

Applying International Public Sector Accounting Standards A Four-Day Programme



Aims and Objectives

The Aim of this course is that participants become engaged in understanding the IPSAS standards and the framework for public sector accounting. This four-day course provides an overview of the most important requirements for preparing financial statements and disclosures under IPSAS. Each of the issued IPSAS will be covered in detail with practical examples of how the rules and guidance should be applied.

The programme includes a summary of the most recently introduced accounting standards, IPSAS 25 Employee Benefits and IPSAS 26 Impairment of Cash-Generating Assets, issued in February 2008.

The revised Cash-Basis IPSAS issued in January 2008 is also summarised, including the disclosure requirements on external aid.

The IPSAS accounting and disclosure requirements are explained in clear, simple language and illustrated with model financial statements and real-world examples. Application of the various standards is illustrated through the use of short case studies.

By the end of this course, participants will be able to:

- Understand what the IPSAS framework is.
- Plan the transition from cash based accounting methods to accruals based accounting
- Be aware of the likely developments in the standards
- Learn the sources of IPSAS guidance

Methodology

The course will involve instruction in the rules of the accounting standards with a focus on actively involving participants in discussion and practical application of standards. The course will run on a workshop basis with each workshop including:

- Short instructor-led sessions
- Slide presentations
- Practical exercises

During every session, participants will be asked to complete work on a relevant case which looks at some specific applications of the standards. This case will be based on a real life example but for confidentiality reasons will be adapted to a fictional public sector body.

Day One

Session 1

Introduction to IPSAS

- A brief history of IPSAS
- Scope of the accounting standards
- Procedure for international standard setting
- Benefits of converting to IPSAS
- Practical considerations for companies adopting IPSAS

Session 2

Presentation Standards

- Scope of the standards
- An overview of the relevant standards
- IPSAS 1 – Presentation of Financial Statements
- IPSAS 2 – Cash Flow Statements
- IPSAS 6 – Consolidated Financial Statements
- IPSAS 10 – Financial Reporting in Hyperinflationary Economies

Session 3

Disclosure Standards

- IPSAS 14 – Events After the Reporting Date
- IPSAS 18 – Segment Reporting
- IPSAS 20 – Related Party Disclosures
- IPSAS 22 – Disclosure of Financial Information
- IPSAS 24 – Presentation of Budget Information

Session 4

Case Study

Day Two

Session 1

Accounting for Assets – IPSAS 12 Inventories

- Public sector inventories
- Inventories held in different locations
- Distributor-held inventories
- Held-for-sale inventories

Session 2

Accounting for Assets – IPSAS 17 Property, Plant and Equipment

- Recognition and measurement
- Subsequent expenditure
- Valuation
- Depreciation
- Heritage assets
- IPSAS 5 Borrowing Costs

Session 3

Accounting for Assets – IPSAS 13 Leases

- Classifications for lessees
- Lessor accounting
- Sale and leaseback transactions

Session 4

Accounting for Assets – IPSAS 16 Investment Property

- Recognition and measurement
- Subsequent Valuation

Session 5

Accounting for Assets – IPSAS 21 Impairment of Assets

- How to identify an impairment has occurred
- Recognition and measurement
- Reversing impairments
- Disclosure requirements for assets

Day Three

Session 1

Accounting for Liabilities – IPSAS 19 Provisions and Contingent Liabilities

- Definitions of provisions, contingent liabilities and contingent assets
- Recognition and measurement
- Disclosure requirements
- Specifics for contingent assets

Session 2

IPSAS 15 – Financial Instruments

- Definitions regarding financial instruments
- Asset, liability or equity?
- On-balance sheet items
- Off-balance sheet items
- Disclosure requirements

Session 3

IPSAS 3 Net Surplus or Deficit for the Period

- Changing accounting estimates
- Changing accounting policies
- Correction of errors
- Extraordinary items

Session 4

Recognising Revenue under IPSAS – IPSAS 9 and 23

- IPSAS 9 – Revenue from exchange transactions
- IPSAS 23 revenue from non-exchange transactions
- Recognition and measurement of tax revenue
- Recognition of revenue from transfers
- Measurement of revenue from transfers
- Disclosures

Session 5

IPSAS 11 – Construction Contracts

- Differences between commercial and non-commercial contracts
- Allocation of costs for the contracts
- Recognition of revenue over the life of the contract

Day Four

Session 1

IPSAS 4 – The Effect of Changes in Foreign Exchange Rates

- Foreign Exchange Transactions
- Operations in a Foreign Currency

Session 2

Group Accounting – IPSAS 7 Accounting for Interests in Associates

- A case study of implementation
- Discussion points

Session 3

Group Accounting – IPSAS 8 Accounting for Interests in Joint Ventures

- Equity settled share based payments
- Employee option schemes
- Cash settled share based payments

Session 4

Cash Basis Standard

- An analysis of the differences within this standard
- Statement of cash receipts and payments
- Accounting policy notes
- Disclosures

Session 5

Transitioning to accruals accounting

- Key issues
- Recent Pronouncements
- Expected Developments

Course Summary and Evaluation