

STRENGTHENING LINKAGES BETWEEN IPSAS STANDARDS AND THE GFSM

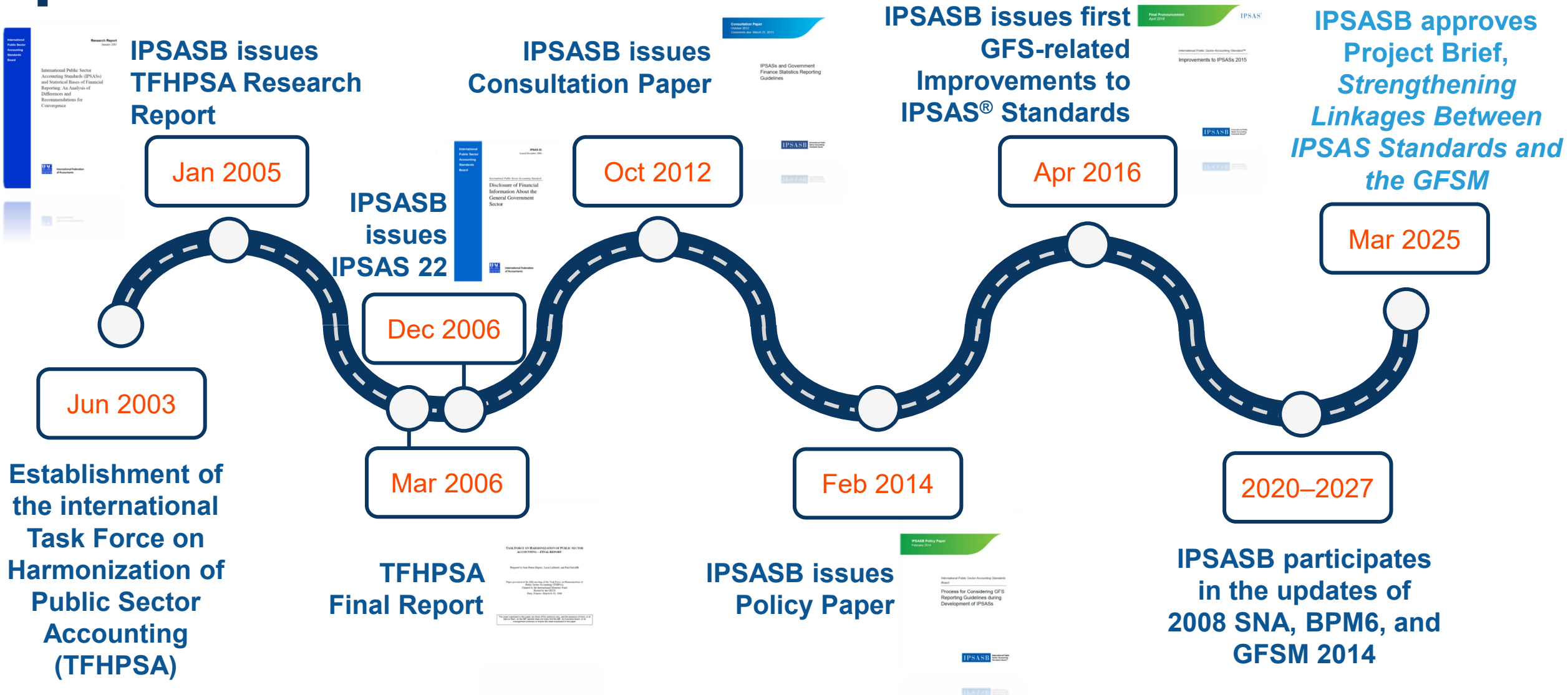
IPSASB CAG Meeting – December 2025

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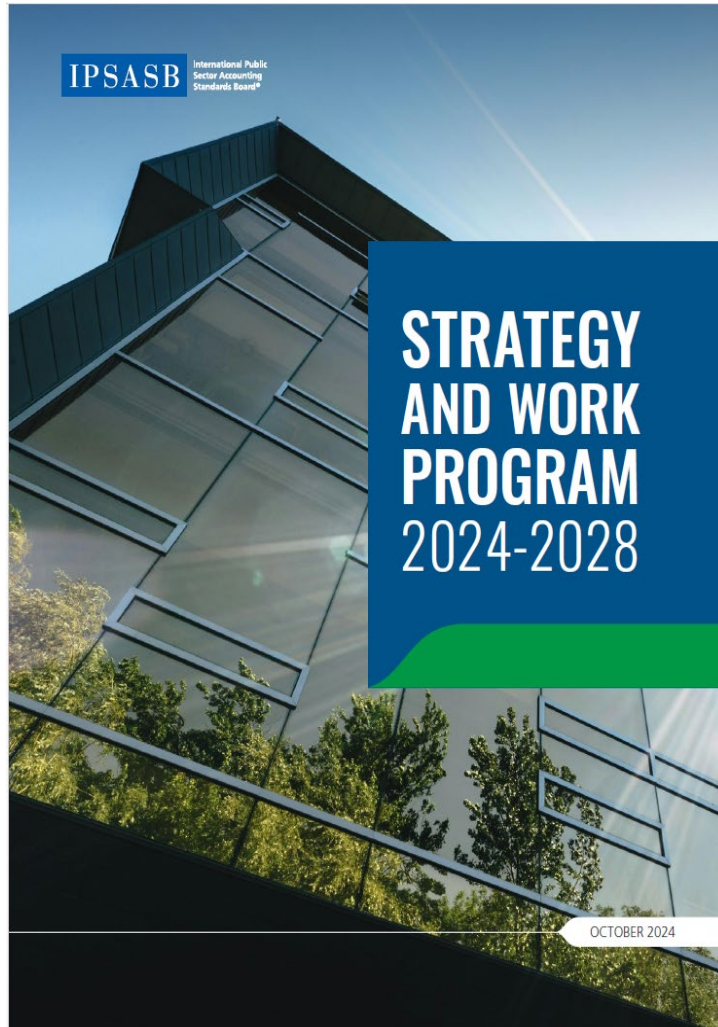
New York, USA

Agenda Item 4

More than 20 years of Harmonization of Public Sector Accounting



GFSM Update Fits the IPSASB Strategy



Strengthening Public Financial Management and sustainable development globally through increasing adoption and implementation of accrual IPSAS and International Public Sector Sustainability Reporting Standards.



Project Phases

Phase 1

- Enhance non-authoritative guidance to IPSAS 22 to help entities maximize the usage of IPSAS Standards-based accounting data for GFSM 2014 reporting.

Phase 2

- Identify opportunities to increase alignment between IPSAS Standards and the GFSM revised as a result of the GFSM 2014 update process

Phase 1

- Alignment (or not) of IPSAS Standards and GFSM 2014 recognition & measurement requirements
- Focus on alignment of underlying accounting data rather than on where is presented in the financial statements
- Guidance to help preparation of Financial Information about General Government Sector (IPSAS 22) and GFSM 2014 reporting

II – Comparison with GFSM 2014 tables

| COMPARISON WITH GFSM 2014 | |
|--|---|
| The following recognition and measurement requirements in IPSAS 19 are aligned with GFSM 2014: | |
| • | Both IPSAS 19 and GFSM 2014 require the recognition of provisions for standardized guarantees. |
| • | Both IPSAS 19 and GFSM 2014 do not require the recognition of contingent liabilities and require their disclosure |
| • | Both IPSAS 19 and GFSM 2014 do not require the recognition of provisions for collective and individual services prior to the delivery of those services to the beneficiaries. |
| The following recognition and measurement requirements in IPSAS 19 are not aligned with GFSM 2014: | |
| • | IPSAS 19 requires the recognition of all provisions, including for financial guarantees within the scope of IPSAS 41. GFSM 2014 does not require the recognition of provisions, including for one-off guarantees and constructive obligations, except for standardized guarantees and for some implicit provisions for tax refunds. |
| The following presentation requirements in IPSAS 19 are not aligned with GFSM 2014: | |
| • | GFSM 2014 distinguishes explicit contingent liabilities and implicit contingent liabilities. IPSAS 19 does not make such distinction. |

III – IPSAS Standards–GFSM Alignment Dashboard

I – Additional non-authoritative guidance in IPSAS 22

- ✓ **Format:** Question and Answer
- ✓ **Content:**
 - Whether IPSAS Standards recognition & measurement requirements are aligned or not with GFSM 2014
 - Where IPSAS Standards presentation requirements are not aligned with GFSM 2014 even though recognition & measurement requirements are aligned
 - Where additional data needs to be collected as a result of recognition & measurement differences

| Table 1 – Alignment Between IPSAS Standards/RPG Guidelines and GFSM 2014—Summary | | | | | | | | |
|--|---|--------|--|---|--------|--|--------------------------------------|--------|
| IPSAS Standards | GFSM 2014 | Status | IPSAS Standards | GFSM 2014 | Status | IPSAS Standards | GFSM 2014 | Status |
| 1. Presentation of Financial Statements | 4.16-4.50 | ■ | 27. Agriculture | 7.20-7.33; 7.59-7.63; 10.70 | ■ | 43. Leases | 7.100, A4.4- A4.17 | ■ |
| 2. Cash Flow Statements | 4.32-4.35 | ■ | 28. Financial Instruments: Presentation | 7.118-7.124; 7.143-7.177; 7.203-7.226 | ■ | 44. Non-Current Assets Held for Sale and Discontinued Operations | – | ■ |
| 3. Accounting Policies, Changes in Accounting Estimates and Errors | A6.46 | ■ | 29. Financial Instruments: Recognition and Measurement | 7.118-7.124; 7.143-7.177; 7.203-7.226 | ■ | 45. Property, Plant, and Equipment | 6.53-6.61; 7.4-7.12; 7.20-7.57 | ■ |
| 4. The Effects of Changes in Foreign Exchange Rates | 3.31; 10.44 | ■ | 30. Financial Instruments: Disclosures | 7.236-7.260; 7.262 | ■ | 46. Measurement | 3.107-3.129 | ■ |
| 5. Borrowing Costs | 6.62-6.63 | ■ | 31. Intangible Assets | 7.20-7.33; 7.64-7.73; 7.104 | ■ | 47. Revenue | 5.1-5.151; A3.1-A3.36 | ■ |
| 10. Financial Reporting in Hyperinflationary Economies | – | ■ | 32. Service Concession Arrangements, Grantor | A4.58-A4.65 | ■ | 48. Transfer Expenses | 6.1-6.6.6.4- 6.95 | ■ |
| 12. Inventories | 7.20-7.33; 7.75-7.86; 10.16-10.17 | ■ | 33. First-time Adoption of Accrual Basis IPSAS | – | ■ | 49. Retirement Benefit Plans | 7.189-7.200 | ■ |
| 14. Events after the Reporting Date | ESA 20.189 MGDD II.7 | ■ | 34. Separate Financial Statements | – | ■ | 50. Exploration for and Evaluation of Mineral Resources | 8.37-8.39 | ■ |
| 16. Investment Property | 7.4-7.12; 7.26-7.33 | ■ | 35. Consolidated Financial Statements | 3.152-3.166 | ■ | | | |
| 18. Segment Reporting | – | ■ | 36. Investments in Associates and Joint Ventures | 2.140-2.143; A4.40 | ■ | | | |
| 19. Provisions, Contingent Liabilities and Contingent Assets | 7.251-7.260 | ■ | 37. Joint Arrangements | 2.140-2.143; A4.40 | ■ | | | |
| 20. Related Party Disclosures | – | ■ | 38. Disclosures of Interests in Other Entities | – | ■ | | | |
| 21. Impairment of Non-Cash-Generating Assets | 10.1-10.69 | ■ | 39. Employee Benefits | 7.189-7.202; 7.261 | ■ | | | |
| 22. Disclosures of Financial Information about the General Government Sector | – | ■ | 40. Public Sector Combinations | 7.113-7.117 | ■ | RPG Guidelines | GFSM 2014 | Status |
| 24. Presentation of Budget Information in Financial Statements | – | ■ | 41. Financial Instruments | 7.118-7.124; 7.143-7.177 | ■ | RPG 1. Reporting on the Long-Term Sustainability of an Entity's Finances | – | ■ |
| 26. Impairment of Cash-Generating Assets | 10.1-10.69 | ■ | 42. Social Benefits | 7.261 | ■ | RPG 2. Financial Statement Discussion and Analysis | – | ■ |
| | | | | | | RPG 3. Reporting Service Performance Information | – | ■ |

Phase 1: Project Conclusions

Analysis

- IPSAS Standards-based accounting data helps improve the data for statistical purposes where recognition and measurement alignment exist
- In many areas, there is recognition and measurement alignment between IPSAS Standards-based accounting data and GFSM 2014 requirements
- 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

Question

- 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?

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