



IPSAS Workshop – April 2019

Eastern Branch - Kitui

RPG for IPSAS Accrual

Wednesday, 17 April 2019

Solve:

$$\text{Shoes} + \text{Shoes} + \text{Shoes} = 30$$

$$\text{Person} + \text{Person} + \text{Shoes} = 20$$

FOLLOW@YOUNGKINGSTV

$$\text{Socks} + \text{Socks} + \text{Person} = 13$$

$$\text{Shoe} + \text{Person} \times \text{Sock} = ?$$

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

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