

Introducing IPSAS: the role of SAIs in supporting governments

Key points from the Auditing in Complex and Challenging Contexts Workstream Webinar 28 January 2021

Across the world, governments are seeking to bring their accounting frameworks in line with the IPSAS, the international standards for public sector accounting. This is not easy nor is it quick and SAIs can play an important role in supporting such changes, particularly given their experiences in adopting and implementing, their own international standards, the ISSAIs. The webinar heard from Khalid Hamid from the UK's Chartered Institute of Public Finance and Accountancy, Micah Belleh for SAI Liberia, and Guadalupe Fernandez from SAI Spain.

Khalid spoke about the underlying shift within the international standards away from a check-list mentality to a system based on principles and professional judgement. He pointed out the many advantages of bringing accounting frameworks into harmony internationally and the importance initially on focusing on accounts payable, accounts receivable, and fixed costs i.e. a cash plus system rather than full accruals. Micah shared the experiences of introducing IPSAS in a country which had been devastated by civil war and the massive investment needed to win hearts and minds and to continually train public sector staff, not just those directly involved in preparing accounts, but all employees so they have a basic understanding of the importance of keeping proper accounts. Guadalupe took participants through Spain's journey to be able to prepare accounts in line with international standards stressing that preparing accounts on an accrual basis started even before IPSAS existed and adopting and implementing international standards takes time and resources. She also pointed out that implementation needs progressively to include all aspects of public finances, local, regional, and national, and progress needs to be periodically reviewed.

In all this SAIs can play an important role in supporting their Ministries of Finances and Accountant Generals. During the annual audits, SAIs are well placed to provide on the spot advice and guidance so that accounts are prepared properly. They can feed back common issues and provide additional training through seminars and workshops set up for their colleagues in line Ministries and across government. They can also undertake performance audits reviewing progress being made in implementing the IPSAS, providing important and constructive feedback to governments, parliaments, and citizens on progress with this major reform. Finally, it was emphasized that SAIs need to invest in training their own staff so that they fully understand IPSAS and the resulting impact adopting the standards mean for the accounts which government agencies need to produce.

A recording of the webinar can be found on: [Auditing in Challenging and Complex Contexts – INTOSAI CBC workstream - recording_25](#)