant government institutions?

PAOs need to understand their stakeholders and establish constant dialogue with these stakeholders. It is important to create as many opportunities for collaboration as possible. PAOs could hold roundtable discussions and invite key representatives of the relevant stakeholders to share practical experience, success stories and/or progress made in other jurisdictions. Establish a community of practice and set up regular meetings with key government stakeholders to provide updates and insights from the profession and to listen to the needs. These may include creating a public sector forum/working group where the government and PAO work together on topics of mutual interest. Consider inviting representatives from government institutions to participate in the PAOs board, committees and/or working groups. Also, provide speaking opportunities for government at PAO events. Provide expert advice and actively contribute to government consultations (e.g., amendments to proposed legislation where relevant to the profession). And the reverse is also true: PAOs need to include the government in its relevant consultations (e.g., when curriculum is being updated).

In many jurisdictions, IPSAS adoption is the domain of a standard-setting institution that usually is under the government's structure. How can PAOs can best support this?



Play a brokering role between the standard setter and its members, including firms. PAOs should actively follow and promote the standard-setting agenda and submit comment letters on all consultations. Where the due process of the standard setter has shortcomings, the PAO can share examples of best practice. Advocate on the importance of financial reporting and share IPSAS adoption and implementation guidance with the standard setter, including the recently launched [Pathways to Accrual](#) tool and [IFAC's Train the Trainer materials](#). Offer awards for excellence in public sector reporting and use this as a platform to encouraging implementation of the applicable public sector accounting standards. Focus on capacity building of accountants in the public sector, strengthening the overall capacity of the public sector ecosystem in their jurisdiction.

For PAOs that are not involved with the standard-setter, how can they connect with the standard-setting institution?

Show a willingness to support the work of the standard setter and adopt a constructive posture to engagements (rather than critical). Cultivate relationships with key stakeholders across the public sector (e.g., ministers of finance, accountants general, supreme audit institution, public accounts committee) who will be able to encourage the standard setter to work with the PAO.

Some PAOs may have limited opportunities to directly contribute to IPSAS adoption and implementation in their jurisdiction. Without any strong coordination established with the public sector stakeholders, these PAOs may have their own program on public sector accounting. Would they be penalized in terms of their fulfilment of SMO 5?

PAOs will not be penalized if they find themselves in a bind when it comes to contributing. Even if low or no responsibility, IFAC wants to highlight any activities. But even if no activities are listed, IFAC makes assessments on a case-by-case basis considering the overall context and responsibility in that jurisdiction. IFAC would also consider the PAOs' actions in disseminating information from the IPSASB or including something in the curriculum as part of its assessment of the PAO. PAOs must demonstrate their best endeavor in working on their Action Plan and taking real actions toward meeting IFAC's requirements. PAOs need to promote accountants as champions of change in embracing their public interest role to serve the public sector. In doing so, compliance with requirements of SMO 5 will come automatically (engagement should not be driven by SMO 5).

Capacity building of accountants in the public sector is an important part of our efforts in building a strong public sector accounting infrastructure. How do we build the capacity of the PAOs so that they will be able to serve these accountants in the public sector?

PAOs must understand the importance of expanding its network and include their members and select public sector stakeholders as part of the collective expertise available to them. PAOs can draw on these volunteers to put together a small advisory group to supplement their own capacity. Invite member-based finance leaders to support the PAO through membership in the board/committees. PAOs can then tap into their expertise and experience. Talent requirement and retention of personnel with relevant expertise and experience is critical. PAOs must also develop their own talent. Establish working relationship with relevant government institutions through memoranda of understandings (MOUs). It can include access to expertise and resources available within the institutions, as well as encourage accountants within the institution to continuously maintain their competence (CPD).