



International
Federation
of Accountants®

PFM Roundtable: Strengthening Public Financial Reporting & Accountability

State of Public Financial Management Reform

Nassau, Bahamas, April 12, 2016

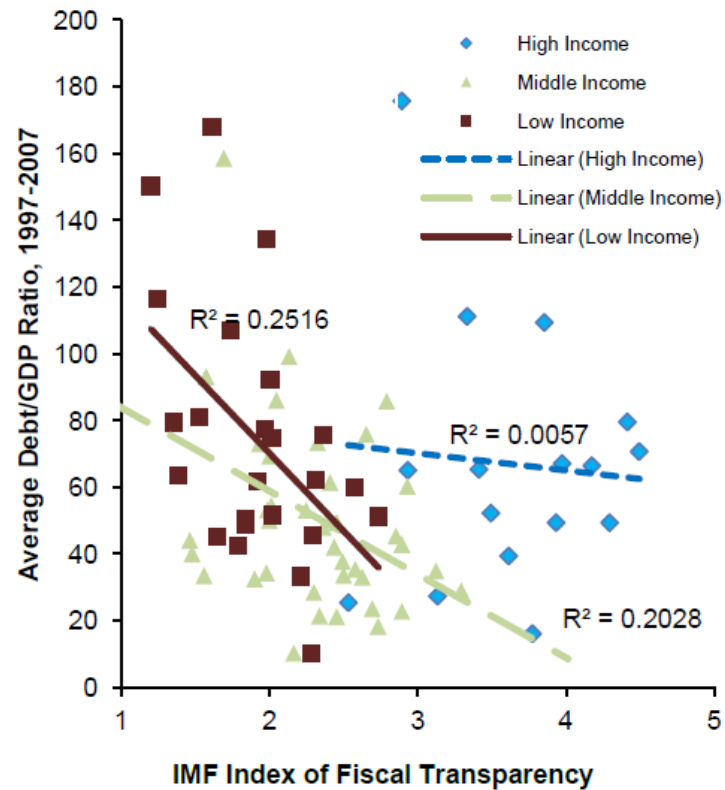
Vincent Tophoff, Lead Accountability. Now. campaign
International Federation of Accountants (IFAC)

Does better accounting make a difference?

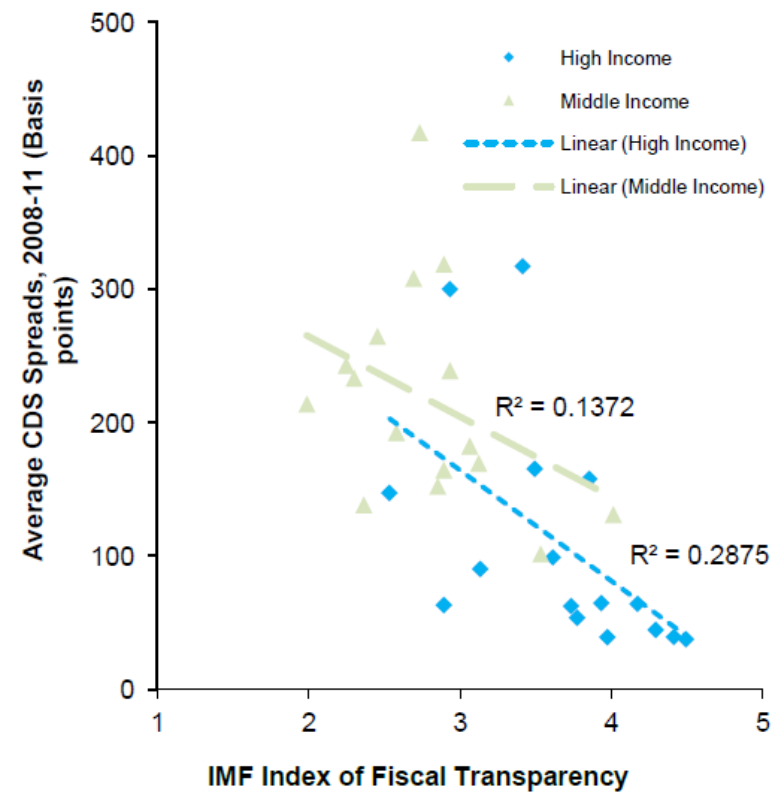


Evidence is clear—accounting makes a difference!

a. Fiscal Transparency & Government Debt



b. Fiscal Transparency & CDS Spreads



Action is required!

“Action at the international, regional, and national level is required to accelerate the shift from cash to full accrual-based recording of transactions and to capture other economic flows in fiscal reports.”

IMF Paper: Fiscal Transparency

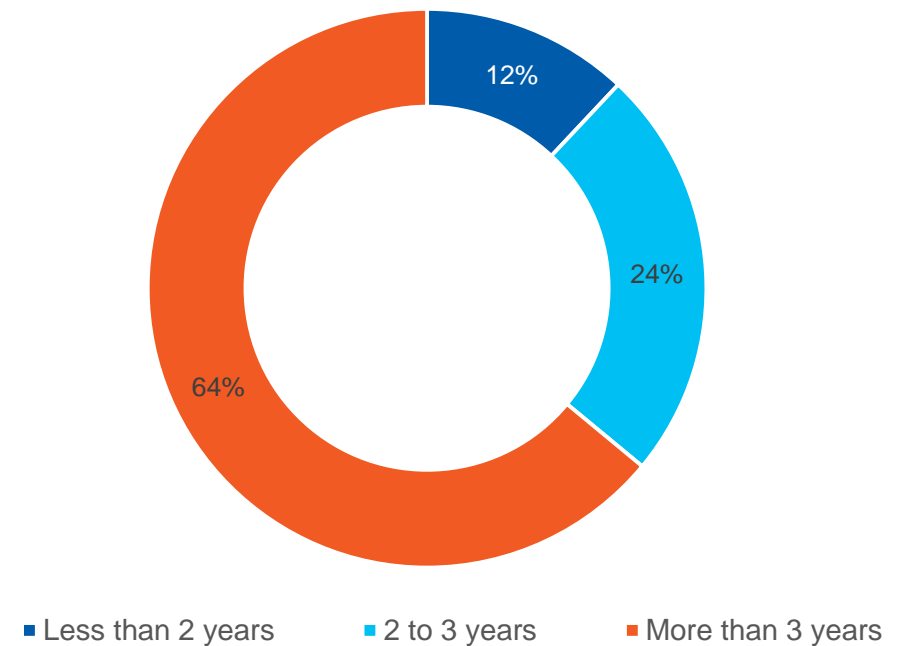
Accountability. Now.



Implementation. Now?

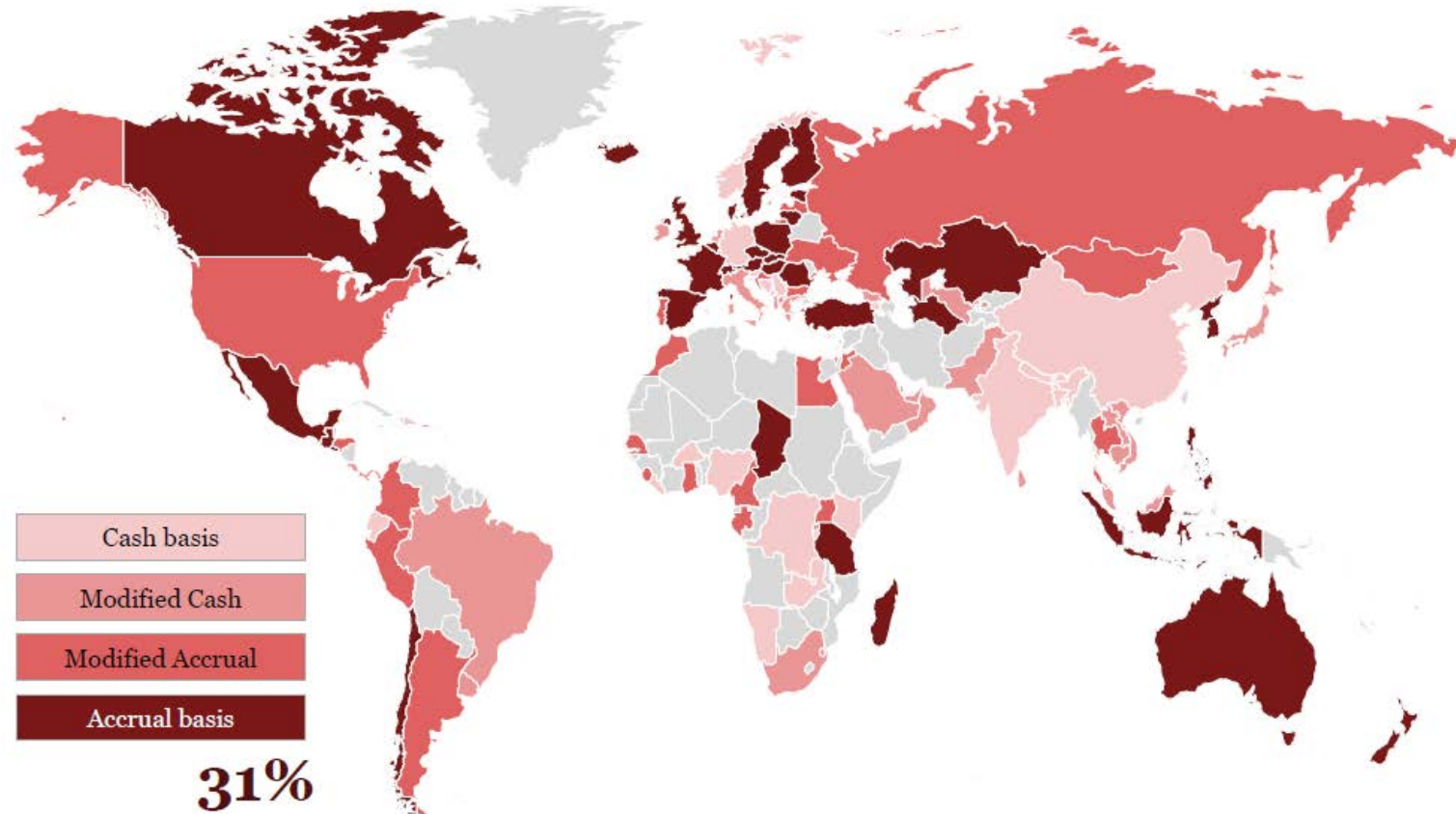
More than three years is required on average to transition to accrual-base IPSAS (or similar)

Figure 12: Length of the conversion process



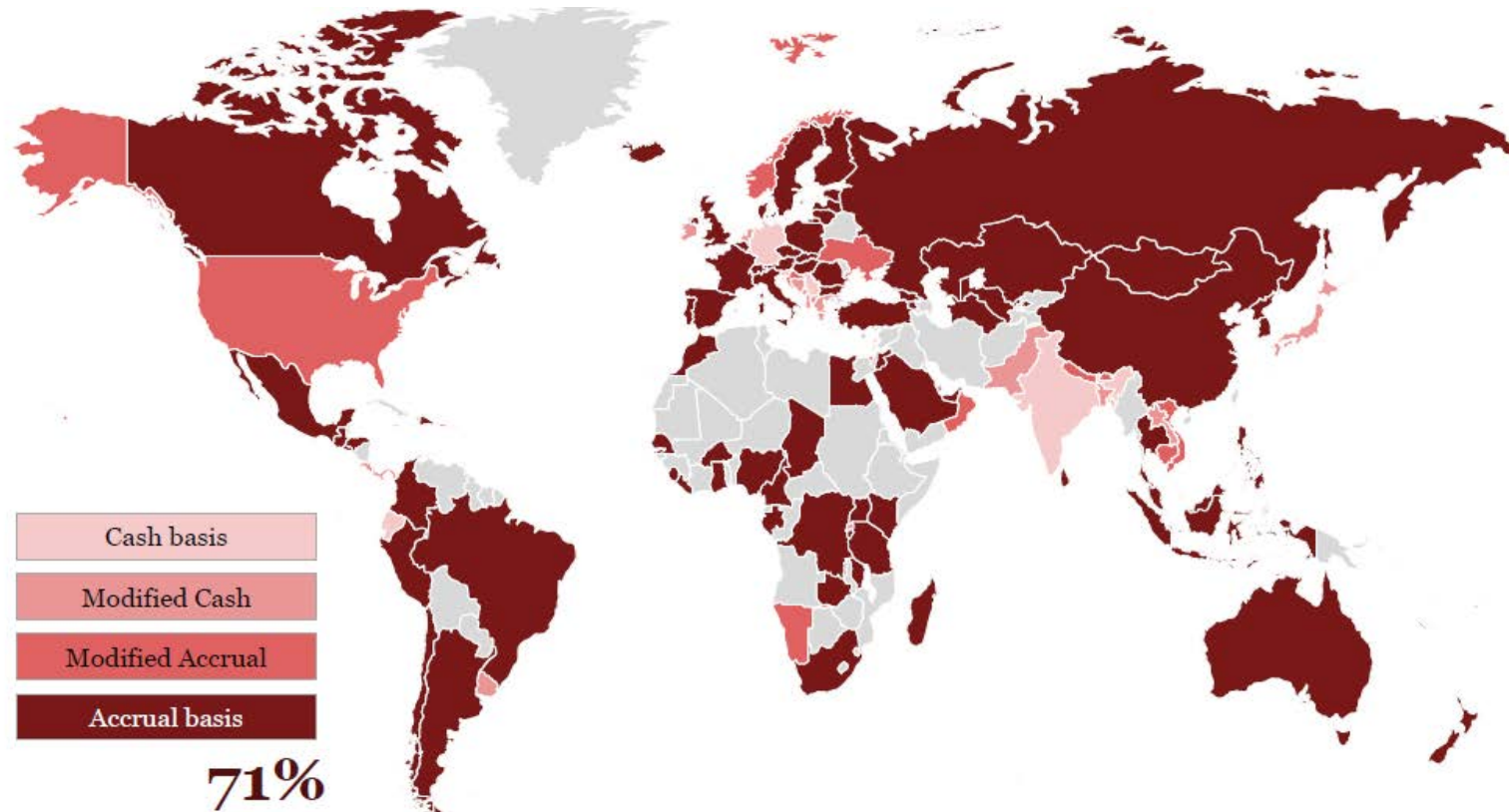
Source: *Towards a New Era of Government Accounting and Reporting: PWC Global Survey on Accounting and Reporting by Central Governments (2013)*

Current state of play



Source: PWC Global Survey on Accounting and Reporting by Central Governments (2015)

Expected in 5 years time



Source: PWC Global Survey on Accounting and Reporting by Central Governments (2015)

Caribbean state of play?



Caribbean public sector financial accountability survey!



Survey objectives

- To get an accurate and actual picture of the state of public financial management reform in the Caribbean.
- As many member countries have implemented or engaged in accruals reforms, this survey aims at gaining a better understanding of the design of these reforms, implementation challenges, and associated benefits.

Survey content

1. Current accounting basis & reporting standards for fin. statements
2. Future accounting basis & reporting standards for fin. statements
3. Current recognition basis for budget
4. Future recognition basis for budget
5. Current external audit requirements for financial statements
6. Future external audit requirements for financial statements

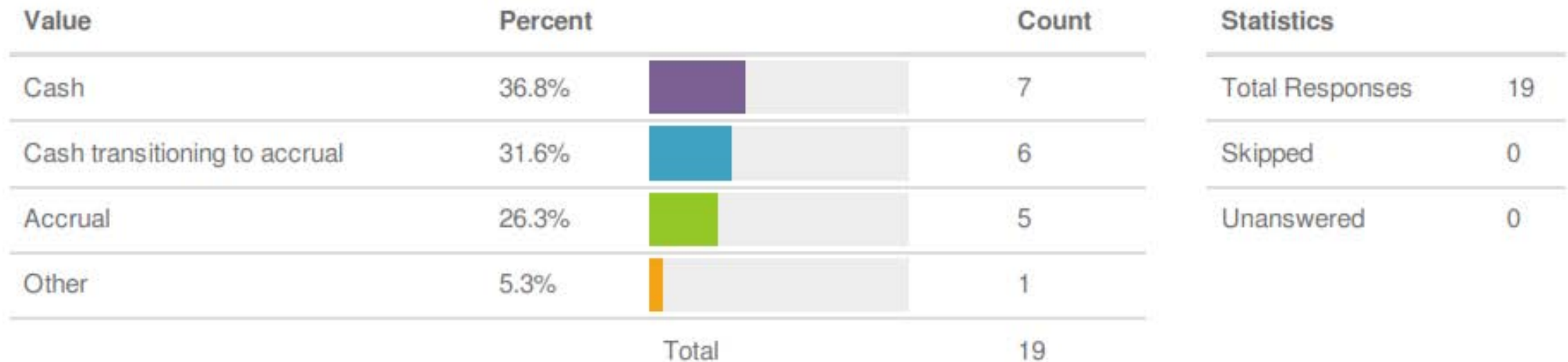
Survey response

- So far, 19 responses
- From 10 Caribbean countries

- Very preliminary results!!!

Current accounting basis & reporting standards for financial statements

Indicate the accounting basis applied in preparing the financial statements for this type of public sector organization:



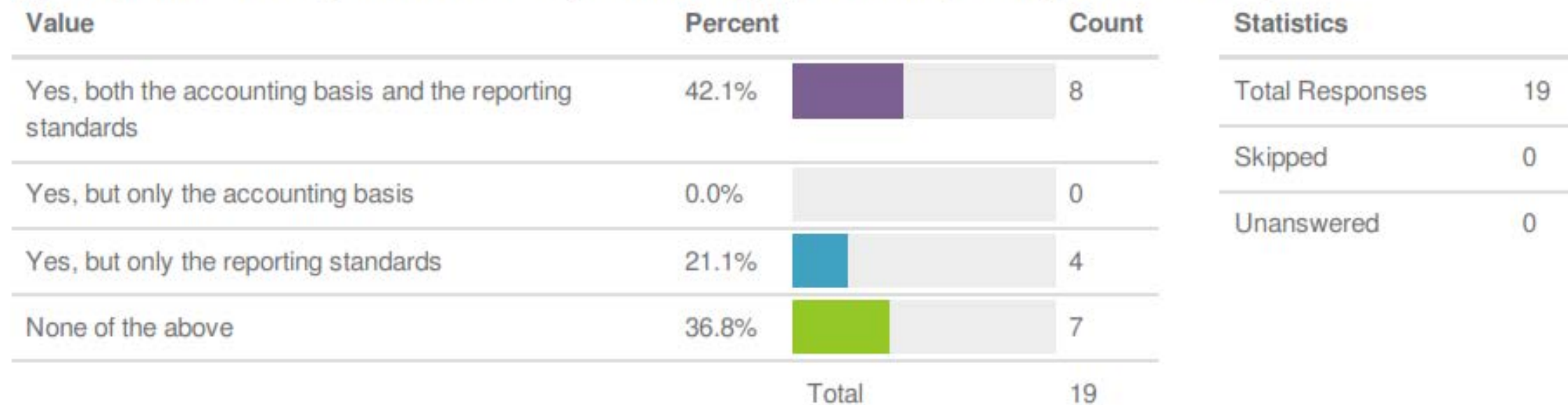
Current accounting basis & reporting standards for financial statements

Indicate the financial reporting standards applied by this type of organization in preparing the financial statements

Value	Percent	Count	Statistics
National public sector financial reporting standards	36.8%	7	Total Responses 19
Regional public sector financial reporting standards	0.0%	0	Skipped 0
International Public Sector Accounting Standards (IPSASs)	21.1%	4	Unanswered 0
National standards based on IPSASs	5.3%	1	
International Financial Reporting Standards (IFRSs)	21.1%	4	
National standards based on IFRSs	0.0%	0	
National private sector financial reporting standards	0.0%	0	
Other - Write In (Required)	15.8%	3	
	Total	19	




Future accounting basis & reporting standards for financial statements

5.1 Have the accounting basis or the reporting standards applied in preparing the financial statements for this type of public sector organization recently been changed, or will they change in the next 5 years?


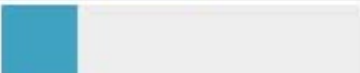
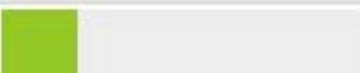


Future accounting basis & reporting standards for financial statements

5.5 Indicate the accounting basis applied by this type of public sector organization in preparing the financial statements after the change



Value	Percent		Count	Statistics	
Cash	41.7%		5	Total Responses	12
Cash transitioning to accrual	8.3%		1	Skipped	0
Accrual	50.0%		6	Unanswered	7
Total			12		

Current recognition basis for budget

Value	Percent		Count
Cash	57.9%		11
Cash transitioning to accrual	21.1%		4
Accrual	21.1%		4

Statistics	
Total Responses	19
Skipped	0
Unanswered	0

6.2 Is the recognition basis for the budget the same as for financial reporting?

Value	Percent		Count
Yes	73.7%		14
No	26.3%		5

Future recognition basis for budget

7.1 Has the recognition basis applied in preparing the budget recently been changed or will it change in the next 5 years?

Value	Percent		Count	Statistics	
Yes	21.1%		4	Total Responses	19
No	79.0%		15	Skipped	0
Total			19	Unanswered	0

Future recognition basis for budget

7.5 Indicate the recognition basis applied in preparing the budget for this type of organization after the changes

Value	Percent	Count	Statistics
Cash	0.0%	0	Total Responses 4
Cash transitioning to accrual	50.0%	2	Skipped 0
Accrual	50.0%	2	Unanswered 15
Other, please specify below	0.0%	0	
		Total	4

Current external audit requirements for financial statements

Value	Percent	Count
External audit by government / state auditors (Supreme Audit Institution / Court of Auditors)	68.4%	13
External audit by an external audit firm	26.3%	5
Other, please specify below	5.3%	1
Financial statements for this type of public sector organization are not subject to external audit	0.0%	0

Statistics	
Total Responses	19
Skipped	0
Unanswered	0

Current external audit requirements for financial statements

Value	Percent	Count	Statistics
National public sector financial auditing standards	15.8%	3	Total Responses 19
Regional public sector financial auditing standards	0.0%	0	Skipped 0
INTOSAI Auditing Standards – modified for national circumstances	10.5%	2	Unanswered 0
INTOSAI Auditing Standards	42.1%	8	
International Standards on Auditing – modified for national circumstances	5.3%	1	
International Standards on Auditing	21.1%	4	
National private sector auditing standards	0.0%	0	
Regional private sector auditing standards	0.0%	0	
Financial statements for this level of government are not subject to external audit	5.3%	1	

Future external audit requirements for financial statements

9.1 Have the external auditing standards applied recently been changed or will they change in the next 5 years?

Value	Percent		Count	Statistics	
Yes	31.6%		6	Total Responses	19
No	68.4%		13	Skipped	0
		Total	19	Unanswered	0

Future external audit requirements for financial statements

9.4 Indicate the external auditing standards applied after the change

Value	Percent	Count	Statistics
National public sector financial auditing standards	0.0%	0	Total Responses 6
Regional public sector financial auditing standards	0.0%	0	Skipped 0
INTOSAI Auditing Standards – modified for national circumstances	0.0%	0	Unanswered 13
INTOSAI Auditing Standards	83.3%	5	
International Standards on Auditing – modified for national circumstances	0.0%	0	
International Standards on Auditing	16.7%	1	
National private sector auditing standards	0.0%	0	
Regional private sector auditing standards	0.0%	0	
Financial statements for this level of government are not subject to external audit	0.0%	0	

What next?

- Strengthening Public Financial Reporting and Accountability Roundtable
- Other participants and other countries to fill out survey
- Analyze and report on final survey results



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