



**International Federation of Accountants**

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**FOR IMMEDIATE RELEASE**

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**IFAC'S PUBLIC SECTOR ACCOUNTING STANDARDS BOARD PROPOSES  
STANDARDS TO ENHANCE TRANSPARENCY OF GOVERNMENT  
FINANCIAL STATEMENTS**

*(New York/October 11, 2005)* – The International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC) is working to ensure that governments are accountable for their performance against their budgets. For this reason, it has issued an exposure draft (ED) dealing with the reporting of budget and actual financial information in general purpose financial statements. The exposure draft, ED 27, *Presentation of Budget Information in Financial Statements*, applies to entities that are required to make publicly available the approved budgets for which they are held accountable. It proposes the disclosure of the original and final approved budgets and actual financial information on a comparable basis to the budget.

“Since budget authorizations to spend given by the Parliament are so important in the public sector, most governments prepare and make publicly available their financial budgets,” says IPSASB Chair Philippe Adhémar. “Reporting against those budgets will enhance the transparency of general purpose financial statements and is an important

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element in the discharge of accountability of these entities.”

The IPSASB has also issued ED 28, *Disclosure of Financial Information about the General Government Sector*. ED 28 has been issued as part of the IPSASB’s program to support convergence of IPSASs and statistical bases of financial reporting, where such convergence is appropriate.

Statistical bases of financial reporting require governments to present financial information about the general government sector, which is sometimes described as comprising those entities that fulfill the core functions of government as their primary activity.

“Statistical reporting bases and IPSASs have many similarities in their treatment of particular transactions and events, but there are also differences. This can be confusing to users, particularly in jurisdictions in which governments issue financial reports prepared in accordance with both statistical reporting bases and accounting reporting bases,” says Philippe Adhémar. “This exposure draft proposes disclosure about the general government sector in general purpose financial statements and mechanisms to better explain those differences.”

The ED does not require disclosure of such information, but prescribes reporting requirements that must be adopted by governments which elect to make such disclosures.

### **How to Comment**

Comments on both ED 27 and ED 28 are requested by February 10, 2006. The EDs may be viewed by going to <http://www.ifac.org/EDs>. Comments may be submitted by email to [publicsectorpubs@ifac.org](mailto:publicsectorpubs@ifac.org). They can also be faxed to the attention of the IPSASB

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Technical Director at +1 (212) 286-9570 or mailed to IFAC, 545 Fifth Avenue, 14<sup>th</sup> Floor, New York, NY 10017, USA. All comments will be considered a matter of public record and will ultimately be posted on IFAC's website.

IFAC is the worldwide organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC's current membership consists of over 160 professional accountancy bodies in 119 countries, representing more than 2.5 million accountants in public practice, education, government service, industry and commerce. In addition to setting international public sector financial reporting standards through the IPSASB, IFAC sets ethics, auditing and assurance, and education standards and issues guidance to encourage high quality performance by professional accountants in business.

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