



International
Federation
of Accountants®

ACCOUNTABILITY. NOW.

www.accountability-now.org

From No Accountability to Accountability. Now.


Why Enhancing Public Financial Management Really Matters

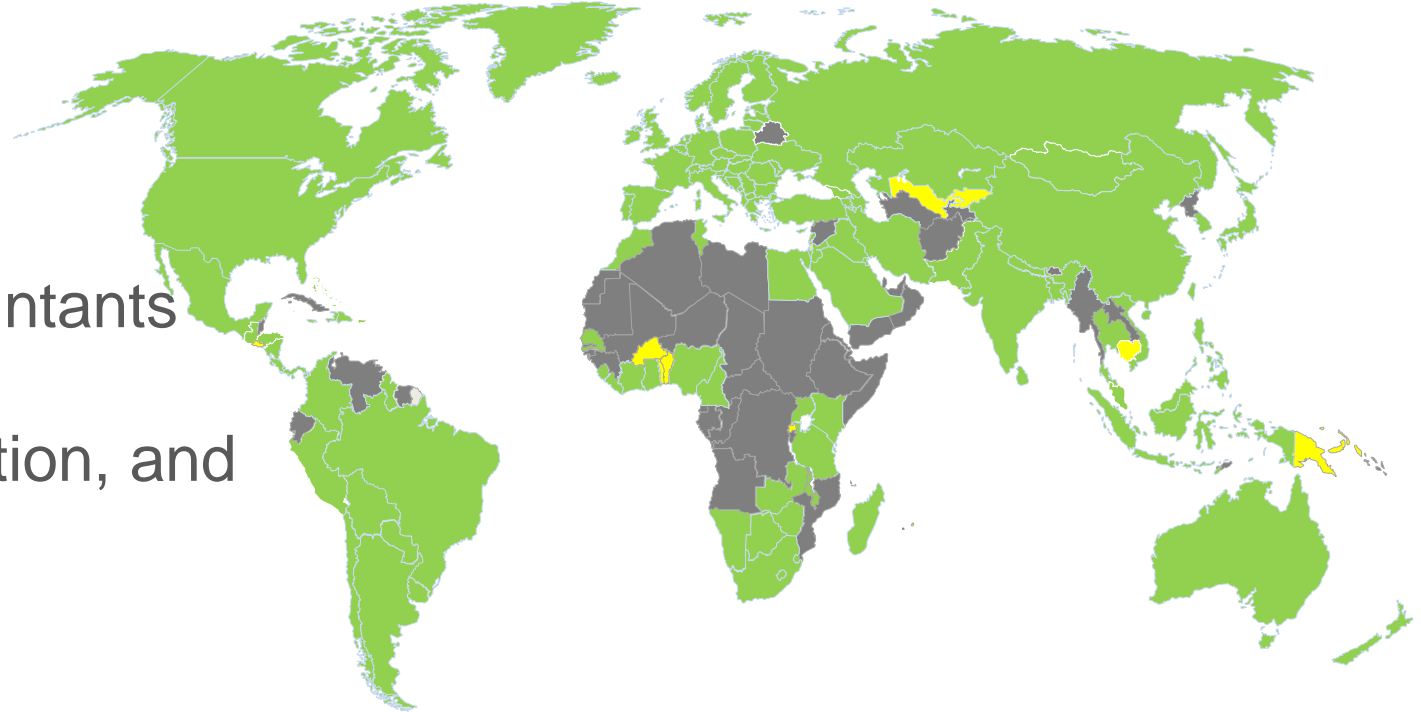
Vincent Tophoff

IV Seminario Brasileiro de Contabilidade e
Custos Aplicados ao Setor Publico

Brasilia, October 4-6, 2017

IFAC—A Global Profession

- Founded 1977
 - 175+ members organizations
 - 130+ countries & jurisdictions
 - 2.84 million professional accountants in public practice, commerce & industry, **public sector**, education, and not-for-profit sector
 - Public interest focus
- 



IFAC—A Global Vision and Mission

- A global profession essential to strengthening organizations and advancing economies
- Serving the public interest by ...
 - facilitating the development and adoption of high-quality standards
 - contributing to the development of strong professional accountancy organizations and accounting firms
 - contributing to high-quality practices by, and promoting the value of, professional accountants
 - speaking out on public interest issues

The Bar Continues to Rise

Bar for sound Public Financial Management (PFM) continues to rise



Raised expectations of citizens



Sustainable Development Goals



Pressure on national budgets



Global Financial Crisis / Sovereign Debt Crisis

“Built In” Not “Bolt On”

- Good public sector governance
- Sound public financial management (PFM)
- High-quality decision-useful information



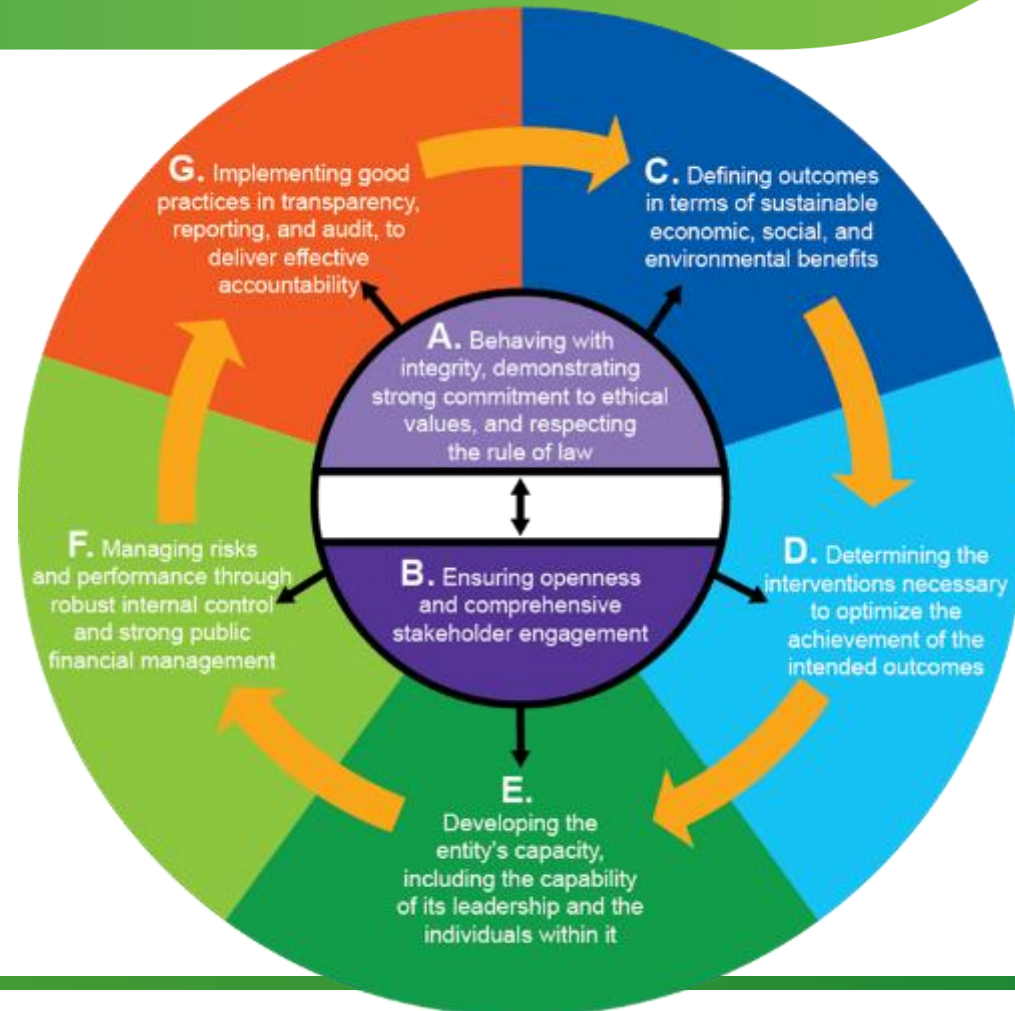
Good Governance in the Public Sector: An International Framework

- To ensure public sector entities
 - Achieve their intended outcomes
 - Act in the public interest



Governance Principles

- A. Integrity, ethics, law abiding
- B. Stakeholder engagement
- C. Define outcomes
- D. Determine interventions
- E. Develop capacity
- F. Manage risks and performance
- G. Transparency, reporting, audit, accountability



No Accountability = No Goods and Services...



- No accountability about use of public (financial) resources:
 - *leads to poor choices, sub-optimal spending & waste*
 - *opens door to fraud, corruption, and waste*
 - *erodes public trust & undermines support for paying taxes*
- All of which negatively impact public service delivery

For that Reason...

- *“Ensuring government accountability and transparency”* is one of the priority United Nations Sustainability Development Goals (SDGs)
- *Why?*
- Because **government accountability and transparency are fundamental conditions** that need to be met for the other issues to be resolved!

Enhanced government accountability & transparency

- Provides leaders with information contributing to ...
 - *Enhanced decision making*
 - *Enhanced use of public resources*
 - *Enhanced quality and quantity of public services*
- In short, it *helps to drive performance*
- And *builds trust in government*
- Importantly, it *supports Foreign Direct Investment*

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Police

GOOD PUBLIC FINANCIAL MANAGEMENT? GOOD PUBLIC SERVICES.

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ACCOUNTABILITY. NOW. A campaign for:

- HIGH-QUALITY PUBLIC SECTOR FINANCIAL REPORTING
- MORE INFORMED GOVERNMENT DECISION MAKING
- EFFECTIVE, EFFICIENT PUBLIC SECTOR SPENDING
- BETTER QUALITY PUBLIC SERVICES
- ENHANCED TRANSPARENCY AND ACCOUNTABILITY
- INCREASED TRUST IN GOVERNMENT

Visit accountability-now.org for more information.
#AccountabilityNow

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Accountability. Now.

- A global campaign for enhanced public financial reporting
 - Supported by a broad coalition
 - Replicated at the regional and national level
- Main areas of focus
 1. Raising Awareness
 2. Facilitating Public-Private Partnerships
 3. Building Capacity Public Sector Accountancy Capacity

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1. Raising Awareness

- AN Newsletter – 1,500 plus subscribers
- Conferences, etc.
- Website – Global Knowledge Gateway, IFAC, MOSAIC
- Reports – three in 2017
 - Accrual Practices and Reform Experience in OECD Countries
 - The Status of Public Sector Financial Reporting and PAO Membership in Francophone Africa
 - Accrual Practices & Reform Expectations in the Caribbean
- Public Sector Financial Accountability Index



2. Facilitating Partnerships

- Governments (Ministries of Finance, Accountants General, Auditors General)
- Professional Accountancy Organizations
- Regional Organizations and Acknowledged Accountancy Groupings
- Accounting firms
- Donor organizations – UK DFID, World Bank
- Civil society organizations – GIFT
- Economic groupings – CEMAC, WAEMU



3. Building Public Sector Accountancy Capacity

- DFID-Funded IFAC PAO Capacity Building Program
 - **Ghana:** Roadmap to implement IPSAS
 - **Nigeria:** Enhanced education, training, and professional qualification, including public sector component, for the Nigerian College of Accountancy
 - **Rwanda:** Enhanced Certified Accounting Technician qualification to respond to government demand for 5,000 accounting technicians over five years
 - **Uganda:** Roadmap to deliver training to finance personnel at all levels of government
 - **Zimbabwe:** Enhanced public sector accountancy capacity to support IPSAS adoption and implementation (collaborating with AFROSAI-E)
 - **MOSAIC Foundations Project**



3. Building Public Sector Accountancy Capacity

- The power of roundtables
 - Build public—private partnerships
 - Establish the accountancy profession as trusted advisors to government
 - Equip Accountants Generals, Auditor Generals and their staff to move from adoption to implementation through knowledge sharing
 - Give rise to communities of interest

Ghana
May 2015

Senegal
Oct 2015

UAE
Nov 2015

Caribbean
Apr 2016

Ethiopia
Mar 2016

Madagascar
Oct 2016

Argentina
Nov 2017

Get Involved

- Visit the [Accountability. Now.](http://www.accountability-now.org) webpage
- Download the [Accountability. Now.](#) brochure
- Sign up for the Accountability. **Now.** eNews
- Contact Accountability. **Now.** staff with your ideas and suggestions!

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eNews

September 2017

Keeping you informed about the Accountability. Now. initiative.

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New International Public Sector Financial Accountability Index to Stimulate Reform



At the Chartered Institute of Public Finance and Accountancy (CIPFA)'s 2017 Conference in Manchester, UK, IFAC and CIPFA announced the launch of the [International Public Sector Financial Accountability Index](#).

Developed jointly by both organizations, with the [Zurich University of Applied Sciences](#) as knowledge partner, the Index aims to provide a better understanding of accounting and budgeting reform plans to help stimulate wider public financial management (PFM) reform efforts. It covers the following arrangements in each jurisdiction:

PS Financial Accountability Index: Aims

- Provide an accurate picture of the extent of accrual accounting and IPSAS adoption globally
- An indicator of the quality of public sector financial reporting around the globe
- Better understanding of PFM reform plans
- Stimulate PFM reform, especially through improved public financial accounting and reporting
- Undertaken jointly by IFAC and CIPFA, with the Zurich University of Applied Sciences (ZHAW) as knowledge partner

PS Financial Accountability Index: Scope

- Index focuses on the quality of financial accountability information:
 - Accrual, cash, transitioning to accrual
 - Use of financial reporting standards and, if yes, which ones
 - Consistency between budgets and financial reporting
 - Reform plans in next 5 years and reform drivers
- Complementary to International Budget Partnership's Open Budget Survey which primarily focuses on the transparency of public financial information

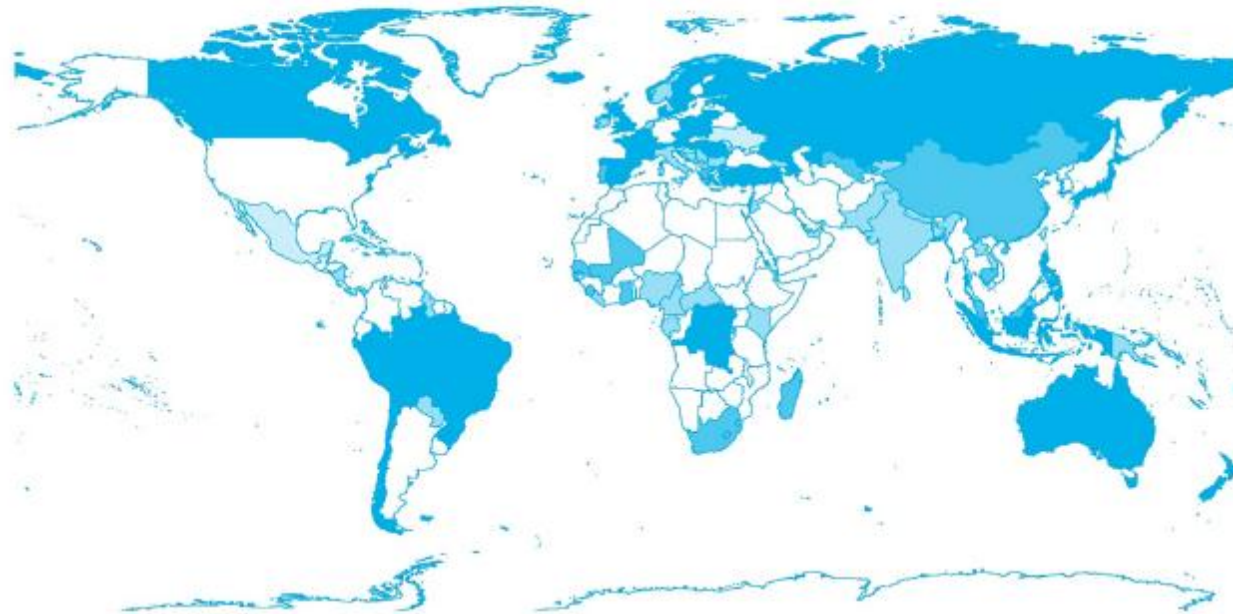
PS Financial Accountability Index: Outputs

- Main output will be a **publicly available database**, providing information on a country by country basis that will be regularly updated
- There will also be **regular summary reports**
- The initial focus will be on **central government level**, expanded subsequently to cover state/provincial and local levels

PS Financial Accountability Index: Preview.....

Applied Accounting Basis

Accrual	(38)	Other	(7)
Cash Transitioning to Accrual	(19)	Data not yet available/input	(143)
Cash	(39)		





Are you?



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