



# Financial reporting supporting statistics data quality

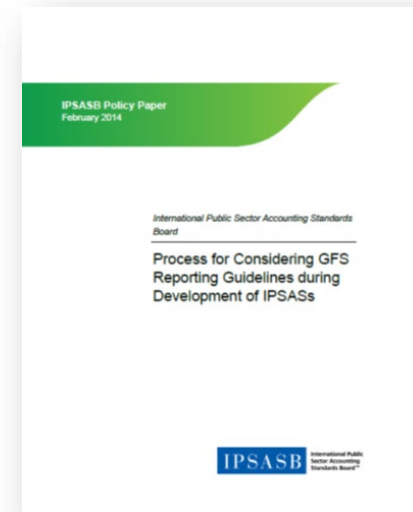
**Ian Carruthers**

IPSASB Chair

15<sup>th</sup> Meeting of the Advisory Expert Group on National  
Accounts  
6 April 2021

# IPSAS / IPSASB background

- Only global financial reporting standards for public sector
- Independent international board of 18 public sector finance experts
- Independent governance (PIC) and advisory arrangements (CAG)
- Specifically addressing key public sector issues
- Based on private sector IFRS where appropriate
- 37 accrual basis IPSAS (plus the Cash Basis IPSAS)
- Conceptual Framework supporting IPSAS development
- Statistics alignment process



# IPSASB Key Contacts

- **IPSASB participation in four statistics task teams**
  - Wellbeing and Sustainability Task Team (SWTT)
  - Communication Task Team (CMTT)
  - Financial and Payments Systems Task Team (FITT)
  - Current Account Task Team (CATT)
- **GFS Advisory Committee Observer**



**Ian Carruthers,**  
Chair  
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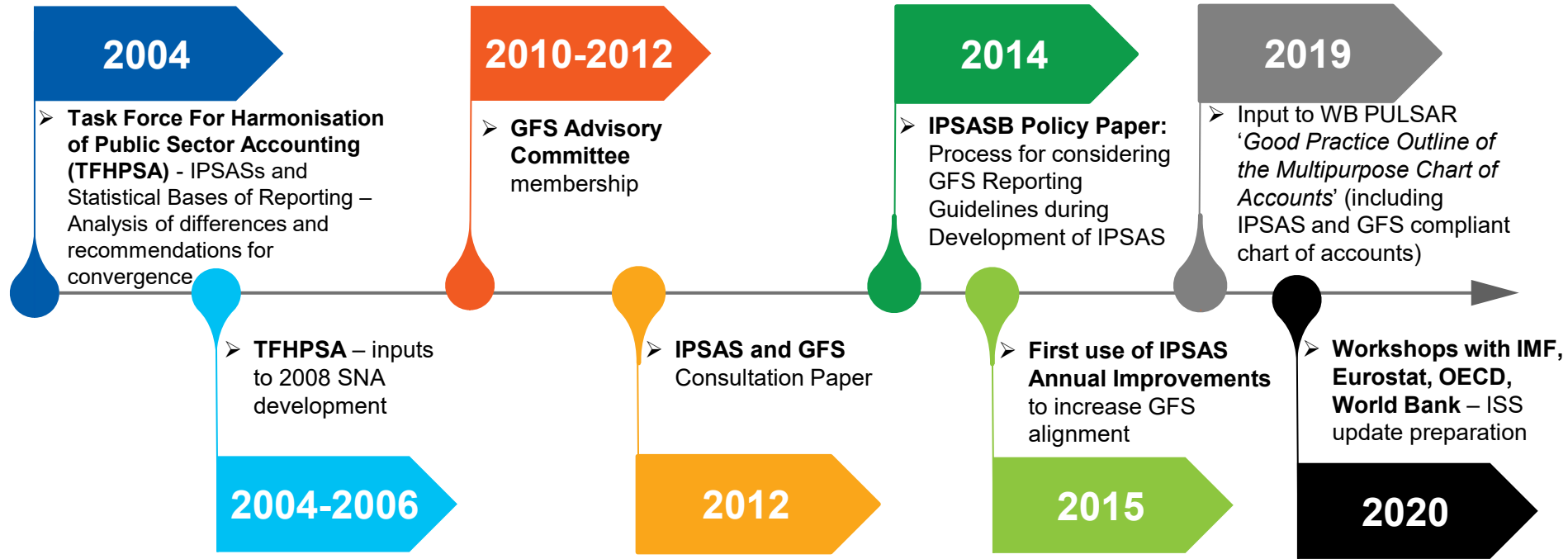
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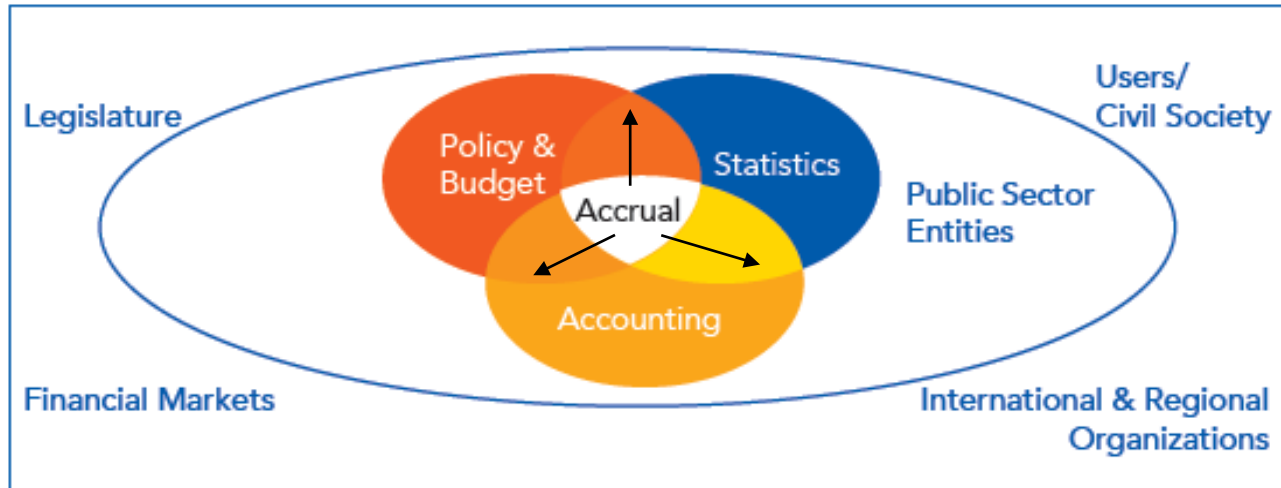
# IPSASB: Work with the statistical community

## Aiming to improve quality of source data for GFS



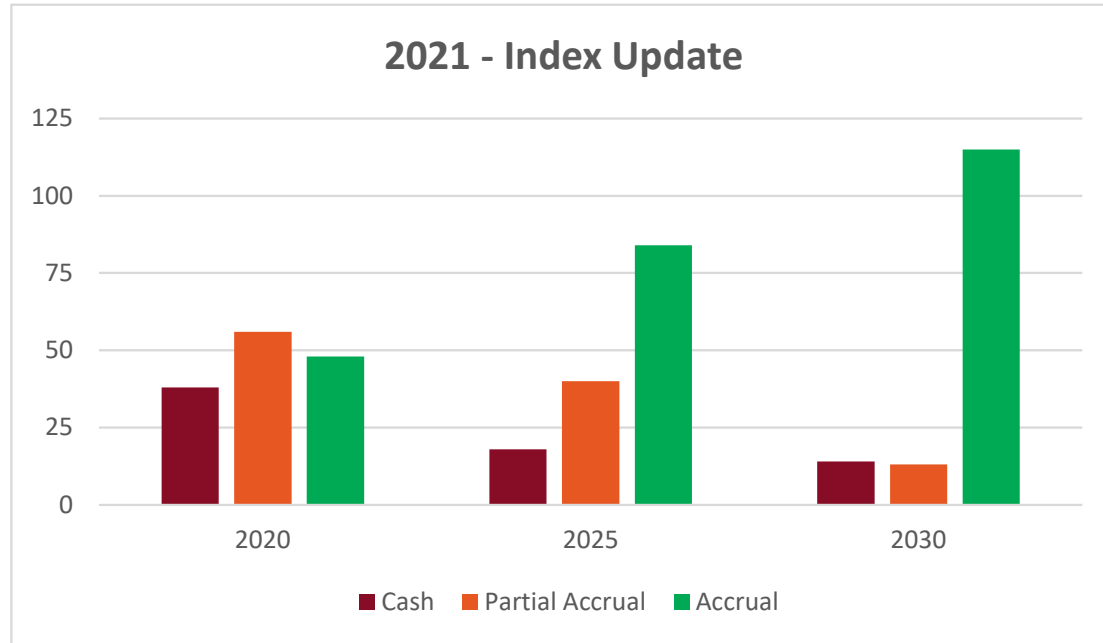
# Maximising the benefits of accrual transition: Information used for as many purposes as possible:

Uses/Users of accrual in PFM



**Adjustments can impact data quality** wherever made for framework differences

# Rapid shift from cash to accrual reporting by governments during next 10 years.....



Note: Unpublished preliminary data

# IPSAS and ISS: Overlaps and differences

- **Considerable overlaps:**
  - Economic substance based on accrual information
  - Assets, liabilities, revenue and expense
- But some differences in focus:

IPSAS	2008 SNA	BPM6	GFSM 2014
Accountability	Economic analysis	National economy vis-à-vis the rest of the world	Fiscal analysis
Decision-making	Decision-taking		
	Policymaking		

- **Unique public sector opportunity**—audited entity level and consolidated data can be used to support quality improvements in statistics data and increased ISS compliance

# IPSAS–ISS Alignment Dashboard:

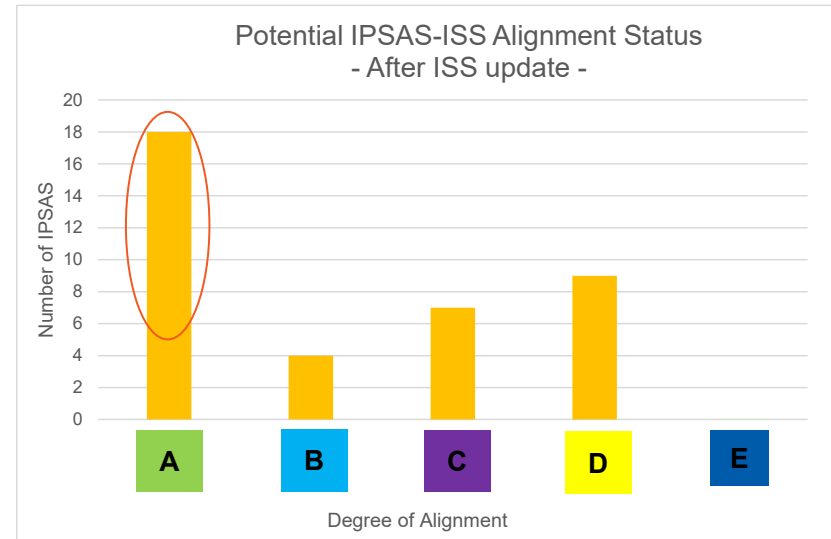
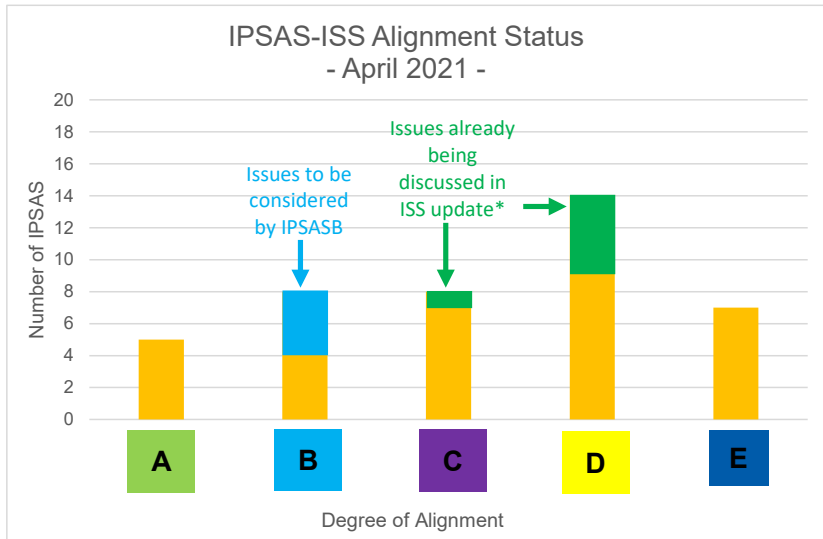
## Types of alignment opportunity

<b>A</b>	<b>Aligned:</b> same requirements or ISS-aligned option available
<b>B</b>	<b>IPSAS alignment opportunity:</b> current IPSASB project or research program
<b>C</b>	<b>ISS update:</b> Minor alignment issue
<b>D</b>	<b>ISS update:</b> Major alignment issue
<b>E</b>	<b>ISS update:</b> IPSASB proposed additional issue



# IPSAS–ISS Alignment Dashboard

## Forward-looking perspective



\* Excludes Leases, as per BOPCOMM decision

# IPSAS–ISS Alignment Opportunities: IPSASB proposed additional issues

IPSAS	Guidance Area	Nature of difference
17	Decommissioning costs	<b>IPSAS:</b> Added to the value of the assets and depreciation <b>ISS:</b> Added to consumption of fixed capital at the beginning of the economic life and capitalized at the end of the economic life
19	Provisions, constructive obligations and contingent liabilities	<b>Differences:</b> Terminology, Classification, and Recognition
31	Research & development	<b>IPSAS:</b> Research expenses are not capitalized <b>ISS:</b> Research expenses are capitalized
39	Employee benefits	<b>Differences:</b> Terminology, Classification, Recognition, and Measurement

Note: see Table 2 of the handout for further details

# IPSAS–ISS Alignment Opportunities: Current major projects finishing 2022

Guidance Area	Planned changes	Alignment Benefits
Measurement	Clarification of guidance	More consistent / better quality data
Revenue		

Note: see Table 2 of the handout for further details

# Conclusions

- **Rapid transition to accrual** (audited) presents major data opportunity
- **Adjustments can impact data quality** wherever made for framework differences
- **Ongoing dialogue required** to reduce unnecessary differences between ISS and IPSASB guidance
- **Additional IPSASB involvement opportunities** in the ISS update process?
- **Increase alignment** from work already in progress
- **Further alignment opportunities:**
  - IPSASB proposed additional issues
  - Current major projects finishing 2022



Thank you!

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