



Joint FEE and CNDCEC Public Sector Seminar

Roma, Tuesday 11 January 2011

Challenges of Accrual Accounting in the Public Sector

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FEE Public Sector Committee

- > First Committee created in FEE (1987)
- Chair: Caroline Mawhood
- > Strong support by CIPFA
- > Excellent relationships with
 - ♥ EC and EP
 - ♥ European Court of Auditors
 - **♥ INTOSAI**
 - ♥ IFAC IPSASB
 - Straightful Comparative International Governmental Accounting Research)

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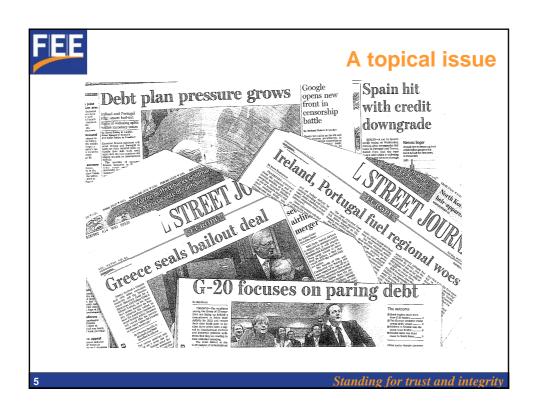
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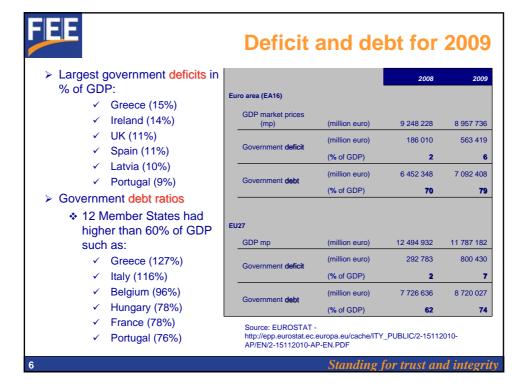


FEE Public Sector Committee 2010: Another outstanding year

- Accountants driving sustainable changes in the Public Sector (Policy Statement, January 2010)
- Accountants in the Public Sector and the financial crisis (Policy Statement, March 2010)
- Choosing the Right Performance Information (Policy Statement, March 2010)
- Joint FEE/ICPAC Public Sector Seminar (Nicosia, March 2010)
- Public Debt and Cash Management (Paper, October 2010)

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Government Transparency and Accountability

- Strong call by G20 leaders to improve global fiscal sustainability
- > High quality financial information is essential
- Public finance and government debt require international coordination:
 - Accrual based measure of surplus/deficit, debt and other liabilities (e.g. pension)
 - ♥ Government to take a longer view (today's decisions impact tomorrow)
 - Clear and comprehensive information on real impact of stimulation packages and bailouts
 - Full fiscal transparency by adopting international reporting standards and comprehensive narrative reporting
 - ♥ Better information on systemic risks associated with the operations
 - Enhanced Stewardship of taxpayers money

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Accrual Accounting and IPSAS

- Transparency: equally essential in private and public sector
- Crisis shows importance of transparency:
 - Government support for financial institutions and other measures
 - Reporting implications: true and fair impact of measures
 - ♦ Importance of accrual accounting and IPSAS
- Accounting systems reform is taking place across a number of European countries

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Questions and Food for Thought

- ➤ Can IPSAS meet the challenge of converging to IFRS in these turbulent times?
- ➤ Will IPSAS result in sufficient transparency on government measures in relation to the crisis?
- Will transparency require enhanced governance disclosures for the public sector and would they need to be part of IPSAS?
- > Should short term alternatives be considered?

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