

Meeting: IPSASB Consultative Advisory Group

Meeting Location: New York, USA

Meeting Date: December 1, 2025

Agenda Item

4

For:

☐ Approval

☒ Discussion

☐ Information

STRENGTHENING LINKAGES BETWEEN IPSAS STANDARDS AND THE GFSM

Project summary	This objective of the Strengthening Linkages Between IPSAS Standards and the GFSM project is development of non-authoritative guidance on the accounting policy options in IPSAS® Standards that can be useful for Government Finance Statistics Manual (GFSM) reporting.	
Meeting objectives	Topic	Agenda Item
Discussion Items	Project Communication	4.1
Other Supporting Items	IPSASB Due Process Checklist	4.2

Prepared by: João Fonseca (November 2025)

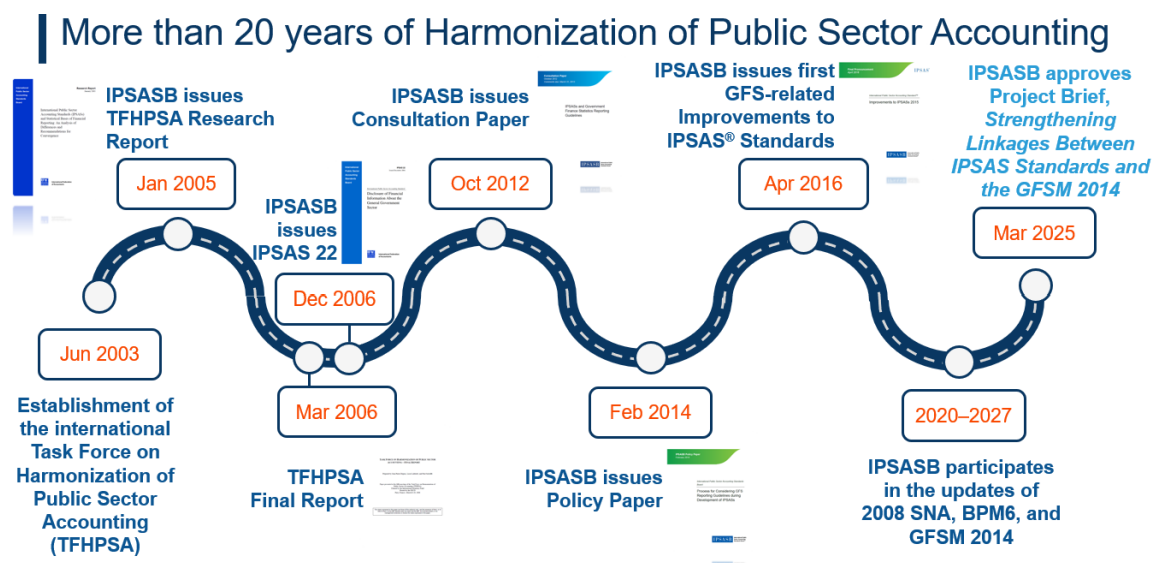
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Project Communication

Background

History of the Project

1. In March 2025, the IPSASB approved the [Project Brief, Strengthening Linkages Between IPSAS Standards and the GFSM](#). The objective of the Project is to help public sector entities maximize the extent to which they can draw on IPSAS Standards-based accounting data in preparing statistical information that is used for macroeconomic decision-making.
2. The IPSASB considers this an important initiative that is in the public interest because audited accounting data that is prepared in accordance with IPSAS Standards is of high-quality. Supporting the use of the audited accrual information by the statistical community will result in statistical reports that are more reliable and useful for macroeconomic decision-making.
3. The figure below shows that this Project builds on more than 20 years of harmonization of public sector accounting¹ that had led to the publication of IPSAS 22, *Disclosure of Financial Information About the General Government Sector* in December 2006, and consolidated the work of the IPSASB's [Consultation Paper, IPSASs and Government Finance Statistics Reporting Guidelines](#) in October 2012.



Link to IPSASB's 2024-2028 Strategy and Work Program

4. The IPSASB's 2024-2028 Strategy and Work Program has the following Strategic Objective:

"Strengthening Public Financial Management (PFM) and sustainable development globally through increasing adoption and implementation of accrual IPSAS Standards and international public sector sustainability reporting standards."

¹ See [Research Report, International Public Sector Accounting Standards \(IPSASs\) and Statistical Bases of Financial Reporting: An Analysis of Differences and Recommendations for Convergence](#), issued in January 2005, and [Final Report, Task Force on Harmonization of Public Sector Accounting](#), issued in March 2006.

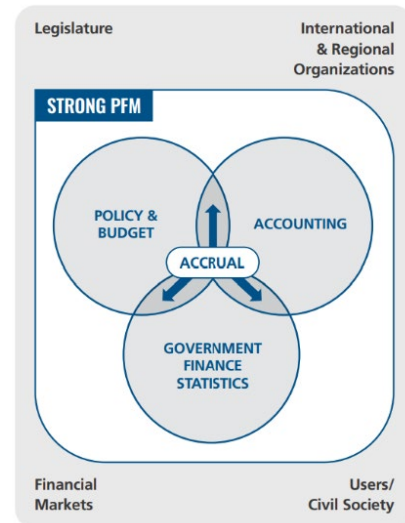
5. The IPSASB will deliver on its Strategic Objective through four key areas:



6. Since this Project highlights important benefits of using IPSAS Standards-based accounting data, it fits in the bottom right quadrant of the key areas diagram 'Advocating Benefits of Financial & Sustainability Reporting Information'.

7. Those benefits are related to the use of accrual IPSAS Standards-based accounting data by:

- Developing high-quality financial reporting guidance for the public sector will be achieved by providing guidance on issues associated with the General Government Sector that promotes improved transparency and comparability of information presented in IPSAS Standards financial statements and in GFSM 2014 reports;
- Raising awareness of the linkages between IPSAS Standards-based accounting data and GFSM 2014 reports; and
- Increasing the benefits of IPSAS Standards-based accounting data by providing the guidance to facilitate statistical reporting for supporting public sector accountability, decision-making and fiscal analysis.



Project Phases

8. The project will have two phases:
- Phase 1: Enhance non-authoritative guidance to IPSAS 22 to illustrate recognition and measurement requirements in IPSAS Standards aligned with the statistical guidelines and add 'Comparison with GFSM 2014' tables at the end of all IPSAS Standards; and
 - Phase 2: Identify opportunities to increase alignment between IPSAS Standards and the GFSM 2014 as a result of the GFSM 2014 update process².

² Following the adoption of the new [System of National Accounts, 2025 \(2025 SNA\)](#) and the [Seventh Edition of the Integrated Balance of Payments and International Investment Position Manual \(BPM7\)](#), the International Monetary Fund has launched the [update of the GFSM 2014](#), which is planned to be completed in December 2027.

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9. Throughout 2025, the IPSASB has continued to progress the work on Phase 1 of the Project. The Project proposes additional non-authoritative Implementation Guidance to IPSAS 22 on (see [draft] Exposure Draft 94, *Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014* (Amendments to IPSAS 22) in Agenda Item 5.3.1 of the IPSASB December 2025 meeting):
 - (a) The data recognition and measurement requirements that are aligned with those in GFSM 2014;
 - (b) Where GFSM 2014 has different data presentation requirements even though recognition and measurement requirements are aligned; and
 - (c) Where additional data needs to be collected for GFSM 2014 purposes because of key recognition and measurement differences.
10. IPSAS 22 is a Standard that governments can elect to apply when they wish to present information about the general government sector in their consolidated financial statements. Therefore, if an entity does not elect to apply the Standard, this does not impact on its ability to assert compliance with IPSAS Standards.
11. The statistical community, particularly national statistical offices, would likely benefit from development of the proposed non-authoritative Implementation Guidance to ensure that where IPSAS Standards-based accounting data is already available that is fully utilized and drawn upon from the accounting system for statistical reporting to maximize the benefits described in paragraph 7.
12. Given the specific technical expertise required, the Project has the support of a Task Force comprised of members from the IPSASB, International Monetary Fund, Eurostat, South African National Treasury, and Swiss Federal Finance Administration. All Task Force members have extensive experience in IPSAS Standards and/or in GFSM 2014 reporting.
13. The IPSASB is expected to approve [draft] ED 94 at its December 2025 meeting.

Analysis

14. The following three main conclusions have been reached during the development of this project:
 - (a) IPSAS Standards-based accounting data helps improve the data for statistical purposes where recognition and measurement alignment exist;
 - (b) In many areas, there is recognition and measurement alignment between IPSAS Standards-based accounting data and GFSM 2014 requirements; and
 - (c) Although there are some presentational differences between IPSAS Standards and GFSM 2014, even where recognition and measurement requirements are aligned, this does not prevent the usage of the underlying accounting data for statistical purposes.

IPSAS Standards-based accounting data helps improve the data for statistical purposes where recognition and measurement alignment exist

15. Audited financial statements based on IPSAS Standards gives an unmatched level of assurance in the reliability of the source data used for GFSM 2014 reporting. This ensures the full delivery of the benefits of accrual-based information designed to achieve the objectives of accountability, decision-making, and support fiscal policy formulation and analysis.

In many areas, there is recognition and measurement alignment between IPSAS Standards-based accounting data and GFSM 2014 requirements

16. Over the last 20+ years, there was a strong alignment effort between IPSAS Standards and GFSM 2014 that led to an increased alignment degree between both frameworks. As a result, there is more underlying accounting data based on IPSAS Standards available for use for GFSM 2014 reporting than ever before, thus reducing the need to collect additional data.
17. When compared with 2003, the IPSASB has now an updated and more complete suite of IPSAS Standards, which can enable public sector entities to maximize the usage of IPSAS Standards-based accounting data for statistical reporting purposes.
18. The potential usage of IPSAS Standards-based accounting data for statistical reporting purposes can be increased as there are currently more than 100 jurisdictions worldwide that are using IPSAS Standards as the basis for their financial reporting³.

Although there are some presentational differences between IPSAS Standards and GFSM 2014, even where recognition and measurement requirements are aligned, this does not prevent the usage of the underlying accounting data for statistical purposes

19. Presentation-related differences do not prevent the usage of IPSAS Standards-based accounting data for compilation of GFSM 2014 reporting as it is already available from the accounting systems. Where only IPSAS Standards-based financial statements are available, these can also be used as source data for GFSM 2014 reporting in conjunction with the relevant disclosures. However, the length of time taken to produce the financial statements and the potential absence of some of the more detailed accounting data required may limit their usefulness.
20. Ideally, IPSAS Standards and statistical guidance should maximize alignment in respect of recognition and measurement requirements, to help ensure consistency and availability to use underlying accounting data for GFSM 2014 reporting. Currently, where there is a recognition and measurement difference, this needs to be managed through the collection of additional data.

Question for CAG Members:

- 1) What aspects of the Project does the CAG believe need to be focused on in communicating the Project benefits to the accounting and statistical communities?

³ See [International Public Sector Financial Accountability Index: 2025 Status Report](#) published in September 2025.

IPSASB Due Process Checklist

Project: *Strengthening Linkages Between IPSAS Standards and the GFSM*

Greyed out portions of the checklist refer to due process elements reviewed by the IPSASB's Public Interest Committee.

#	Due Process Requirement	Yes/No	Comments
A. Project Brief			
A1.	A proposal for the project (project brief) has been prepared, that highlights key issues the project seeks to address.	Yes	The IPSASB considered the project brief at its December 2024 meeting (see Agenda Item 5.3.1) and March 2025 meeting (see Agenda Item 4.3.1)
A2.	The IPSASB has approved the project in a public meeting.	Yes	See the minutes of the March 2025 IPSASB meeting (section 4).
A3.	The IPSASB CAG has been consulted on the project brief.	N/A	Considering opportunities to reduce unnecessary differences with GFS is part of the IPSASB's formal alignment process agreed and supported by stakeholders in the Strategy and Work Program 2024-2028. The IPSASB CAG was consulted on the Strategy as part of its development.
B. Development of Proposed International Standard			
B1.	The IPSASB has considered whether to issue a consultation paper or undertake other outreach activities to solicit views on matters under consideration from constituents.	N/A	The IPSASB concluded a consultation paper is not warranted, given this project was strongly supported by respondents to the 2024-2028 Strategy and Work Program Consultation and has a narrow scope.
B2.	If comments have been received through a consultation paper or other public forum, they have been considered in the same manner as comments received on an exposure draft.	N/A	See B.1.

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#	Due Process Requirement	Yes/No	Comments
B3.	The IPSASB CAG has been consulted on significant issues during the development of the exposure draft.	Yes	See Agenda Item 4 of the CAG December 2025 meeting.
B4.	The IPSASB has approved the issue of the exposure draft.	TBD	See Agenda Item 5 of the IPSASB December 2025 meeting.
C1.	The approved exposure draft has been posted to the IPSAS website for public comment for an appropriate period.	TBD	[Pending]
C2.	Comments on the exposure draft have been posted to the IPSASB website after the end of the exposure period.	TBD	[Pending]
D1.	Staff have provided the IPSASB, as part of the public agenda papers, with an analysis summarizing the significant issues raised by respondents, outlined their proposed disposition, and, as appropriate, explained why significant changes recommended by respondents have or have not been accepted.	TBD	[Pending]
D2.	The IPSASB has deliberated significant matters raised in the comment letters, and significant decisions have been minuted.	TBD	[Pending]
D3.	The IPSASB has considered whether there are any issues	TBD	[Pending]

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#	Due Process Requirement	Yes/No	Comments
	raised by respondents, in addition to those summarized by Staff, that it considers should have been discussed by the IPSASB.		
D4.	The IPSASB CAG has been consulted on significant issues raised by respondents to the exposure draft and the IPSASB's related responses.	TBD	[Pending]
D5.	Significant comments received through consultation with the IPSASB CAG are brought to the IPSASB's attention. Staff have reported back to the IPSASB CAG the results of the IPSASB's deliberations on those comments received from the CAG.	TBD	[Pending]
D6.	The IPSASB has assessed whether there has been substantial change to the exposed document such that re-exposure is necessary.	TBD	[Pending]
D7.	If applicable, the IPSASB has voted on a resolution in favor of re-exposure.	TBD	[Pending]
D8.	The basis of the IPSASB's decision with respect to re-exposure has been minuted.	TBD	[Pending]
D9.	If the exposure draft has been re-exposed, the explanatory memorandum accompanying the re-exposure draft explained the reasoning for re-exposure	TBD	[Pending]

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#	Due Process Requirement	Yes/No	Comments
	and the changes made as a result of the earlier exposure.		
E1.	The Program and Technical Director has confirmed to the IPSASB that due process has been followed effectively the final standard is approved for issuance.	TBD	[Pending]
E2.	The IPSASB has approved the final revised content of the exposed standard in accordance with its Terms of Reference.	TBD	[Pending]
E3.	If applicable, the IPSASB has set an effective date for application of the final standard.	TBD	[Pending]
E4.	The IPSASB's basis for conclusions has been prepared and included in the final standard.	TBD	[Pending]

Completed by: IPSASB Staff as of November 2025.