

# INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD FACT SHEET

## What is the IPSASB?

The IPSASB is an independent standard-setting board that develops high-quality International Public Sector Accounting Standards (IPSASs), guidance, and resources for use by public sector entities around the world for general purpose financial reporting. The IPSASB is one of four independent standard-setting boards that are supported by the International Federation of Accountants (IFAC), the worldwide organization for the accountancy profession.

## What Are The IPSASB's Goals And Objectives?

The IPSASB aims to enhance the quality and transparency of public sector financial reporting by:

- Establishing high-quality accounting standards for use by public sector entities;
- Promoting the adoption, and international convergence to, IPSASs;
- Providing comprehensive information for public sector financial management and decision making; and
- Providing guidance on issues and experiences in financial reporting in the public sector.

## Why Are IPSASs Important?

The financial and sovereign debt crises have brought to light, as never before, the need for better financial reporting by governments worldwide, and the need for improvements in the management of public sector resources. Citizens are affected by a government's financial management decisions. Strong and transparent financial reporting has the potential to improve public sector decision making and make governments more accountable to their constituents. The failure of governments to manage their finances has in the past, and could again in the future, have dramatic consequences such as loss of democratic control, social unrest, and the failure of governments to meet their commitments today and in the future.

Since 1997, the IPSASB has developed and issued a suite of 32 accrual standards, and a cash-basis standard for countries moving toward full accrual accounting. Governments that report on a cash-basis do not account for significant liabilities, such as pensions and infrastructure development; as a result, the IPSASB encourages public sector entities to adopt the accrual basis of accounting—which will improve financial management and increase transparency resulting in a more comprehensive and accurate view of a government's financial position. Many governments, jurisdictions, and international institutions have already adopted IPSASs—many more are on the road to implementing the standards.

## National governments, bodies and organizations that have adopted or have plans to adopt IPSASs are:

- Austria
- Brazil
- Cambodia
- Costa Rica
- Kenya
- Peru
- South Africa
- Spain
- Switzerland
- Vietnam
- The European Commission—for their own financial statements
- The North Atlantic Treaty Organization (NATO)
- The Organisation for Economic Co-operation and Development (OECD)
- The United Nations system
- Nominating Committee Members

## Who is the IPSASB?

The IPSASB consists of 18 volunteer members—15 members from IFAC member bodies and three public members—with experience and expertise in public sector financial reporting. Members include representatives from ministries of finance, government audit institutions, public practice, and academia. All members of the IPSASB, including the chair and deputy chair, are appointed by the IFAC Board upon recommendations from the IFAC Nominating Committee.

The selection process is based on the individual qualities and abilities of the nominee in relation to the available board position. The IPSASB strives to cultivate members who possess the knowledge, insight, and geographical footprint necessary to best serve the public interest.

The IPSASB receives support (both direct financial and in-kind) from the World Bank, the Asian Development Bank, the Chartered Professional Accountants of Canada, the South African Accounting Standards Board, and the governments of Canada, New Zealand, and Switzerland.

## How Does The IPSASB Set Standards?

The IPSASB follows a very structured and public due process in the development of all International Public Sector Accounting Standards (IPSASs). This process provides the opportunity for all those interested in financial reporting in the public sector to make their views known to the IPSASB, and ensure that their views are considered in the standard-setting development process.

Exposure drafts (ED) of all proposed IPSASs are developed, usually with the input of a task-based group of IPSASB members, and are available for download from the website. Exposure drafts are usually preceded by a consultation paper that explores the subject in detail and provides the basis for further discussion, development, and policy formation. All exposure drafts have open and finite comment periods.

Andreas Bergmann is the current IPSASB chair and Stephenie Fox is technical director. A complete listing of IPSASB members and their bios can be accessed at

[www.ifac.org/PublicSector/CommitteeMembers.php](http://www.ifac.org/PublicSector/CommitteeMembers.php)

For more information on the IPSASB, including all current projects, please visit the website at

[www.ipsasb.org](http://www.ipsasb.org).

## About IFAC

IFAC ([www.ifac.org](http://www.ifac.org)) is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. It is comprised of more than 175 members and associates in 130 countries and jurisdictions, representing approximately 2.5 million accountants in public practice, education, government service, industry, and commerce