

# INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD® FACT SHEET

## What is the IPSASB?

The International Public Sector Accounting Standards Board (IPSASB) is the international independent board that develops International Public Sector Accounting Standards (IPSAS). The IPSASB's operations are facilitated by the International Federation of Accountants (IFAC).

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

The IPSASB aims to strengthen public financial management and knowledge globally through the enhancement of the quality and transparency of public sector financial reporting by:

- Developing high-quality public sector financial reporting standards;
- Developing other publications for the public sector; and
- Raising awareness of IPSAS® and the benefits of their adoption.

## Why Are IPSAS Important?

The financial and sovereign debt crises emphasized the need for better financial reporting by governments worldwide, and the need for improvements in the management of public sector resources. The continuing aftermath of these crises has reinforced these needs. 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, had dramatic consequences, such as the impairment of democracy, social unrest, and the failure of governments to meet their commitments today and in the future. These risks are still very apparent.

Since 1997, the IPSASB has developed and issued 38 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
- Chile
- China
- Colombia
- Costa Rica
- Indonesia
- Japan
- Kenya
- New Zealand
- Nigeria
- Panama
- Peru
- Portugal
- Spain
- Switzerland
- Vietnam
- The European Commission
- The North Atlantic Treaty Organization (NATO)
- The Organisation for Economic Co-operation and Development (OECD)
- The United Nations system

## What is the IPSASB?

The IPSASB consists of 18 members—both from IFAC member bodies and public members—with experience and expertise in public sector financial reporting. With the exception of the Chair, who is remunerated from January 1, 2016 all members are voluntary. 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 Government Accounting Standards Board, the Asian Development Bank, the Chartered Professional Accountants of Canada, the South African Accounting Standards Board, the New Zealand External Reporting 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 (IPSAS®). 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 or a task force also including external experts, 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.

[Ian Carruthers](#) became IPSASB chair in January 2016, having served as a member since 2010. 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).

## The Governance of the IPSASB

The governance and standard-setting activities of the IPSASB are overseen by the [Public Interest Committee](#) (PIC) to ensure that they follow due process and reflect the public interest. The PIC is comprised of individuals with expertise in public sector or financial reporting, and professional engagement in organizations that have an interest in promoting high-quality and internationally comparable financial information.

## The Consultative Advisory Group (CAG)

The IPSASB [Consultative Advisory Group](#) (CAG) advises the IPSASB on:

- (a) The IPSASB's strategy, work program and agenda, including project priorities;
- (b) Projects, including views on key technical issues or matters that may impede the adoption or effective implementation of IPSASs; and
- (c) Other matters of relevance to the standard-setting activities of the IPSASB.

## About IFAC

The [International Federation of Accountants](#)<sup>®</sup> (IFAC<sup>®</sup>) 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. IFAC is comprised of over 175 members and associates in over 130 countries and jurisdictions, representing almost 3 million accountants in public practice, education, government service, industry, and commerce.