



**INTERNATIONAL FEDERATION  
OF ACCOUNTANTS**

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**Agenda Item**

**1.5**

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**DATE:** October 16, 2009  
**MEMO TO:** IPSASB  
**FROM:** Paul Sutcliffe  
**SUBJECT:** Review of the Cash Basis IPSAS

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**OBJECTIVE OF THIS SESSION**

To receive a progress report on the activities of the Task Force for the Review of International Public Sector Accounting Standard, “Financial Reporting Under The Cash Basis of Accounting” (the Cash Basis IPSAS).

**AGENDA MATERIAL**

- 1.5 Report on Task Force activities and progress
- 1.5.1 Distribution of Project Questionnaire
- 1.5.2 Responses to the Project Questionnaire
- 1.5.3 Project Questionnaire – English version

**ACTION REQUIRED**

For information.

**BACKGROUND**

At its meeting in May 2009, the IPSASB noted that the Task Force had prepared a project questionnaire and supporting explanatory material which would be distributed to relevant organizations and individuals around the world through the IFAC contact network, and the networks of Task Force members and IPSASB members and observers.

The IPSASB also noted that the Task Force was actively pursuing opportunities and locations for follow-up discussions with relevant government officials and other parties on an individual basis or in “round-table” forums in the second half of 2009, and would welcome IPSASB member’s input on any such opportunities in their region.

**ACTIVITIES AND PROGRESS**

**Distribution of the questionnaire and responses**

The project questionnaire and supporting material was prepared in English and translated into French, Spanish and Russian. It was distributed widely by Task Force and IPSASB

members and staff and their contact networks to members of the financial reporting community and others in developing economies around the world.

Agenda paper 1.5.1 outlines the activities undertaken by Task Force and IPSASB members and others to ensure a wide distribution of the project questionnaire to relevant parties. A copy of the project questionnaire (English version) is attached at agenda item 1.5.3.

The final Report of the Task Force is to be presented to the IPSASB in 2010. It will include the recommendations of the Task Force and a full report on the input derived from the project questionnaire and the follow-up interviews or round table discussions. The following is an interim report which identifies the major issues identified by respondents to the project questionnaire.

*Responses to Project Questionnaire*

The project questionnaire was issued in early April 2009, with a request for response by 15 July 2009. The Task Force agreed to continue to accept responses during August 2009.

A total of 46 responses to the questionnaire have been received. Agenda paper 1.5.2 identifies the organizations and individuals that have responded. Figure 1 below provides an overview of respondents by region and “type” as at 1 October 2009.

**Figure 1 – Responses to the Project Questionnaire as at 7 August 2009.**

<b>Region</b>	<b>Accountant General, Std Setter</b>	<b>Auditor General</b>	<b>Accounting Body</b>	<b>Individual</b>	<b>Total</b>
Africa	10*	8	1	3	<b>22</b>
South/S-East Asia	4	1	3		<b>8</b>
Europe/Central Asia	4		2		<b>6</b>
Latin America	1		2		<b>3</b>
North Africa & Middle East		2			<b>2</b>
International			1	4	<b>5</b>
<b>Total</b>	<b>19</b>	<b>11</b>	<b>9</b>	<b>7</b>	<b>46</b>

*\*In some cases a combined response was provided from the Accountant General and, for example, Auditor General and/or national standard setter – such responses have been classified under Accountant General or similar.*

**MAJOR THEMES AND ISSUES**

An overview of the major themes and issues identified by respondents is presented below.

**Adoption of the Cash Basis IPSAS (Project Questionnaire - question 1)**

The first question of the project questionnaire requested respondents to identify whether the Cash Basis IPSAS, or a modified form thereof, had been adopted in their jurisdiction and, if not, whether it (the Cash Basis IPSAS) had been considered for adoption and rejected. Figure 2 below summarizes responses to Question 1.

Responses confirm that the IPSAS has not been widely adopted (see column A in Figure 2 below). Respondents identified that the Cash Basis IPSAS was adopted at national level in 5 jurisdiction (two responses were received from the same jurisdiction), with progress towards full adoption underway in another jurisdiction. However, in one of these jurisdictions, the Auditor General and Accountant General have different views about whether the Cash Basis IPSAS has been fully adopted in the jurisdiction.

The four individual international PFM experts who responded to the questionnaire do not identify any jurisdictions as having fully adopted the Cash Basis IPSAS.

Respondents identified that a modified form of cash basis accounting had been adopted in 23 jurisdictions as follows: Africa - 13, South and South East Asia -5, Europe and Central Asia - 2, North Africa and the Middle East – 2 and Latin America – 1. (See columns B, C, D in Figure 2 below. Note, there was more than one respondent from two jurisdictions and a PFM expert also noted that a modified cash basis had been adopted in some jurisdictions, without identifying those jurisdictions – hence the 26 responses relate to 23 jurisdictions.)

**Figure 2 – Form of Cash Basis adopted**

Region	Basis of Accounting adopted				Accrual basis or basis not identified	Total
	A- Cash Basis IPSAS fully adopted	B -Modified Cash Basis IPSAS adopted	C - Cash Basis IPSAS considered not adopted	D- Cash Basis IPSAS not considered		
Africa	3	8	4	3	4	22
South/East Asia	1	1	2	2	2	8
Europe/Central Asia	2*		1	1	2	6
Latin America		1			2	3
North Africa & Middle East			1	1	-	2
International	1	1			3	5
<b>Total</b>	<b>7</b>	<b>11</b>	<b>8</b>	<b>7</b>	<b>13</b>	<b>46</b>

*\*includes one response which signals an intention and progress on full adoption*

**Major implementation issues and modifications to the Cash Basis IPSAS**

Figure 3 below summarizes the major implementation issues identified in responses to Question 1 of the project questionnaire, and the major modifications to the Cash Basis IPSAS reflected in current practice in respondents’ jurisdictions.

The raw numbers in Figure 3 are not significant of themselves. This is because more than one response was received from some jurisdictions and there was some blurring of the distinctions between each question. However, the relative frequency of identification of an issue or modification to the IPSAS is a useful signal of the relative significance of an issue across different regions.

**Figure 3 – Major implementation issues and modifications to the Cash Basis IPSAS**

<b>Major Modifications &amp; implementation issues</b>	<b>Africa</b>	<b>South &amp; S. East Asia</b>	<b>Europe Central Asia</b>	<b>N. Africa Middle East</b>	<b>Latin America</b>	<b>Int’l</b>	<b>Total</b>
<b>Recognition of some accruals</b> – receivables, payables (revenue expense), assets and liabilities	8	2	1	1		2	<b>14</b>
<b>Not full consolidation</b> – particularly GBE’s other entities on different accounting basis	6	3	1	1		2	<b>13</b>
<b>Legislative/regulation/practice impediment &amp; conflict</b>	5			1	1		<b>7</b>
<b>Capacity constraints</b> – human & other resources, audit, training.	5					1	<b>6</b>
<b>Budget comparisons issues</b>	1			1		1	<b>3</b>
<b>External assistance</b> - access to data	2					1	<b>3</b>
<b>Third party settlements:</b> access to, and reporting of, the information	1	1					<b>2</b>
<b>Guidance</b> – chart of accounts, classifications						1	<b>1</b>
<b>Guidance</b> - first time adoption comparatives	1						<b>1</b>
<b>Structure</b> of IPSAS not helpful						1	<b>1</b>
<b>Timing</b> of completion/presentation of fin. statements – too demanding			1				<b>1</b>
Support from profession/legislature						1	<b>1</b>

The most frequently identified modifications to the Cash Basis IPSAS were:

- non-application of a “pure” cash basis – that is, recognition of some accruals by keeping the books open for some time after period end to recognize receivables and payables and, in some cases, some other assets and liabilities; and
- only partial consolidation (in particular, non-consolidation of GBE’s).

In addition, it does appear that the following remain significant obstacles to adoption of the Cash Basis IPSAS in some jurisdictions:

- differences between the IPSAS and existing legislation and practice; and
- capacity constraints and the need for additional training and support.

**Consolidation Practice and Policy (Project Questionnaire - question 3)**

Question 3 of the project questionnaire deals with consolidation practice and policy. Figure 4 below summarizes responses to Question 3. It identifies whether respondents indicated that full consolidation was undertaken in their jurisdiction and, if not, the reasons for non-consolidation.

**Figure 4 – Policy/Practice re Consolidation**

	Africa	South S. East Asia	Europe Central Asia	N. Africa Middle East	Latin America	Int'l	Total
1. Adopts full consolidation	7				1	-	8
2. Does not adopt full consolidation as per the IPSAS	13	6	3	1		4	27
3. No comment/accrual	2	2	3	1	2	1	11
<b>REASONS FOR NON CONSOLIDATION</b>							
Not government policy to consolidate GBE's	9	6	2	1			18
Practical difficulty - different accounting bases or reporting dates (mainly re GBE's)	5	1	1			4	11
Practical difficulty- identifying controlled entities, etc	5	1	1			2	9

The first two rows of figure 4 deal only with those responses that indicate a cash or modified cash basis has been adopted in their jurisdiction– they exclude responses that indicate that the accrual basis is adopted in their jurisdiction and comment on practice under accrual.

Eight respondents from seven jurisdictions which adopted a cash or modified cash basis for financial reporting reported that full consolidation occurred for at least one level of government (national, state or local level) in their jurisdiction. Six of these jurisdictions are in Africa and the other is in Latin America.

Two respondents indicated that full consolidation was undertaken, but then explained that consolidation did not include GBE's. For the purposes of this report, these two responses have been classified as "2. Does not adopt full consolidation". Two other respondents also noted that full consolidation does not occur yet, but the policy/intention is to fully consolidate in the future.

Practical difficulties and differences between the requirements of the IPSAS and government policy were the major reasons for departures from the requirements of the Cash Basis IPSAS. Some also expressed a concern that it was not appropriate to fully consolidate all GBEs and application of the control concept and consolidation policy may result in consolidation of local and/or state governments with national governments.

**Additions and Amendments – (Project Questionnaire - questions 2, 4 and 5)**

Questions 2, 4, and 5 of the project questionnaire sought views on:

- whether the requirements for preparation of the statement of cash receipts and payments, and the demarcation between required and encouraged disclosures, are appropriate or required modification; and
- amendments to the Cash Basis IPSAS that would assist in its adoption and/or ongoing application.

Responses to these questions are considered together since there is significant overlap in responses to each question. Detailed summaries of responses to each question will be included in the Task Force’s final Report to the IPSASB.

Respondents identified a number of specific technical issues that could usefully be addressed in any review of the IPSAS and made proposals for additional, modified or enhanced disclosures. The need for additional guidance and mechanisms to enhance the accessibility of the IPSAS were also noted. In many cases, these matters were raised by only one or two respondents - however, a fairly clear pattern emerges of the matters that are of concern to most respondents and the areas of the IPSAS that are most frequently identified as obstacles to its adoption and in need of revision. Only the issues and proposals for amendment identified most frequently in responses are noted in Figure 5A below.

**Figure 5A - Question 2 – Amendments and Improvements to the Cash Basis IPSAS**

Issues raised in Question 2	Africa	Int'l	South S. East Asia	Europe Central Asia	N. Africa Middle East	Latin America	Total
<b>Allow modified cash</b> – some accruals	5	1	3				9
<b>Consolidation</b> – should not be mandatory and/or should provide more guidance or more time for adoption	4	2	1		1		8
<b>Structure/Size/focus of the IPSAS</b>	1	2		1	1		5
<b>Third party settlements</b> - more guidance required	2	1				1	4
<b>Transition to Accrual</b> - Guidance/support on transition to accrual and adoption of encouraged disclosures	2	1					3
<b>Timing of completion</b> – 6 months too demanding or justify time period	2	1					3

Many respondents expressed the view that both (a) the requirements for the preparation of the Statement of Cash Receipts and Payments and related note disclosures; and (b) the classification of disclosures as either required or encouraged are appropriate within the context of a cash basis reporting model (See Figures 5B and 5C below). However, many

respondents also registered or reinforced their concerns about the consolidation requirements and the prohibition on recognition of certain accruals in the financial statements.

**Figure 5B - Question 4 – The Financial Statements in the Cash Basis IPSAS**

<b>1. Are the Fin. Statements in the IPSAS appropriate? 2. Proposals for revision</b>	<b>Africa</b>	<b>Int'l</b>	<b>South S. East Asia</b>	<b>Europe central Asia</b>	<b>N. Africa Middle East</b>	<b>Latin America</b>	<b>Total</b>
<b>1. Financial Statement requirements</b>							
Yes - Fin Statement requirements are appropriate	16	1	5	3	1	2	28
No - Fin Statement requirements not appropriate	3						3
No comment	3	4	3	3	1	1	15
<b>2. Proposals for Amendment</b>							
Accruals – receivables and payables including in CF with budget	3					1	4
Accruals – additional financial statements	3		3				6
Budget - Enhancements to comparison of budget and actual amounts	5	2		1			8

**Figure 5C - Question 5- Proposals for additional or amended disclosures**

<b>1. Is required /encouraged “demarcation appropriate</b>	<b>Africa</b>	<b>Int'l</b>	<b>South S. East Asia</b>	<b>Europe Central Asia</b>	<b>N. Africa Middle East</b>	<b>Latin America</b>	<b>Total</b>
Yes- demarcation is appropriate	14	1	4	1	1		22
No- demarcation is not appropriate	1		1				2
No specific comment	7	4	3	5	1	3	23
<b>2. Proposed amendments and additional disclosures</b>							
Allow modified cash basis and recognition of accruals & related statements	6	1	3	1			11
<b>Require disclosure of</b>							
- service outcomes/costs	2				1		3
- external assistance matters	3	1	1				5
<b>Encourage disclosure of</b>							
–general government sector (as per IPSAS 22) to better align with GFS		2	2				4

The issues identified and proposals for amendment can usefully be grouped under the broad heads of: A. Capacity and Policy or Conceptual Issues, B. Technical or Disclosure Issues and C. Structural Issues.

**A. Capacity and Policy or Conceptual Issues**

To a large extent the capacity and policy/conceptual issues raised in response to these questions reflect, reinforce and build on those identified in response to questions dealing with the adoption of the Cash Basis IPSAS and consolidation policy.

*Re Policy/Conceptual issues*

The amendments to the Cash Basis IPSAS proposed most frequently were that relief should be provided from the requirement for full consolidation, and the IPSAS should allow for the reporting in primary financial statements of certain accrual information.

A number of respondents also raise or allude to the need to clarify the role of the Cash Basis IPSAS – that is, whether its role is (a) as a first step along the path to the accrual basis or (b) as a basis that should be adopted by jurisdictions which do not intend to (or are not yet in a position to) transition to the accrual basis. In this context, these respondents note that the Cash Basis IPSAS is not widely adopted and many jurisdictions have already moved past the cash basis to a modified cash basis.

The IPSASB's response to these proposals have implications for the concepts underpinning the Cash Basis IPSAS, and the Board's policy regarding the role of the Cash Basis IPSAS and its relationship to Study 14 - which provides guidance on the transition to the accrual basis.

*Re Capacity issues*

Responses to these questions reinforced the need for additional training and support if the Cash Basis IPSAS was to be adopted – matters which already been identified as significant implementation issues in responses to Question 1 (see Figure 3 above)

**B. Technical or Disclosure Issues**

The Cash Basis IPSAS was approved in late 2002 and first issued in early 2003. This is its first review. Accordingly, a number of enhancements identified by respondents are in the nature of “housekeeping” type matters - such as updating the encouraged disclosures for developments in financial reporting since it was issued, and revisiting and “refreshing” requirements relating to accounting in hyperinflationary economies and foreign currency transactions.

There were also proposals for additional required disclosures about some assets, liabilities, revenues, expenses, capital requirements, commitments, guarantees, cash flows, performance indicators, and external assistance. While in many cases proposals for particular additional disclosures were raised by only one respondent, there appeared to be more support for the inclusion of additional required disclosures about external assistance and service outcomes and encouraged disclosures to allow for alignment with GFS (and IPSAS 22).

Additional guidance on consolidation processes, third party payments, presentation of accrual information and the transition to the accrual basis also tended to be identified

more frequently than other matters. A revision to commentary to extend beyond 6 months the time after period-end that financial statements should be expected to be available and enhancements to the reporting of budget and actual amounts were also identified by a number of respondents as a necessary or useful revision to the IPSAS.

**C. Structural issues related to size and composition of IPSAS**

Structural issues included concern that the IPSAS was too detailed in some respects, was too long and may be better reconstituted as a series of standards, and would be more user friendly if it included a checklist of requirements and/or chart of accounts (3 responses).

**PHASE 2 - ROUND TABLE DISCUSSIONS**

The Task Force has identified a number of matters arising from responses to the project questionnaire that it intends to follow-up during the second phase of the project.

A round table discussion was held in Sao Paulo in September 2009 in conjunction with the CReCER conference. IPSASB members Mike Hathorn and David Bean and Task Force Members Simon Bradbury and Ronaldo Rotter participated. They discussed the Cash Basis IPSAS and other IPSASB projects and initiatives with some 20 local area participants. They noted that it was an excellent forum to engage with local area constituents on behalf of the IPSASB - however, issues and concerns with the Cash Basis IPSAS additional to those already identified in responses to the project questionnaire were not identified. Significantly, the Accountants-General for Colombia and Brazil both made the point in their presentations that countries in Latin America are adopting a modified cash basis (a “cash-plus” basis) of financial reporting rather than a pure cash basis as reflected in the Cash Basis IPSAS, and there is a case for developing further guidance on the transition to the accrual basis rather than “refreshing” the Cash basis IPSAS.

A round table session is also to be held in Nairobi in November – staff have been advised that, at this stage, IPSASB members Andreas Bergmann and Anne Owuor and Task Force member Irene Lombe Ng'andwe are scheduled to participate.

It is also anticipated that a round table discussion will be held for jurisdictions in the Asia region later this year or early in 2010.

The Task Force would welcome input from IPSASB members on opportunities to hold round table discussions in their region, including in conjunction with regional or similar conferences.

**TASK FORCE ACTIVITIES –  
DISTRIBUTION OF THE PROJECT QUESTIONNAIRE  
Jurisdictions and Organizations Contacted**

A media release which included a link to the project questionnaire and related explanatory materials was distributed in late April/early May 2009 to all IFAC member bodies with a standing request to make it available to their members.

**INTERNATIONAL ORGANIZATIONS**

During April and May 2009 IPSASB Task Force members and IPSASB members distributed the project questionnaire and supporting material to relevant contacts in their regions and, together with staff, have contacted the following international organizations to request assistance in distribution of the questionnaire.

**World Bank**

The World Bank representative on the Task Force briefed the following Regional managers on the project development and sought assistance in distribution of the project questionnaire:

*Africa, East Asia and Pacific, Eastern Europe and Central Asia, Latin America and Caribbean, Middle East and North Africa, and South Asia*

IPSASB staff have followed up with contacts as suggested by the regional managers.

The World Bank Regional Manager for Latin America and Caribbean attended the first Task Force meeting and distributed the project questionnaire and supporting material through the region network.

**IFAC – Developing Nations Committee (DNC)**

DNC comprises representatives from the following countries:

*South Africa, Saudi Arabia, Tunisia, Argentina, Hungary, Netherlands, Poland, Kenya, Czech Republic, India, Kazakhstan, Zambia, Bolivia, United States, Malaysia, Lesotho, United Kingdom, Pakistan.*

The DNC representative on the Task Force briefed DNC members on project development and sought from DNC members and staff assistance in distribution of questionnaire to Ministries of Finance and other relevant organizations in DNC member countries and regions - noting in particular the need for distribution to relevant organizations in the Middle East. DNC members have followed up on this request, and have provided the questionnaire to Ministries of Finance and IFAC member bodies in their region.

In addition, DNC staff have distributed the questionnaire to all key IFAC contacts with a request to forward the questionnaire and related information to their ministerial contacts as well as the Accountants General or similar in their region.

### **Asian Development Bank**

The Asian Development Bank (ADB) representative on the Task Force has contacted the following ADB country resident missions with a request to contact and provide the project questionnaire to relevant officers in Ministries of Finance in their region:

*Afghanistan, Armenia, Azerbaijan, Bangladesh, Cambodia, Peoples Republic of China, India, Indonesia, Kazakhstan, Kyrgyz Republic, Lao PDR, Mongolia, Nepal, Pakistan, Papua New Guinea, Philippines, Sri Lanka, Tajikistan, Thailand, Timor Este, Uzbekistan, Viet Nam.*

### **OECD Development Cooperation Directorate**

The OECD representative on the Task Force has facilitated contacts with members of the Joint Venture on PFM and members of a number of related organizations/projects directed at enhancing transparency and accountability in provision and use of aid funding. These include the CABRI Initiative and the International Aid and Transparency Initiative, both of which include participation from a wide range of countries and organizations, including senior budget officials from a number of West and North Africa countries.

Copies of the project questionnaire and support material have been circulated to Joint Venture on PFM members and co-ordinators of these initiatives with a request to circulate them to relevant participants.

### **International Monetary Fund (IMF)**

The IMF observer on the IPSASB attended the first Task Force meeting and agreed to encourage distribution of the project questionnaire through IMF contact as far as possible. The questionnaire has been distributed to IMF Public Financial Management advisors in Africa Regional Technical Assistance Centers (AFRITACs) in Mali and Gabon, which cover 17 francophone African countries.

In addition, both the Fiscal Affairs and Statistics Divisions of the IMF have indicated that they will provide input to the review if possible.

### **African Organisation of English-speaking Supreme Audit Institutes (AFROSAI-e)**

The Task Force Chair made a presentation at an AFROSAI-e meeting in the first half of 2009 and provided an update on the Cash Basis IPSAS review – noting its parameters, objectives and process. Auditors General present at that meeting agreed to participate in the review and complete the questionnaire.

The Chief Executive of AFROSAI –e was provided with, and has distributed, the Questionnaire and supporting information to members from the following countries:

*Angola, Botswana, Eritrea, Ethiopia, Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Rwanda, Seychelles, Sierra Leone, Swaziland, South Africa, South Sudan, Tanzania, Uganda, Zambia, Zimbabwe.*

**The L’AISCCUF network – The International Association of French speaking Supreme Audit Institutions (Cours des Comptes).**

The French IPSASB member circulated the project questionnaire and support material through the AISCCUF network with a request for input where relevant from developing economies. The network encompasses the following countries:

*Algeria , Andorra , Belgium , Benin, Bulgaria, Burundi, Burkina-Faso, Cameroon Canada, Cape Verde, Chad, Republic of the Congo, Central African Republic, Côte d’Ivoire, Djibouti, Gabon, Guinea-Bissau, Equatorial Guinea, Haiti, Libya, Luxembourg, Madagascar, Mali, Morocco, Mauritania, Moldavia, Monaco, Mozambique, Niger, Québec, Republic Central Africa, Rumania, Democratic republic of Sao Tome and Principe, Senegal, Switzerland, Togo, Tunisia, Union of the Comoros, Vietnam.*

**FIDEF (Fédération Internationale des experts comptables francophones)**

The French IPSASB member arranged for circulation of the project questionnaire and related material to the Federation of French speaking chartered accountants, with a request that relevant organizations and PFM experts be advised of the review and provided with the materials

**East and South African Accountants General (ESAAG)**

The Task Force Chair and staff have briefed the Chief Executive of ESAAG on the project and the project questionnaire and supporting information has been distributed to ESAAG members which include Accountants General from the following countries:

*Botswana, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Rwanda, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.*

Chairmen of the East African Public Accounts Committees have also been circulated with the questionnaire

**FAAGWA (The Forum of the Accountants General and Auditors General in West Africa):**

The Chief Executive of FAAGWA has been provided with the Questionnaire and supporting information with a request to distribute it to FAAGWA members. FAAGWA members come from:

Anglophone countries: *Ghana, Nigeria, Sierra Leone, Gambia, Liberia; and*

Francophone Countries: *Cote d’Ivoire, Cameroon, Benin, Niger, Toga, Senegal, Mali, Burkina Faso, Guinea.*

## **INTOSAI**

The INTOSAI observer on IPSASB attended the first Task Force meeting and agreed to alert INTOSAI members to the review.

Staff have provided relevant material to the INTOSAI Working Group on Accountability for and Audit of Disaster-related aid, and discussed the potential for input to the review from that Working Group.

## **CIPFA International**

The CIPFA Deputy International Director attended the first task force meeting and agreed to distribute the project questionnaire and supporting material to relevant CIPFA contacts.

Staff have provided material to the CIPFA Assistant Director – Africa, with a request to distribute to relevant organizations in the region.

## **NATIONAL ORGANIZATIONS**

Task Force Members and staff have also made contact directly with ministries of Finance and similar organizations in the following countries. In some cases, contacts were made by Task Force members in person or by video conference. In other cases, contact was made with senior Ministry of Finance staff by email.

In some cases, these countries have adopted an accrual or modified accrual basis and may not be designated as developing, but have considered the cash basis IPSAS in the recent past and therefore may be able to provide useful input.

*South and South East Asia - Afghanistan, Bangladesh, Bhutan, India, Malaysia, Maldives, Nepal, Pakistan, Sri Lanka, Vietnam, Lao.*

*Middle East and North Africa - Egypt, Palestine West Bank & Gaza, Tunisia.*

*East Europe - Albania, Czech Rep. Hungary, Kosovo, Latvia, Lithuania, Macedonia, Moldova, Poland, Serbia, Slovenia.*

*Central Asia - Armenia, Azerbaijan, Kazakhstan, Kirgizstan, Mongolia, Tajikistan, Turkey, Uzbekistan.*

*Latin America - Argentina, Brazil, Costa Rica, Dominican Republic, Haiti, Uruguay.*

*Africa - Burkina – Faso, Kenya, Nigeria, Ghana.*

## **CONFERENCES AND JOURNALS**

Participants at the May 2009 ICGFM conference were advised of the Project and the availability of the questionnaire.

A brief note on the project was included in the fifth issue of the Journal of the Accounting Bodies of West Africa (ABWA).

Staff has prepared an article for publication in the ICGFM journal in September - November 2009.

A round table discussion of the Cash Basis IPSAS occurred in conjunction with the CReCER conference in Sao Paulo in September 2009.

**TASK FORCE FOR REVIEW OF CASH BASIS IPSAS–  
RESPONSES TO PROJECT QUESTIONNAIRE  
(UPDATED OCTOBER 20, 2009)**

1.Accountant General/Ministry of Finance/ Treasury/Standards Board/similar	19*
2. Office of Auditor general/ Cour Des Comptes/ similar	11
3. Accounting Body	9
4. Individual – User, PFM expert-advisor, trainer, etc	7
<b>TOTAL</b>	<b>46</b>

\* Please Note 2 of these responses were combined responses: (a) In one case, the Treasury, National Accounting Body and the independent Public Sector Standard Setter; (b) In the other case, the Accountant General and the Auditor General.

	<b>Jurisdiction-Respondent</b>	<b>“Type” of respondent</b>
01	J. Hughes	4.Individual
02	ESAAG	1. Accountant General
03	Burkina Faso	1.Treasury
04	Niger	1.Treasury/Min Finance
05	A Wynne	4.Individual
06	Japan JICPA	3.Accounting Body
07	Malaysia	1.Accountant General
08	S. Emasu (Re Uganda)	4. Individual
09	Singapore Institute- ICPAS	3.Accounting Body
10	Uganda	1.Accountant General
11	ACCA	3.Accounting Body
12	Liberia	1. Ministry of Finance
13	Argentina FACPCE	3.Accounting Body
14	Mongolia Institute of CPAs	3.Accounting Body
15	Cyprus	1.Treasury
16	Rwanda	2. Auditor General
17	Swaziland	4. Individual - user
18	Gambia	2. Auditor General
19	Gambia	1. Accountant General
20	Nigeria - state	2 Auditor General
21	Nigeria- ICA	3 Accounting Body
22	Nigeria	2 Auditor General
23	Burundi	2 Cour Des Comptes
24	Moldova – (ACAP RM)	3 Accounting Body
25	Madagascar	2 Cour Des Comptes
26	Kyrgyzstan	1. Ministry of Finance
27	J. Lunga - South Africa	4 Individual- trainer

	<b>Jurisdiction-Respondent</b>	<b>“Type” of respondent</b>
28	Bhutan	1. Ministry of Finance
29	Zimbabwe	1. Accountant General
30	South Africa	1, 3 & 5 Treasury, Accounting Body (SAICA) &, Standard setter
31	Kosovo	1. Treasury
32	Tunisia	2 Cour Des Comptes
33	Lebanon	2 Auditor General
34	Congo	2 Auditor General
35	Sri Lanka (ICASL)	3 Accounting Body
36	Nigeria	1. Accountant General
37	Sierre Leone	1 & 2-Audit Office & Accountant General
38	M Parry	4. Individual-PFM expert
39	Brazil (CFC)	3.Accounting Body
40	Pakistan	2 Auditor General
41	Harry Wilkins	4. Individual
42	Hong Kong Special Admin. Region	1.Treasury
43	Albania	1. Ministry of Finance
44	Zambia	2 Auditor General
45	India	1 Standards Advisory Board
46	Chile	1. Controller general

**INTERNATIONAL FEDERATION OF ACCOUNTANTS  
(IFAC)**

**INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS  
BOARD (IPSASB)**

**Task Force for Review of:**

**International Public Sector Accounting Standard  
“Financial Reporting Under the Cash Basis of Accounting”  
(the Cash Basis IPSAS)**

**Questionnaire:**

**Implementation Issues, Amendments and Improvements  
Issued April 2009**

**Responses requested by 15 July 2009**

**Written responses should be returned to  
Paul Sutcliffe (email: [psutcliffe@ifac.org](mailto:psutcliffe@ifac.org) or Fax: + 61 (0)3 96459050).**

**Responses may also be made verbally.**

**Please contact Paul Sutcliffe by email or fax (see above) to arrange for phone response.**

<b>1) HAS THE CASH BASIS IPSAS BEEN ADOPTED IN YOUR JURISDICTION</b>	
<p>Please identify (by an X in the appropriate box) whether your jurisdiction has adopted, or considered adoption of, the Cash Basis IPSAS for financial reporting by the national, state or local government(s) or their agencies. (Those not directly involved in implementation, or advising on implementation, are requested to note their interest in the Cash Basis IPSAS – for example: auditor <input type="checkbox"/> user of financial statements <input type="checkbox"/> advisor or trainer <input type="checkbox"/> other <input type="checkbox"/> )</p>	
	<b>YES/NO</b>
The Cash Basis IPSAS has been fully adopted	
A modified form of the Cash Basis IPSAS has been adopted	
Adoption of the Cash Basis IPSAS was considered, but it was not adopted	
Adoption of the Cash Basis IPSAS has not been considered, but a form of cash or modified cash basis accounting is adopted	
<b><i>If the Cash Basis IPSAS has been adopted in your jurisdiction, please identify:</i></b>	
<i>Year of adoption:</i>	
_____	
_____	
<i>Level(s) of Government that has adopted it (for example: national, state/provincial or local government):</i>	
_____	
_____	
<i>Please outline the major implementation issues faced (or anticipated) in initial adoption or ongoing application of the Cash Basis IPSAS:</i>	
_____	
_____	
<i>If a modified form of the Cash Basis IPSAS has been adopted, please identify the major modifications to the Cash Basis IPSAS:</i>	
_____	
_____	
<i>If adoption of the Cash Basis IPSAS was considered, but it was not adopted – please identify the major reason(s) for its non-adoption:</i>	
_____	
_____	



**3) CONSOLIDATION OF CONTROLLED ENTITIES**

In broad terms, the Cash basis IPSAS requires a government to prepare consolidated financial statements which encompass the government and the entities which it “controls” – that is, entities whose financial and operating policies the government can govern or direct for achievement of government objectives. The statement of cash receipts and payments prepared by a government will therefore consolidate the cash receipts, cash payments and cash balances of all the entities it controls. Other public sector entities are also required to prepare consolidated financial statements which encompass controlled entities. *(See section 1.6 of the Cash Basis IPSAS for the consolidation requirements.)*

**If not already dealt with in your response to questions 1 and 2 above, please identify whether the government’s financial statements consolidate all “controlled” entities as defined in the Cash Basis IPSAS.**

	Yes	No
The government’s financial statements consolidates all controlled entities		

*Please identify whether this occurs at each level of government (for example, at the national, state/province or local government level):*


*If the government’s financial statements do not consolidate all controlled entities please explain the reasons for their non-consolidation – for example:*

*(a) it is not possible to identify all controlled entities:*


*(b) it is not government policy to prepare government financial statements which consolidate government business entities:*


*(c) other reasons:*


**4) THE FINANCIAL STATEMENTS**

**The Cash Basis IPSAS requires the preparation of (a) a statement of cash receipts and payments, (b) comparison of budget and actual amounts, and (c) prescribed note disclosures. (See paragraph 1.3.4 – 1.3.29 of the Cash Basis IPSAS)**

<b>Are these requirements appropriate?</b>	<b>Yes</b>	<b>No</b>
The requirements for preparation of the statement of cash receipts and payments and note disclosures are appropriate.		

*Please advise of any proposals for amendment of/improvement to these requirements:*


**5. ADDITIONAL OR AMENDED DISCLOSURES**

**Please identify any matters which are not currently dealt with by the Cash Basis IPSAS, but should be:**

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**Please identify any matters that are not dealt with appropriately by the Cash Basis IPSAS, with recommendations for their revision:**

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<i>Is the classification of disclosures as either required or encouraged appropriate?</i>	<b>Yes</b>	<b>No</b>
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The classification of disclosures as required or encouraged is appropriate	<input type="checkbox"/>	<input type="checkbox"/>
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*Please identify any re-classifications from required to encouraged (or vice versa) that are necessary:*

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**6. JURISDICTION AND FURTHER DISCUSSION OF ISSUES**

**Please note your name and position and identify the Country or jurisdiction to which this response applies.** *(Please note: the Task Force may include in its Report to the IPSASB major issues identified on a regional basis, but the identity and individual jurisdictions of those responding to the questionnaire will not be made public without prior consent.)*

Name:

Title:

Country or Jurisdiction to which response applies:

**Please indicate (by an X) if you  and/or a colleague or advisor  are prepared to discuss these issues further with the Task Force and, if yes, provide relevant contact details below:**

Name(s):

Title:

City & Country:

Phone:

Fax:

Email:

**Please add any additional comments about the Cash Basis IPSAS or the review process**

**END**

**THE TASK FORCE THANKS ALL THOSE WHO HAVE RESPONDED TO THIS QUESTIONNAIRE.**

**Those who have agreed to participate in further discussion with the Task Force will be contacted by a member of the Task Force to arrange for such participation.**