

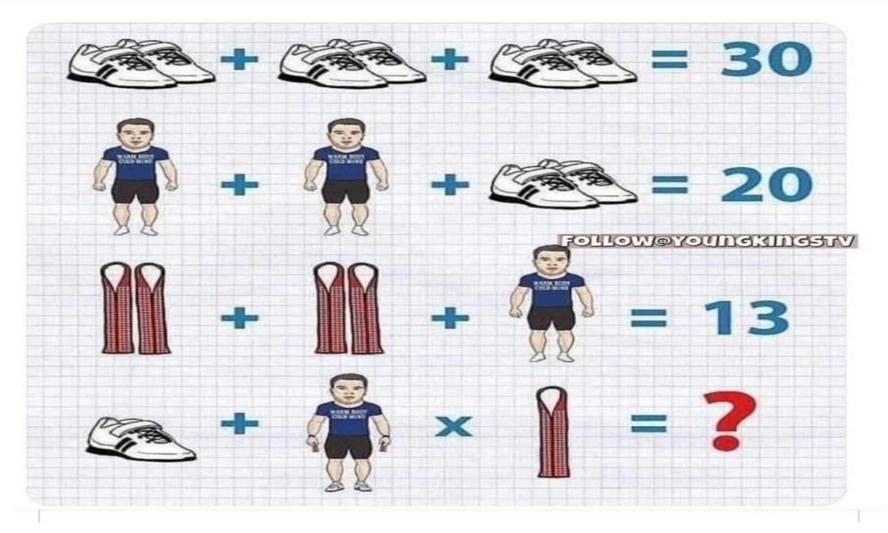
IPSAS Workshop – April 2019

Eastern Branch - Kitui

### **RPG for IPSAS Accrual**

Wednesday, 17 April 2019

### Solve:



### Background

- Recommended Practice Guidance (RPGs) are developed and approved by the International Public Sector Accounting Standards Board. (IPSASB).
- IPSAS and RPGs are for use by all public sector entities including national, regional and local governments and related agencies.
- While IPSAS guide the preparations of financial statements, RPGs provide best practice guidance in preparation of general purpose financial report.

## RPG 1 — Long-term Sustainability of finances

- Provides guidance on reporting on the long-term sustainability of a public sector entity's finances.
- Applicable to entities which:
  - Have significant tax and/or other revenue raising powers;
  - Have powers to incur significant debt; or
  - Have the power and ability to determine the nature, level and method of service delivery including the introduction of new services.

# RPG 1 — Long-term Sustainability of finances.....Cont.

- long-term fiscal sustainability information will usually include the following components:
  - Projections of future inflows and outflows, displayed in tables/graphs and narratives explaining the projections.
  - Discussions on the dimensions of long-term sustainability (revenue; service; debt...etc.)
  - Discussion on the principles, assumptions and methodology underlying the projections.

#### RPG 1 - Disclosures - Cont...

- Adequate information should be provided to users to enable them assess the long-term sustainability of the entity's finances: Key disclosures include:
- Name of the entity
- > The financial statements referred to
- Date of projections
- Reference to sources of all information obtained from other entities

#### RPG 1 - Disclosures - Cont...

- Sources of revenue inflows from taxation and other sources
- Sources of significant outflows including capital expenditure
- Explanations of changes in projections at the reporting date
- > Time horizon used in the projections
- Sensitivity analysis on all key indicators

# RPG 2 — Financial Statement Discussion and analysis

- Financial statement discussion and analysis assist users to understand the financial position, financial performance and cash flows presented in the general purpose financial statements.
- An explanation of the significant items, transactions and events presented in an entity's financial statements and the factors that influenced them.

# RPG 2 — Financial Statement Discussion and analysis – Cont...

- Components should include:
  - Explanation of the entity's operations and the environment in which it operates;
  - Information about the entity's objectives and strategies;
  - Analysis of the entity's financial statements; changes and trends in an entity's financial position, financial performance and cash flows;
  - Description of the entity's principal risks and uncertainties; strategies for bearing or mitigating those risks and uncertainties.

# RPG 3 — Reporting service performance information

Service information includes explanations on the services that an entity provides; its objectives in relation to service performance and the extent to which the objectives have been achieved.

 Service information assist users assess the entity's efficiency and effectiveness.

## RPG 3 — Reporting service performance information — Cont...

Service information to display includes the below:

- Service performance objectives e.g. reducing inputs/increasing output
- Performance indicators Intended outcomes and actual outcomes
- Total cost of services

### Interactive Session



#### Presenter's Contacts

CPA Cyprian. A Oluoch

Cyprian.angawa@bukasconsultants.com

0724-665391