



AFRICAN ASSOCIATION OF ACCOUNTANTS - GENERAL
ASSOCIATION AFRICAINE DESOMPTABLES - GÉNÉRAUX
ASSOCIAÇÃO AFRICANA DE CONTADORES GERAIS

Collaborating for Prosperity

DECEMBER 2025 CAG MEETING

IPSAS IMPLEMENTATION SESSION



Presentation Outline



1. About AAAG
and Policy
Landscape for
Africa

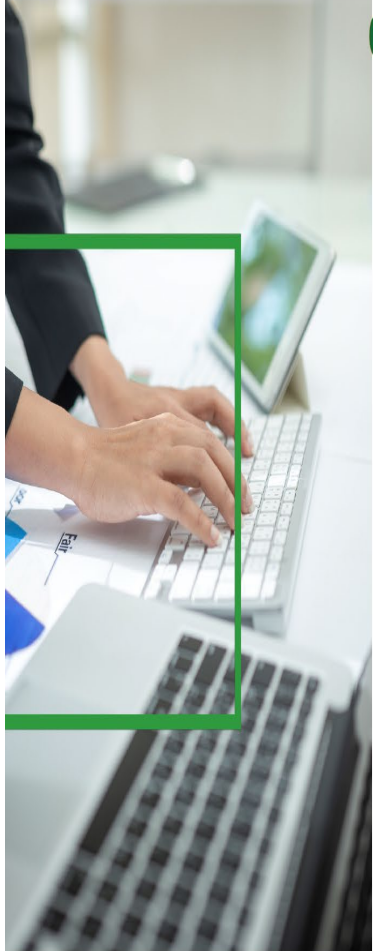
2. Situational
Context for FR and
SR in Africa

3. Status of
Adoption of IPSAS

4. The Adoption
Enablers

5. The Case of
Kenya

About AAAG and Policy Landscape for Africa



01. Introduction

- African Association of Accountants General (AAAG) is a premier organization committed to enhancing Public Financial Management (PFM) across the African continent.
- Conceptualized from lessons learned from its predecessor, the East & Southern Association of Accountants General (ESAAG)
- AAAG unifies & strengthens PFM through transparency, accountability & efficiency across Africa's financial management ecosystem.

Vision, Mission & Core Values



Vision

Accountable,
Integrated &
Prosperous
Africa

Mission

To build trust in PFM by
fostering continental
synergies for integrated &
sustainable development
across Africa

Core Values

Accountable
Collaborative
Innovative
Respectful
Transparent

About Africa – Situational Analysis

Africa's vast Potential:

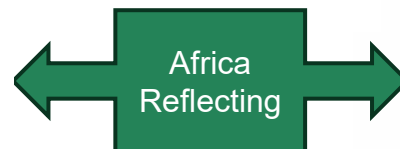
- Youthful population (68% of 1.4 billion people)
- Sub-soil Resources – Presents immense potential
- Innovation – Increasingly becoming the centre of innovation – Mpesa from Kenya.

Persistent Challenges:

- Fiscal vulnerabilities – fiscal imbalances
- Debt sustainability
- Inequality – expanding economic gaps

PFM: The silent engine of inclusive prosperity and IPSAS yardstick for measuring tenacity of PFM policy.

Setting the Tone – About Africa



Progress but Uneven Reform Trajectories

Governance frameworks have strengthened across many countries, yet reform depth and implementation consistency vary widely across the continent.

Digital Governance as a Catalyst and a Stress Test

Digital reforms offer transformative potential but often outpace legal, institutional, and cybersecurity readiness, exposing gaps in state capability.

PFM Reforms Advancing, but Coherence Remains a Challenge

Adoption of modern public finance reforms—IPSAS, TSA, digital payments, medium-term planning—is growing, though alignment across institutions and levels of government remains limited.

Transparency Improving but Public Trust Still Fragile

Oversight institutions are stronger, yet inconsistent transparency, limited data accessibility, and weak audit follow-up continue to constrain citizen confidence.

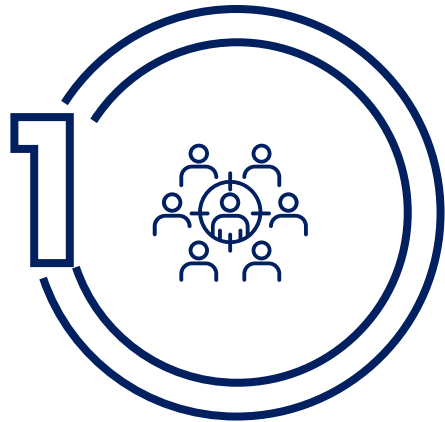
Capacity Constraints Affecting Governance Effectiveness

Shortages of skilled personnel, institutional fragmentation, and weak incentives slow progress in financial reporting, procurement, planning, and service delivery.

Setting the Tone – Point of Reflection

Are CAG members seeing similar “trends” (presented in slide 4, such as impact of digital reforms, improving public trust, addressing capacity constraints)? If so, what impact have they had on the transition journeys in your region?

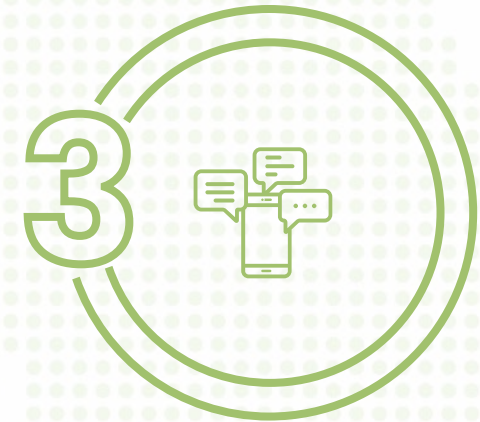
Setting the Tone



Today is not only about accounting standards; it is about how the African Countries lead, create and manage public value to earn enduring trust from its citizens.



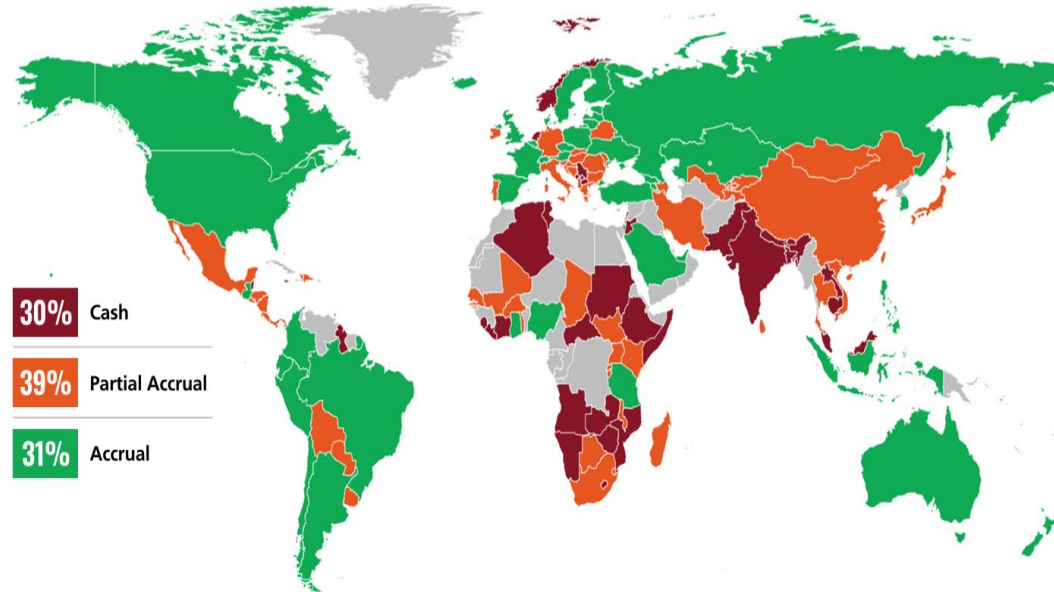
Transitioning from cash based reporting to **accrual IPSAS and adoption of SR** are strategic reforms. They touch every ministry, regional and local administration, fund, regulator, and public enterprise.



The reforms cannot be a “Finance and Accounting -only” project—it must be **whole-of-Government.**

Status of Implementation of IPSAS – Focus on Africa

2024 INDEX: FINANCIAL REPORTING BASES



Compliance Map – AAAG Assessment

- A strong financial reporting framework is key for **quality and transparency** in the public sector.
- Across AAAG member countries, there is a **diverse spectrum of IPSAS adoption**:
 - **Leaders (full accrual)**: Ghana, Nigeria, Tanzania, South Africa (local government level), Rwanda has concluded the processes to assemble information to transition. They prepare full statements with disclosures but still face technical gaps (e.g., assets valuation, treatment of biological/natural resources).
 - **Transitional (partial accrual)**: Kenya, Malawi, Uganda, South Africa. They have partial adoption but gaps remain in asset recognition, expense accrual, and chart of accounts.
 - **Cash or modified cash**: Lesotho, Somalia, The Gambia, Namibia, Zimbabwe, Botswana, Angola, Eswatini. Reporting is still on cash or modified cash basis, with weak frameworks and major capacity gaps.
- The **drivers for transition** include:
 - Improving credibility and comparability of public accounts.
 - Against diminishing resources, there is a burning desire strengthening fiscal transparency and accountability.
 - DFI instigation – WB, IMF to some extent – AfDB's advocacy actions.
- **Key challenges** across members: incomplete asset registers, valuation difficulties, mixed reporting bases, and gaps in legal frameworks.

Status of IPSAS Adoption

Country	Reporting Basis / Standards	Status on Financial Statements
Rwanda	Transitioning to full IPSAS accrual effective 2025/26	Partial but steps to transition finalized for FY 2025/26.
Ghana	IPSAS	Full accrual statements
Nigeria	IPSAS	Modified Cash
Uganda	National standards (moving toward IPSAS)	Modified Cash
South Africa	Modified cash (Nat'l & provincial, Municipal); (Local Govts – only are on accrual accounting as per the MFMA)	Modified at National, Accrual at Local Government level
Kenya	IPSAS	Modified cash
Malawi	IPSAS	Modified cash
Eswatini	National standards	Cash accounting
Chad	National standards	Transitioning to IPSAS cash has been initiated
Angola	National standards	Process to transition to IPSAS has been initiated
Lesotho	Fully on cash basis	Strategy to transition to accrual accounting is under consideration.
Somalia	IPSAS Cash	Cash accounting but with commitments to start the transition. WB just appoint a TA to help FGS through the process.
The Gambia	IPSAS Cash	IPSAS Cash applied though not across the entire government. Current initiative to roll IPSAS accrual on course.
Namibia	National standards – GFS aligned.	Processes to implement IPSAS underway... including enactment of PFM Law and develop a CoA.
Zimbabwe	IPSAS cash	IPSAS Cash... Zimbabwe has started the process to transition to accrual accounting.
Botswana	IPSAS Cash	Transition to IPSAS accrual underway with technical support from CIPFA

COMPARATIVE ASSESSMENT OF TRANSITION JOURNEYS

Advanced	In Progress	In Progress	Beginning
Government of Rwanda and Ghana	Government of Kenya	Government of Zimbabwe	Government of Eswatini
Reporting entities for public assets and public debt determined.	Commenced data collection and valuation of public liabilities: <ul style="list-style-type: none"> Consolidated debt register which links loans to projects in progress. Guarantee register in progress. Verify pending bills, clear arrears, ensure commitments are recorded as liabilities at service delivery. Register of PPPs in progress. 	Determining reporting entities for public land and buildings. For example: <ul style="list-style-type: none"> Buildings built by local authorities (LG / Ministry of Local Government / Public Works and National Housing). Boarder compounds buildings which are maintained by ZIMRA (ZIMRA / Ministry of Local Government / Public Works). Complexes housing more than One Ministry. 	Historical values assigned to less complex public assets such as Office equipment, furniture and machinery.
Data collected and values assigned to most public assets and liabilities [Land and Buildings].	Determining reporting entities for public assets: <ul style="list-style-type: none"> Vehicles that belong to Central Government (Health Ministry) donated to Counties for a period and maintained by Counties. 	<ul style="list-style-type: none"> Ministry of LG valued 17,000 / 45,000 Buildings. COH to value road, water pipelines and sewers. 	
Data collection and valuation of more complex public assets and liabilities has commenced [SCA & SCL, Leases, Power networks, Gorillas].			

PUBLIC LIABILITIES GENERALLY ASSUMED BY AFRICA GOVTS

#	Category	Classes	Status of Reporting
1.	Liabilities from Operations	<ul style="list-style-type: none"> Accruals. Creditors / Suppliers. Receipts received in advance. 	Reported on Face of Balance Sheet.
2.	Liabilities Related to Assets	<ul style="list-style-type: none"> Service concession liabilities. Leased liabilities. 	<ul style="list-style-type: none"> Not recorded and not reported. Only disclosed. Not recorded and not reported. Only disclosed.
3.	Liabilities Related to Taxes, Grants and Transfer Expenses	<ul style="list-style-type: none"> Tax liabilities. Grant liabilities. Transfer liabilities. 	Not recorded and not reported. Only disclosed.
4.	Financial Liabilities	<ul style="list-style-type: none"> Public debt. Financial guarantees. 	<ul style="list-style-type: none"> Not recorded and not reported. Only disclosed. Not recorded and not reported. Only disclosed.
5.	Employee Benefits	<ul style="list-style-type: none"> Short term employee benefits. Post-employment benefits. Long term employee benefits. 	<ul style="list-style-type: none"> Reported on Face of Balance Sheet. Not recorded and not reported. Only disclosed. Not recorded and not reported. Only disclosed.
6.	Social Benefits	<ul style="list-style-type: none"> Social benefits payable. 	Not recorded and not reported. Only disclosed.
7.	Provisions, Contingent Liabilities and contingent Assets	<ul style="list-style-type: none"> Provisions. Contingent liabilities. Contingent assets. 	Not recorded and not reported. Only disclosed.

PUBLIC LIABILITIES GENERALLY ASSUMED BY AFRICA GOVTS

Most African Governments:

- Have incomplete records and miss out key information of quantities and values assigned to Public Non-Financial Assets and Public Non-Financial Liabilities.
 - ✓ Public land, buildings, roads, vehicles, intangible assets, public debt and pension obligations are not reported internally and externally.
- Focus has mainly been on Public Debt understating other material liabilities such as Pension Obligations and Provisions.
- **2018 IMF Fiscal Monitor Report:**
 - ✓ Unrecorded NFA are **2 times of GDP**.
 - ✓ Unrecorded NFA could yield non-tax revenue amounting to 3% of GDP annually:
 - ❑ Dividends from controlled public corporations.
 - ❑ Rental income from government real estate.



AAAG PROPOSES POLICY ADVOCACY IN AFRICA

Identify, Register, Collect Data and Value Public Financial and Non-Financial Assets and Liabilities:

Revise and Develop **Uniform** Chart of Accounts to cater for Public Non-Financial Assets and Liabilities transactions.

- Enhance Capabilities of Financial Information Systems to capture quantities, location, condition, photos and monetary values of assets and liabilities in electronic assets and liabilities registers.
- For example, GG and GR have Electronic Fixed Asset Registers (FARs) and Public Debt modules.
- Assign values using Cost or Current Values.

STATUS ON PROGRESS WITH WG CONSOLIDATED REPORTING

Ghana [FY 2024]	Tanzania [FY 2022*]	GOR [FY 2024]	SA [FY 2024]
<ul style="list-style-type: none"> ▪ 1274 Public Entities are Consolidated. ▪ Aggregates and consolidates Public Assets and Liabilities for Central, Local and Controlled SOEs and Public Corporations. 	<ul style="list-style-type: none"> ▪ 586 Public Entities are Consolidated. ▪ Aggregates and consolidates Public Assets and Liabilities for Central, Local and Controlled SOEs and Public Corporations. ▪ Latest AFS on the MOF Website are FY 30 June 2022. 	<ul style="list-style-type: none"> ▪ 351 Public Entities are Consolidated. ▪ 2024: Aggregates and consolidates Public Assets and Liabilities: <ul style="list-style-type: none"> ✓ Central and Local Government. ✓ Equity Accounted Investments in Controlled SOEs and Public Corporations. ▪ 2025: Aggregates and consolidates Public Assets and Liabilities: <ul style="list-style-type: none"> ✓ Central and Local Government. ✓ Controlled SOEs and Public Corporations. 	<ul style="list-style-type: none"> ▪ Two Separate Consolidations are Prepared: <ul style="list-style-type: none"> ✓ National Treasury Exemption Applied because Public Entities (Extra budgetary entities) account for transactions using Accrual GRAP and Central Government Accounts for transactions using Modified Cash. ✓ Central Government Entities and Controlled SOEs are consolidated using Modified Cash. ✓ Public Entities and Controlled SOEs are Consolidated using Accrual GRAP [208 public entities]. ▪ LG / Municipalities are on GRAP and prepare separate financial statements and are not consolidated.

IPSAS Adoption – Point of Reflection

From the AAAG's perspective derived out of a recent gap analysis, Countries are at different IPSAS maturity levels—what scalable practices has your region used to move from partial adoption to more consistent accrual practices?

Status of IPSAS Adoption – The Enablers



- Supranational and Regional Organizations (API, AAAG, PAFA, World Bank, AU, ADB, IMF):
 - Technical support (Highlight the AAAG Technical Support provided by AAAG to Kenya, Eswatini... Issuance of Accounting Guidelines).
 - Provide funding (ADB funding Eswatini's roadmap and Capacity Building).
 - Quality Assurance.
- Auditor General's Offices and AFROSAIE and Accounting and Auditing Firms:
 - Assist with the Implementation
 - Audit the accuracy and veracity of the IPSAS information.
- Standard Setting Bodies:
 - Permit me to highlight the important role played by IPSASB for the African Governments of:
 - ✓ Setting Principle Based Standards with Implementation Guidance and Illustrative Examples.
 - ✓ Organizing Africa Roundtables to establish Africa's pain points on reporting.
 - Kenya's transition greatly tapped into PSASB technical materials including Study 14 - bedrock for the Government of Kenya's IPSAS Transition
 - Principle based standards issued by IPSASB form an integral part in guiding the ASB in South Africa GRAP Development and Compliance – Education materials, Implementation support.
- PAOs / IFAC / CIPFA:
 - PAOs such as ICPAK, SAICA, ICAN, ICAG, BICA, ZICA, ICAZ etc such as IPSAS Certification Programmes, play a key role in facilitating IPSASs adoption.
 - Capacity Building
- Governments:
 - Political support and will
- IFMIS / GIFMIS

IPSAS Adoption Enablers – Point of Reflection

Which enabler - legal framework, PAO support, standard setters, donor financing, or IFMIS - has had the greatest impact in your region, and how can others replicate it?

How have regional and continental PFM institutions - such as AAAG and similar bodies - supported your country or region in advancing the transition to accrual accounting, and what practical models or interventions have proven most effective in your context?"

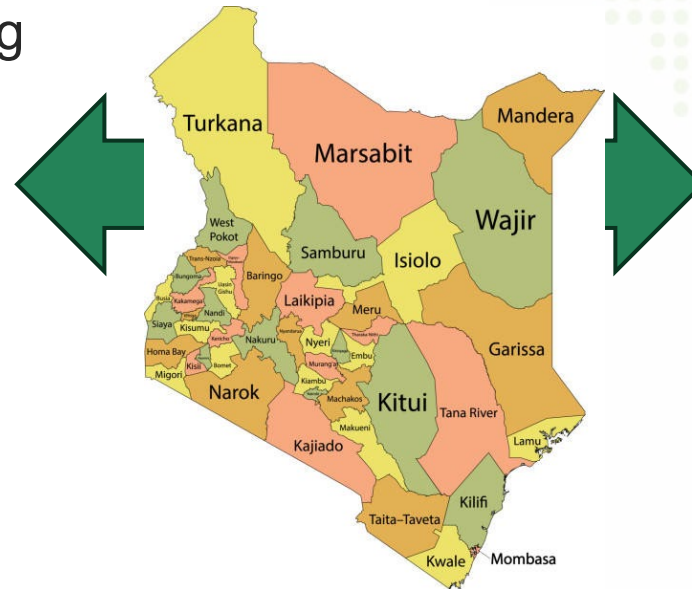
Consider AAAG Guidelines to Accrual Accounting - <https://aaag.africa/technical-resources/>

About Kenya - Kenya's Case

Kenya is a unitary state operating under a devolved system of governance

1+47 Governments.

- Executive
- Parliament
- Judiciary



The governments at the national and county levels are distinct and inter-dependent and shall conduct their mutual relations based on consultation and cooperation.

- 1 National Government
- 47 Counties Government

Constitution of Kenya 2010

Kenyan Legal Framework



CoK 2010 : Openness | Accountability | Clear Fiscal Reporting |

PFM Act 2012: Responsibility | Timelines | Content | Formats |

Treasury : Policies | Circulars | Timelines | SOPs |

PSASB : Annual Reporting Templates | Guidelines

Status of IPSAS Adoption – The Case for Kenya

Country Case – Kenya’s Transition to Accrual IPSAS - Kenya illustrates both ambition and complexity:

- **Enablers:** Legal backing through the Constitution and PFM Act; creation of PSASB; political support with a Cabinet Memo; preparatory work on policies, SCOA updates, and training.
- **Challenges:** IFMIS not fully configured for accrual; incomplete asset registers; shortage of skilled accountants, especially at the county level; valuation of infrastructure and heritage assets; resistance to change.
- **Mitigation Actions:** Phased implementation aligned with IPSAS 33; recoding IFMIS and finalising SCOA; structured training programs; strong steering and oversight committees; standardised templates for asset and liability mapping; stakeholder engagement and change management.

Lesson: The accrual transition must be treated as a national reform project, anchored in law, systems, and governance—not just as an accounting upgrade.

Transition to Accrual Accounting - Kenya Road Map

Year 0-
Appointment of
SC, Gazettement
of date, accrual
templates,

Date of first
IPSAS
Accrual FS-
30th June
2025

Date of full
implementation
(all assets and
liabilities
reported)- 30th
June 2027.

Cabinet approval of
Cab
Memo/Transition
date- 1st July 2024

Transition period: 3 –
years (IPSAS 33: First
time adoption of IPSAS
Accrual statements)

Date of whole of
Government FS-
Consolidated
30th June 2027

AAAG – Collaborating for Prosperity

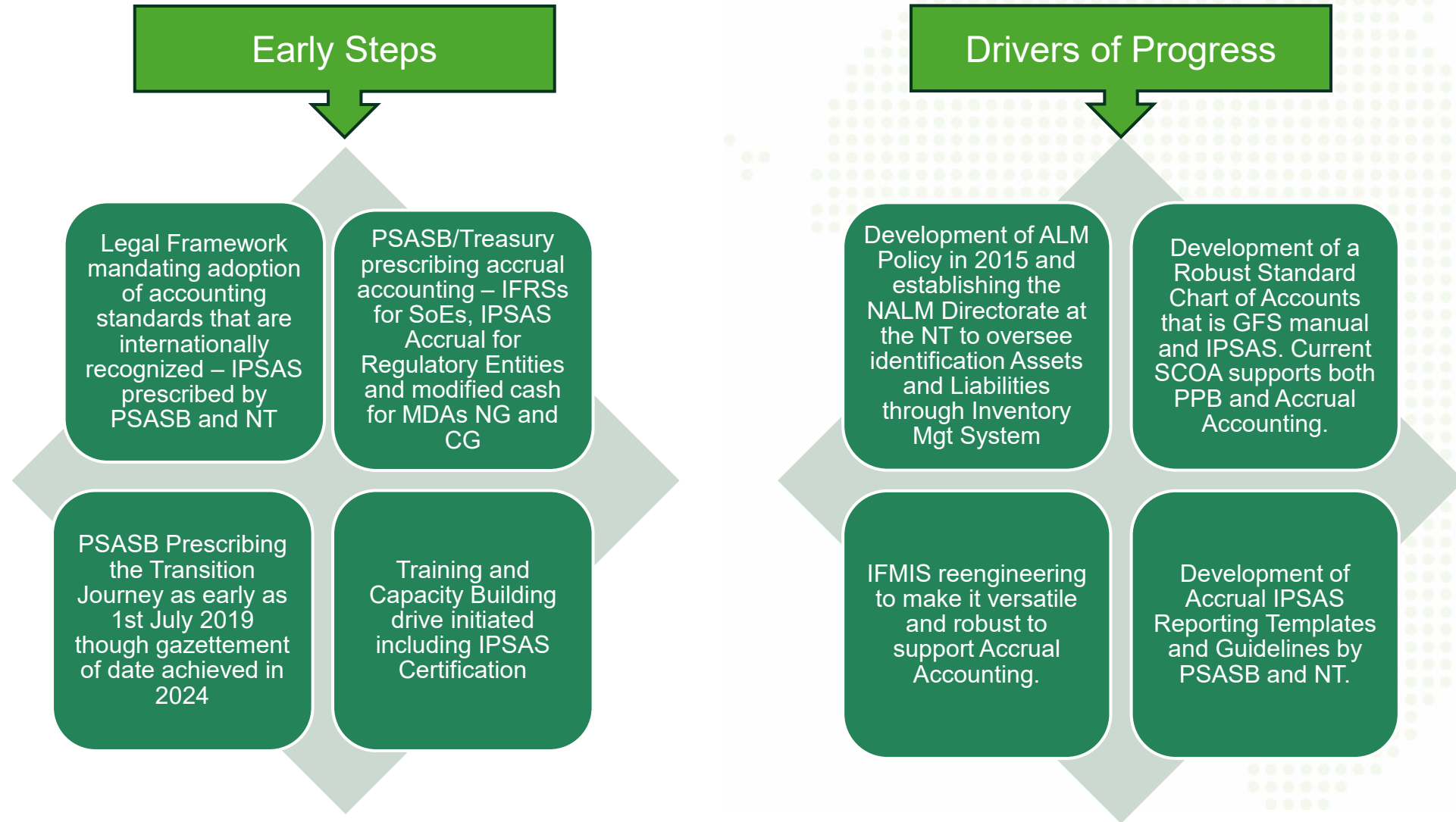
	Colour Key
	Prep Policies/ Standards
	Implementation
	Operationalize/Test
	Recognize in Fin Stat
	Full Implementation

Kenya's Transition Journey – Pause and Discuss

Looking at the sequencing in Kenya's inaugural transition road map, what sequencing of reform activities has proven effective in your region (e.g., asset registers first, IFMIS update first, etc.)?

Considering the roadmaps (slides 18-19), are countries in other regions transitioning to accrual facing similar transitions (e.g., 1y of prep work is sufficient, but 2-3y needed to operationalize, with more time needed for non-financial assets)? If so, what practical strategies have been taken to manage the transitions effectively in your regions?

Kenya's Key Success Factors



Setting the Stage for Sustainability Reporting in Africa

Sustainability reporting is emerging as a critical dimension:

- **Context:** Africa contributes the least to global carbon emissions but suffers disproportionately from climate shocks (droughts, floods, food insecurity).
- **Importance:** Reporting links climate impacts to budgets, debt, and fiscal sustainability; enhances access to climate finance; builds trust with donors and multilaterals.
- **Current State:** Uneven uptake across AAAG members, but recognition is growing that sustainability is central to resilient PFM.
- **Key Messages:**
 - Not yet mandatory, but increasingly a requirement for funding.
 - Essential for credibility and scaling finance access.
 - For Africa, sustainability reporting is about **survival, resilience, and trust-building**, not just compliance.

Setting the Stage for Sustainability Reporting in Africa – pause and Discuss

Considering the status of sustainability reporting in Africa, What sustainability-related reporting practices (climate, ESG, environmental expenditure tracking) are emerging in your region that Africa could benchmark with?

Recommended Actions – We Must Collaboratively work towards-

Strengthen Financial Governance through collaboration by seeking to align standards and best practices in PFM across Africa:

- Joint stakeholder engagement initiatives to expand influence and enhance attractiveness
- Policy Advocacy
- Co-creation for efficiency & effectiveness

Enhance accountability and Transparency in Public Finance by:

- Facilitating timely and accurate reporting on use of public resources.
- Establishing stronger controls to detect lapses recommend corrective action promptly.
- Facilitating digitization of Government process including accounting and reporting processes

Bridging the Capacity gaps in Public Sector Accounting and Reporting by:

- Addressing shortage of professional accountants in public sector.
- Run robust capacity building initiatives that address the identified skills gaps
- Peer-peer exchanges between countries

Support the establishment of robust Policy and Regulatory Frameworks for Sustainable Public Finance:

- Strengthen regulatory frameworks to align with global best practices – IPSAS, IFRS INTOSAI standards.
- Look into alignment of the PFM Laws to effectively anchor critical PFM reforms.



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Collaborating for Prosperity



Thank you for listening

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