

IPSAS Stakeholder Seminar

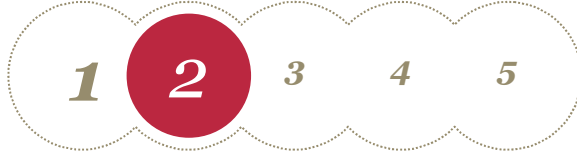
*IPSAS: An enabler for better
public financial management*

11 June 2018

Agenda



Setting the stage



What is IPSAS?



State of IPSAS adoption in Africa



Potential challenges of IPSAS



Conclusion

Setting the stage...

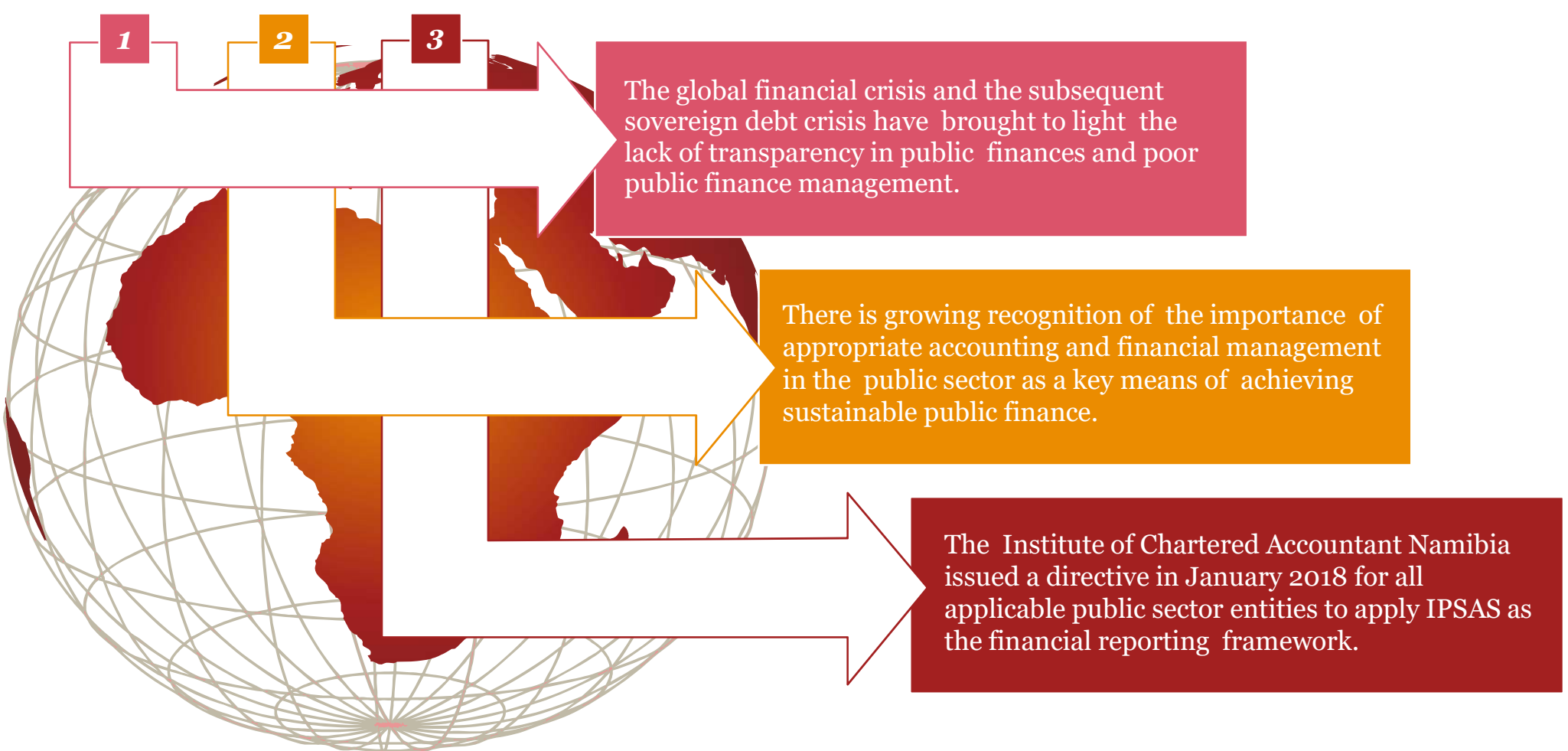
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Setting the stage...where are we ?

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2

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The global financial crisis and the subsequent sovereign debt crisis have brought to light the lack of transparency in public finances and poor public finance management.

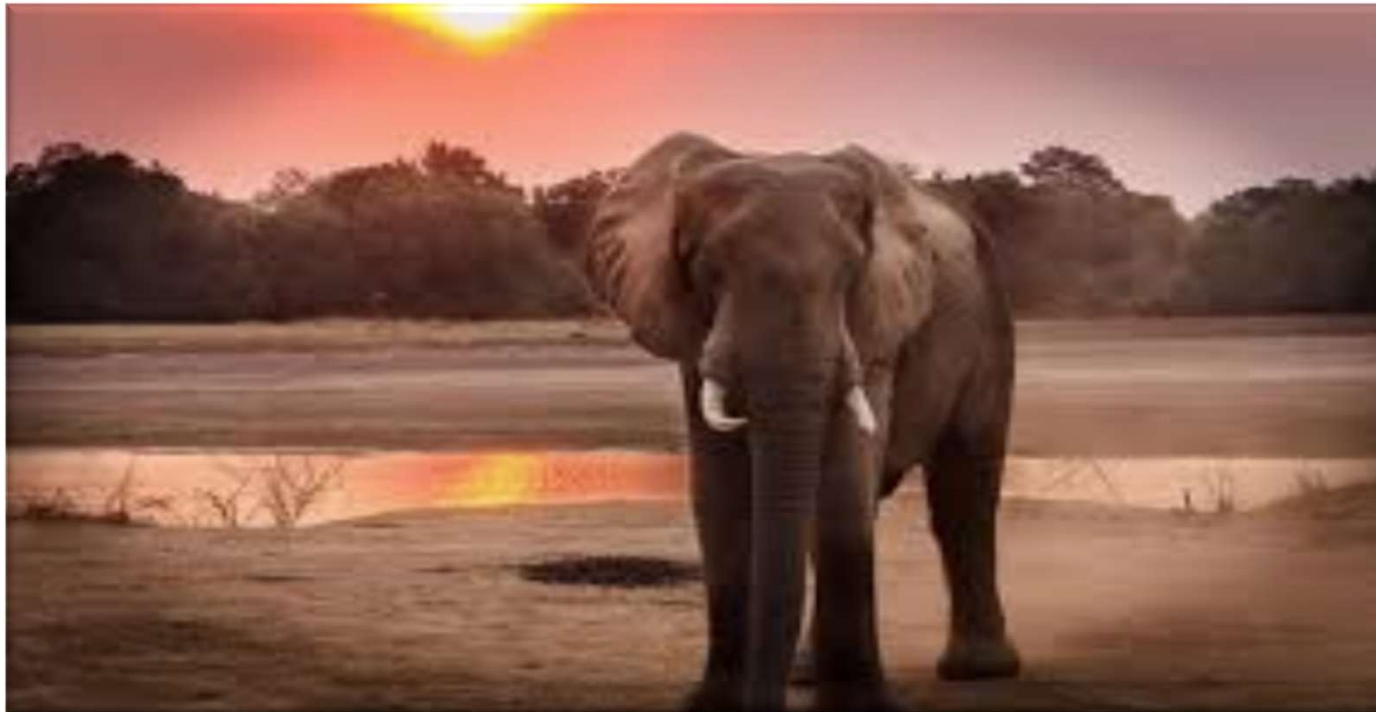
There is growing recognition of the importance of appropriate accounting and financial management in the public sector as a key means of achieving sustainable public finance.

The Institute of Chartered Accountant Namibia issued a directive in January 2018 for all applicable public sector entities to apply IPSAS as the financial reporting framework.

The adoption of IPSAS by the Government of Namibia is a giant step towards achieving transparency and accountability in the Public sector. This requires the commitment and support of all key stakeholders.

If IPSAS is an Animal.....

**"The state of government reporting is
'the elephant in the room.'" - World Bank Group CFO Vincenzo LaVia**

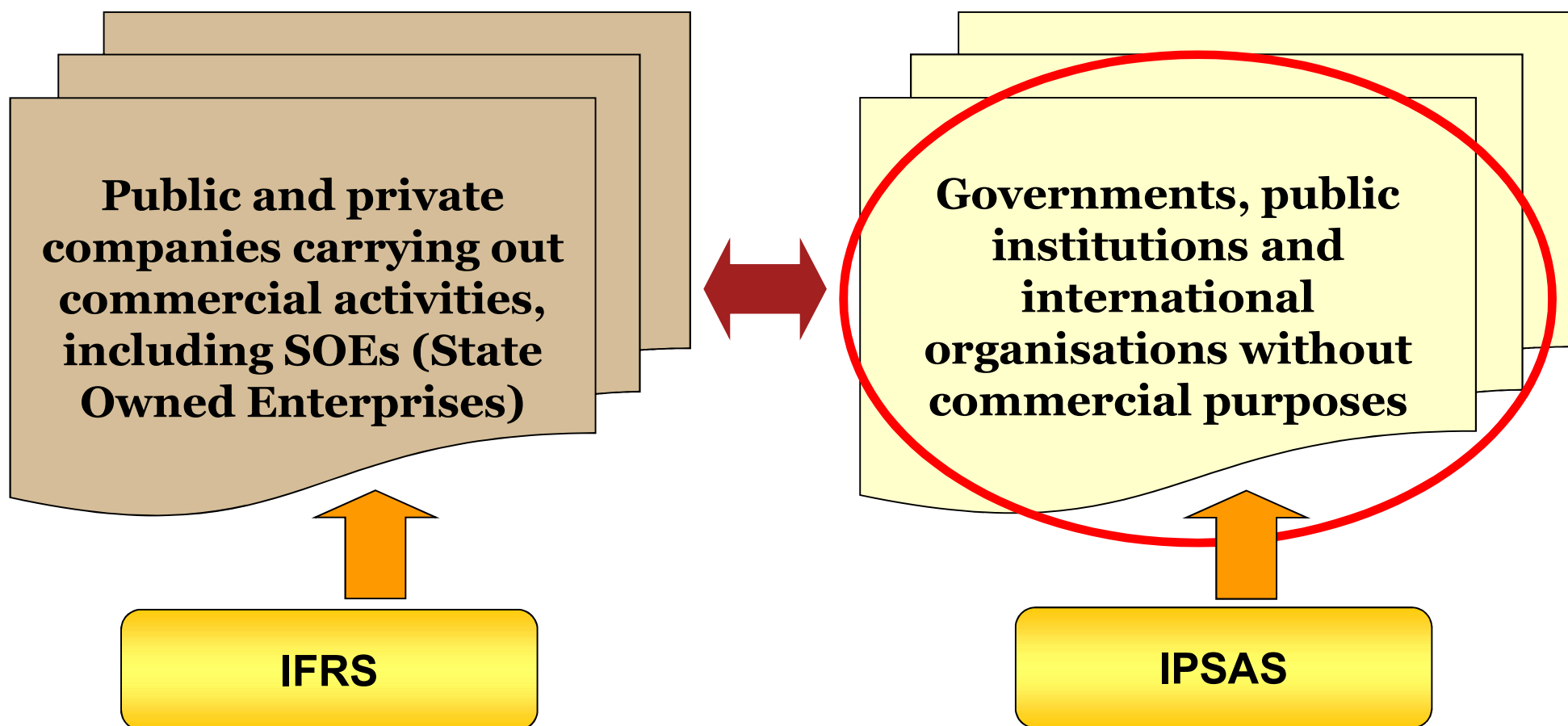


What is IPSAS

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What is IPSAS ?

- The International Public Sector Accounting Standards (IPSAS) constitute the international accounting framework for public sector entities.



Global Trends in Public Sector Accounting

IPSAS....



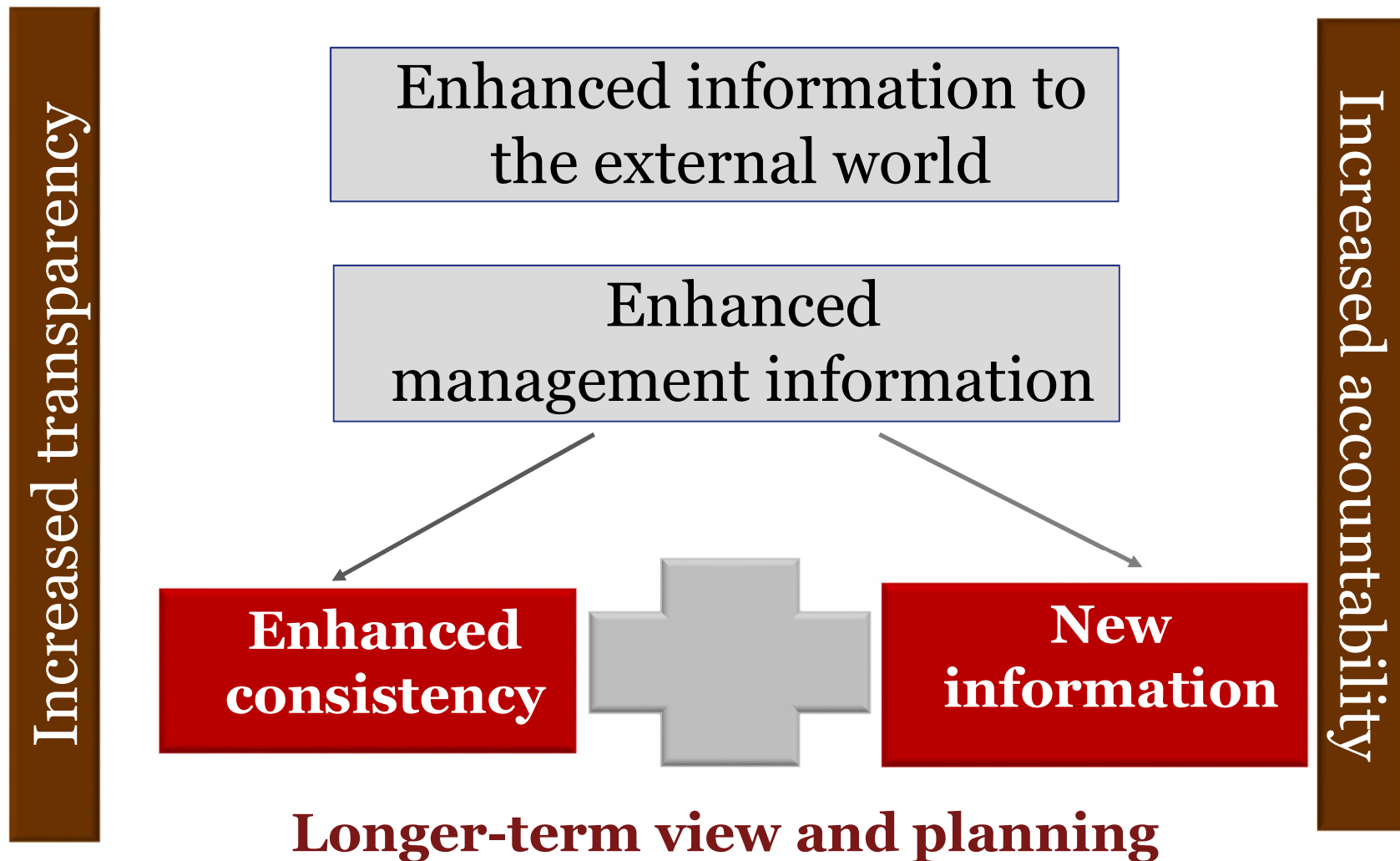
Global Trends

...Increasing stakeholders demand for transparency and accountability of public sector

... A global shift towards a more meaningful and a uniform financial reporting framework for public sector;

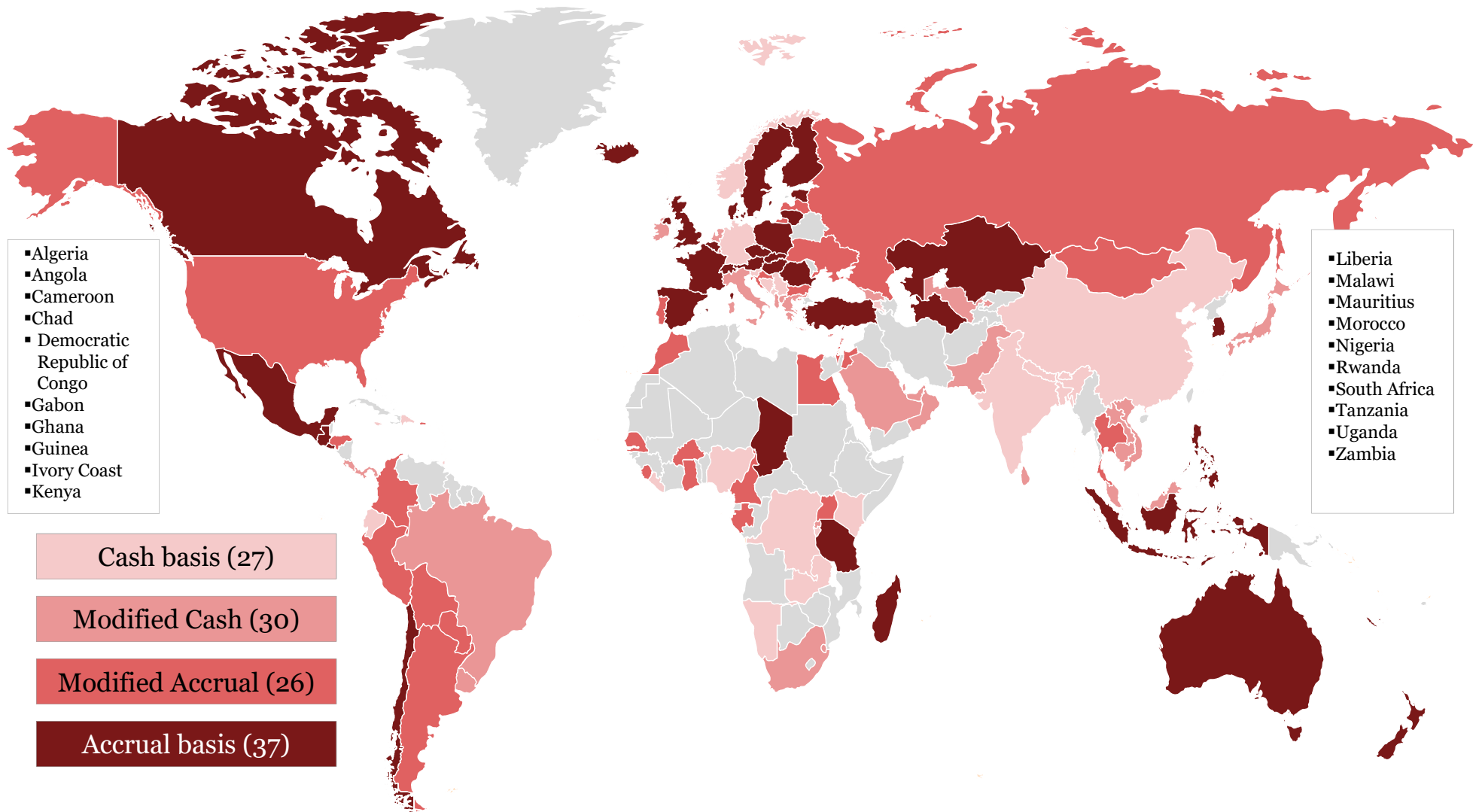
.... Adopted by many international and regional organisations – UN, EU, AU, ECOWAS...

Benefits of IPSAS

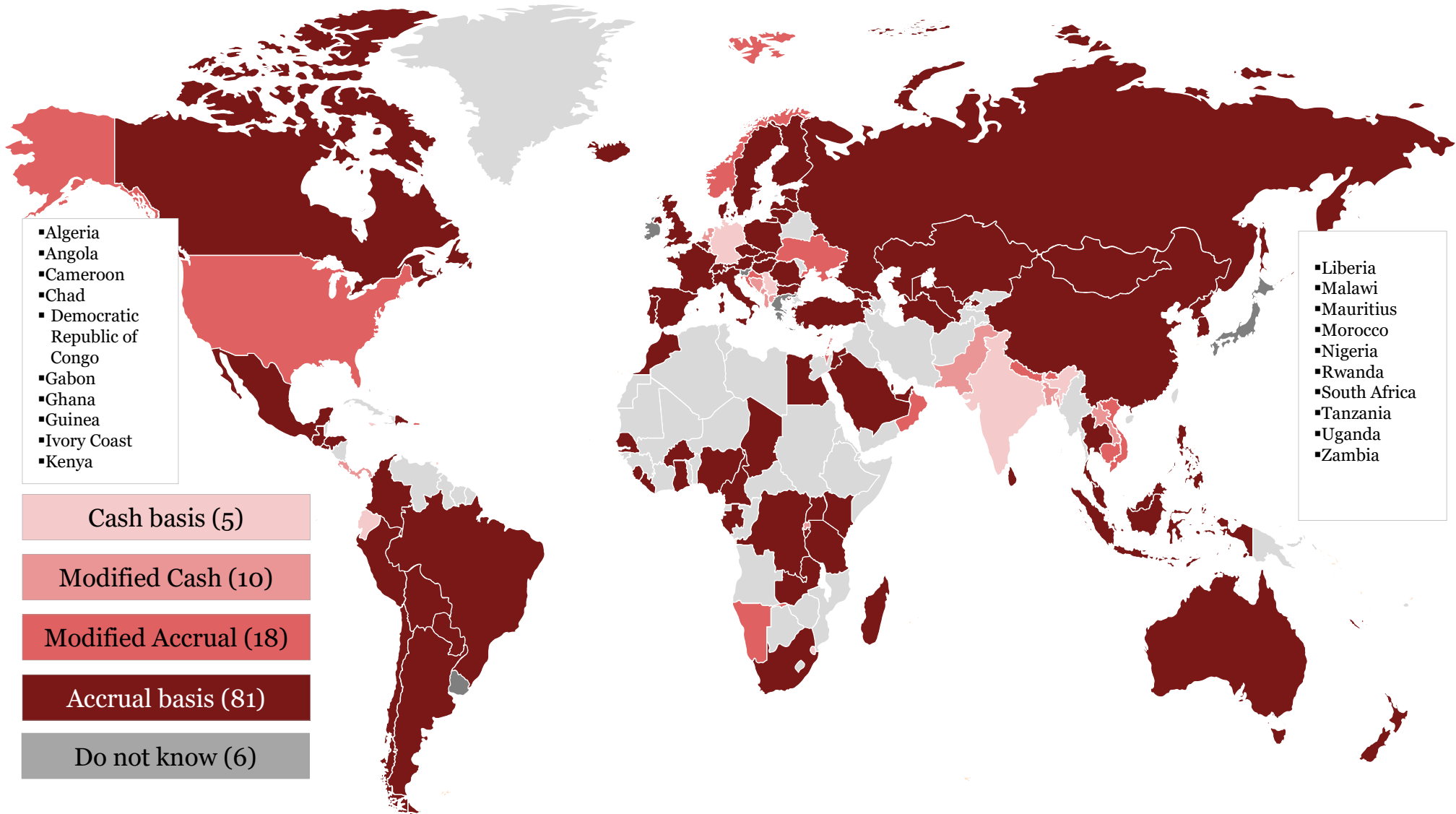


State of IPSAS adoption in Africa

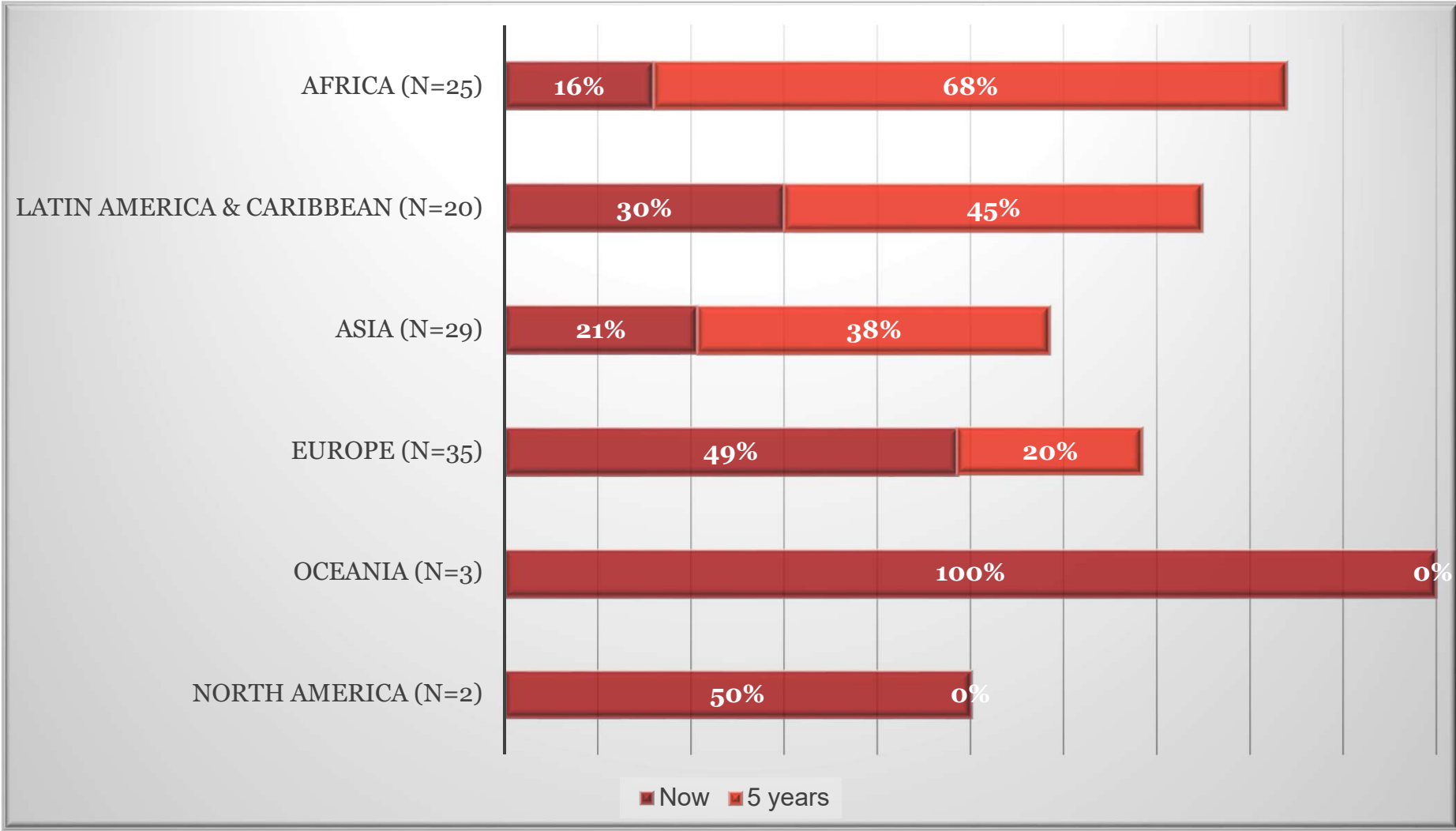
There is still great diversity in the current government accounting landscape



But the 5-year trend toward accrual accounting is clear



The trend is visible across all continents, with the biggest shift expected in Africa, Latin America and Asia



Potential Challenges of IPSAS Adoption

4

of times ranked in the top three challenges

Lack of trained staff

55%

of times ranked in the top three areas of impact

Fixed assets accounting

66%

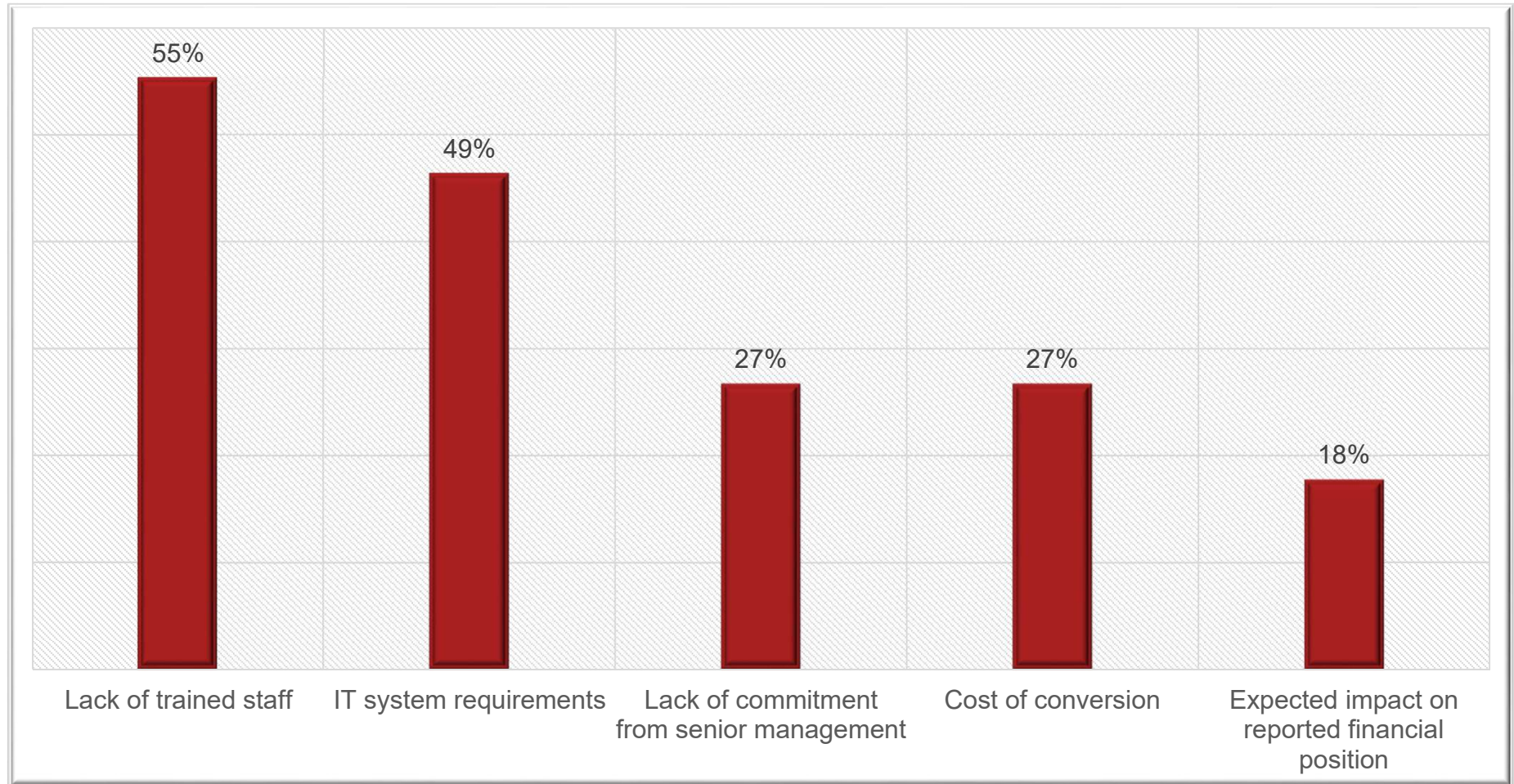
IT systems requirements

49%

Application of accruals

57%

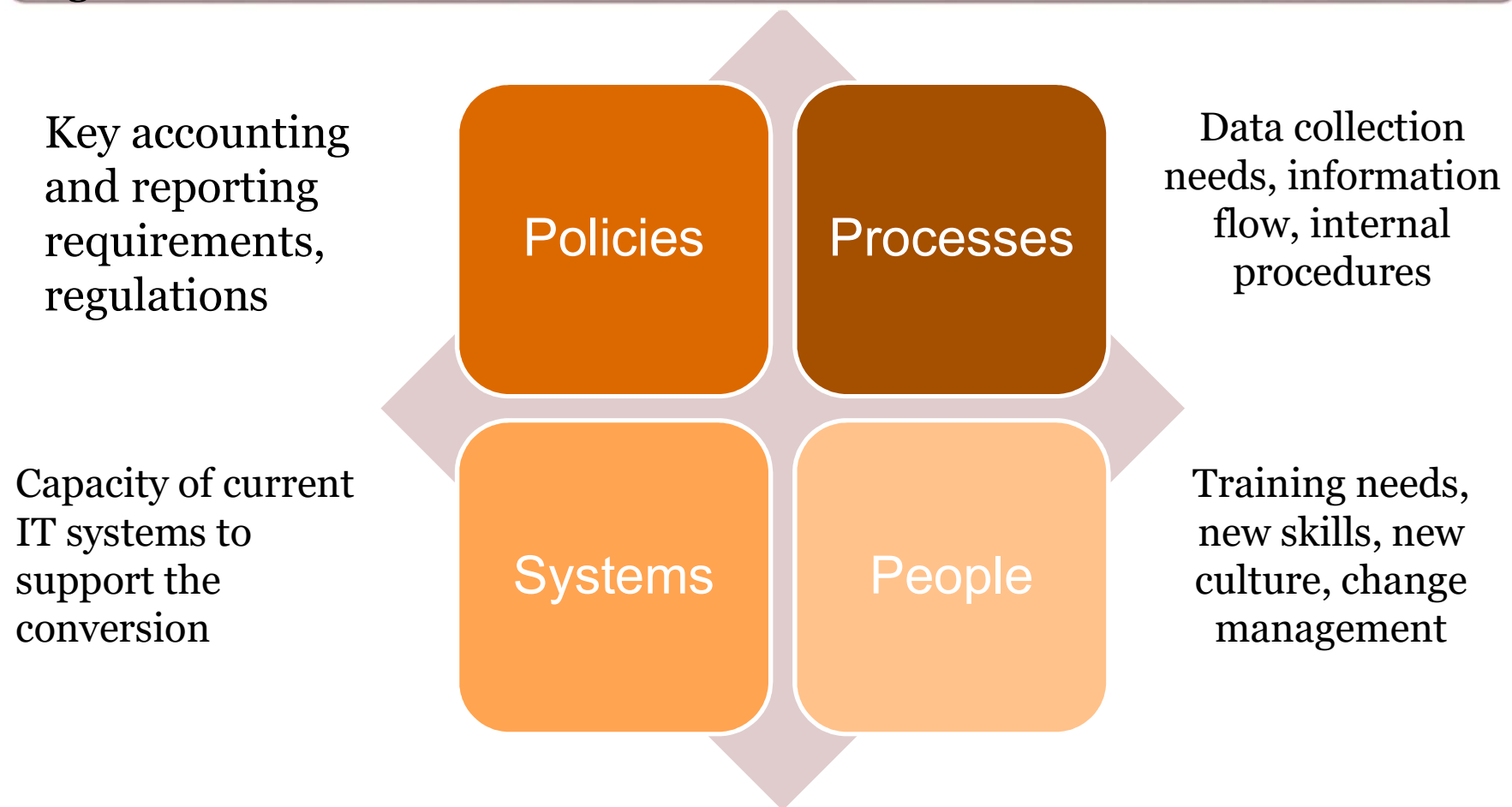
Potential challenges of accrual accounting conversion



Source: PwC Survey, July 2015

IPSAS adoption is a change management process..

Implementing accrual accounting and making the change to IPSAS is much more than an accounting exercise. It will impact the whole organisation.



Conclusion

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IPSAS Conversion - Key success factors

Political Will/Management Commitment

Planning

- Governance
- Roles and responsibilities
- Implementation Roadmap
- Business transformation

Communication

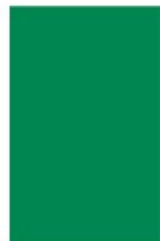
- Awareness
- Stakeholders buy-in
- Key stakeholders
- Auditors

Execution

- Dedicated resources
- Training
- Coordination with other projects
- Issue ownership and resolution

Knowledge Transfer

PwC can support you in this journey..



We are the thought leaders in the market...



IPSAS is a catalyst to providing high-quality financial information and, even more importantly, improving public finance management.

Thank You

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