



The International Public Sector Accounting Standards Board (IPSASB)

Website submission

Introduction

The Pan African Federation of Accountants (PAFA) is a network partner of the International Federation of Accountants (IFAC) and the regional organisation for the accountancy profession in Africa. Our membership consists of 56 professional accountancy organisations in 45 countries in Africa. Through these organisations, we reach more than 125,000 professional accountants in Africa—all potential agents of change.

PAFA's vision is sustainable value creation to benefit the citizens of Africa. We achieve this by strengthening the influence and capacity of the accountancy profession to enhance trade, the quality of services, and trust in institutions. Our strategic actions aimed at promoting and supporting good governance, transparency, and accountability in the public sector are integrated into our three strategic areas of focus—Effective PAOs | Technical Excellence | Quality & Mobility.

Presented below is PAFA's response to the Specific Matters for Comment raised in the Exposure Draft (ED) 91, *Limited-Scope Updates to First-Time Adoption of Accrual Basis IPSAS (Amendments to IPSAS 33)*, developed and approved by the International Public Sector Accounting Standards Board (IPSASB). The responses detailed below have been prepared in consultation with our members and other stakeholders in the region.

Specific Matter for Comment 1

The IPSASB agreed to undertake this limited scope project to address stakeholder concerns in the application of IPSAS 33, to improve its effectiveness and user-friendliness. Do you agree with the proposed amendments? If not, please explain your reasons.

Response

PAFA supports the IPSASB's proposed amendments to IPSAS 33. The adjustments enhance the overall utility and accessibility of the standard, aligning it with the needs of diverse stakeholders, particularly in

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resource-constrained environments. The following key points highlight why we endorse these changes:

The restructuring of the authoritative text, accompanied by additional non-authoritative guidance, significantly enhances the **clarity** and **usability** of IPSAS 33. These refinements make it easier for first-time adopters to navigate the standard, thereby fostering a smoother transition to the accrual basis of accounting. This approach not only makes the guidance more practical but also encourages its adoption across jurisdictions in our region with varying levels of capacity.

Moreover, the emphasis on incremental adoption, as outlined in the amendments, is a particularly commendable feature. Many governments and entities across Africa face limitations in resources and capacity. Allowing them to implement exemptions in a phased manner reduces the immediate compliance burden while simultaneously promoting better transparency and accountability over time. Such flexibility is essential to ensuring broader adoption of IPSAS in the continent.

Additionally, the proposed updates respond directly to concerns raised by stakeholders during consultations. By addressing these practical challenges, the IPSASB reinforces its commitment to producing actionable and relevant guidance for public sector entities.

We appreciate the thoughtful amendments and the deliberate focus on making the transition to accrual basis IPSAS as seamless and effective as possible.

Specific Matter for Comment 2

The IPSASB proposes to include a copy of the IPSAS 46 definition of “deemed cost” in IPSAS 33. Do you agree with the inclusion of the definition of “deemed cost”? If not, please explain your reasons.

Response

PAFA agrees with the IPSASB’s proposal to incorporate the IPSAS 46 definition of “deemed cost” into IPSAS 33. This inclusion will provide much-needed clarity and consistency, enhancing the usability of the standard for first-time adopters.



The definition of “deemed cost” is essential for entities making use of this exemption during the transition to accrual basis IPSAS. Its inclusion directly within IPSAS 33 ensures that preparers have a clear and consistent understanding of its application without having to cross-reference multiple standards. This not only simplifies the adoption process but also minimizes the potential for misinterpretation and errors during implementation.

Furthermore, aligning IPSAS 33 with IPSAS 46 through this definition creates greater coherence across the suite of standards. Such alignment reduces ambiguity and fosters a seamless transition for public sector entities.

By making the guidance more comprehensive and straightforward, this addition reflects the IPSASB’s responsiveness to the challenges faced by preparers, particularly in our jurisdictions where capacity and resources are a major factor. In our view, this seemingly minor adjustment will have a significant positive impact on the adoption and application of IPSAS in Africa.