

Accrual IPSAS
Implementation
Guidelines & Country
Experiences

GHANA'S JOURNEY

By:

Mac-Effort K. Adadey (PhD)

7th Feb. 2025





1. Introduction

2. The IPSAS Journey

3. Challenges & Way Forward

4. Conclusion





Ghana's interest in IPSAS implementation was initially expressed in 2007, but implementation attempt was made in 2014, rather on a lighter note.

Efforts were however intensified in the later years leading to some landmark achievements



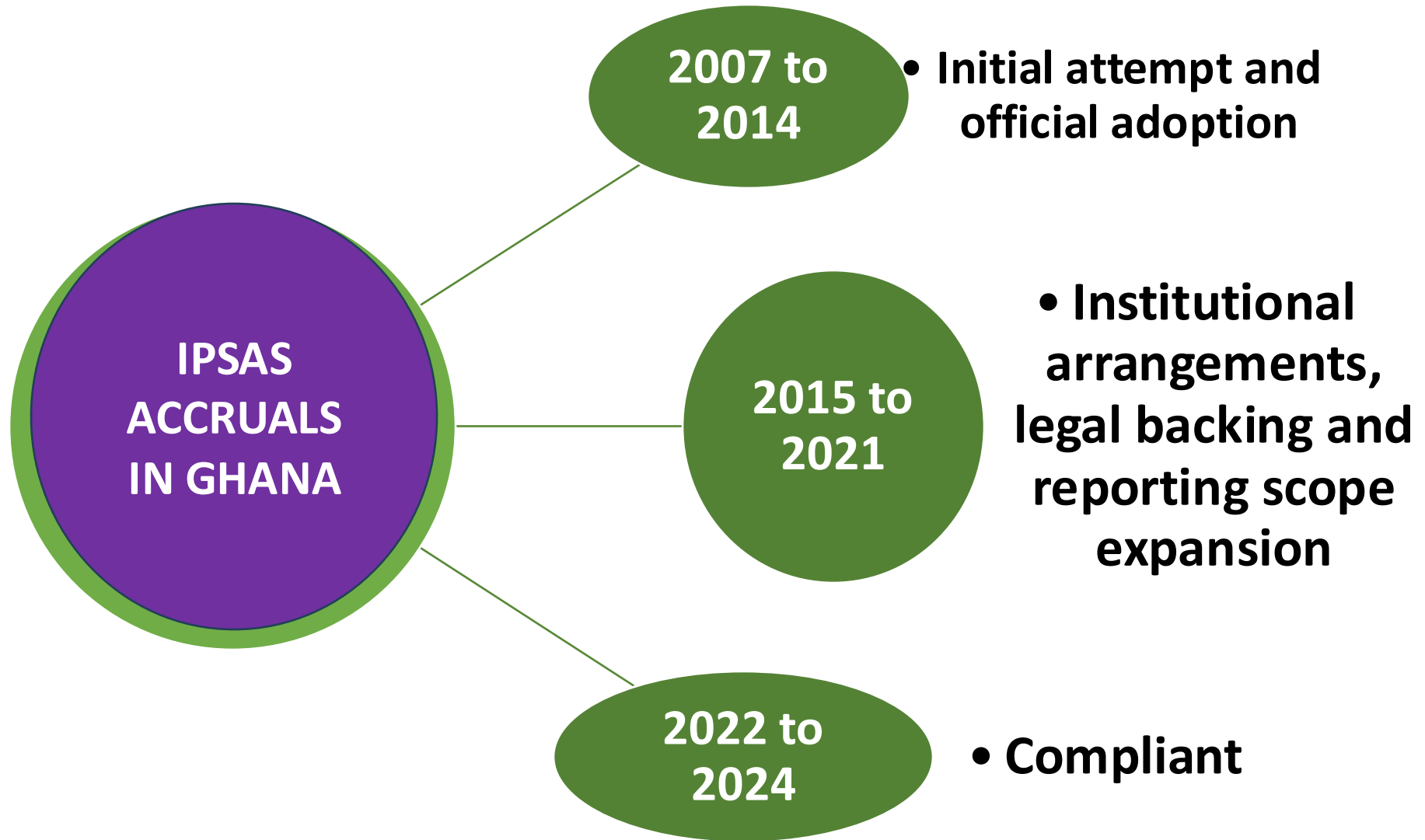


GHANA'S IPSAS JOURNEY





Milestones





2007 to 2014

1. First attempt was made to include liabilities in the National Accounts of Ghana in 2010, a step from cash accounting.
2. Rollout of Ghana IFMIS (the GIFMIS) to public entities started in February 2012, to provide the base data for financial reporting
3. Capitalisation of fixed assets procured through the GIFMIS started in 2012 for the National Accounts
4. Issues and options paper was developed & approved by Cabinet in August 2014, where final approval for accruals accounting was granted by Government.
5. Official announcement of IPSAS Accruals adoption followed in October 2014 and captured in the National Budget and Economic Policy of 2015 presented to Parliament in November 2014.





2015 to 2021

6. IPSAS Implementation Committee (IPIC) was formed, consisting of key public entities
7. Memorandum of Understanding between CAGD & ICAG was signed on the IPSAS implementation
8. Sensitisation and certification programs were held. Over 5000 accountants targeted via joint effort of CAGD, ICAG and PwC Ghana.
9. Ghana's PFM Act, 2016 was passed to provide the needed legal backing for IPSAS Accruals financial reporting by Government.
10. IPSAS Secretariat was established to provide administrative support for the implementation
11. Scope of the National Accounts was expanded from **Budgetary Central Government to Whole-of-Government** (MDAs, MMDAs & SOEs)





2022 to 2024

13. The 2022 Annual National Accounts of Ghana incorporated 31 out of the 36 applicable IPSAS

14. All the 36 applicable IPSASs were finally covered in the 2023 National Accounts.

15. Technical tools to aid the implementation at entity level were developed:

a) IPSAS Reporting Templates

b) IPSAS CoA

c) IPSAS Accounting Policy

d) Fixed Assets Register

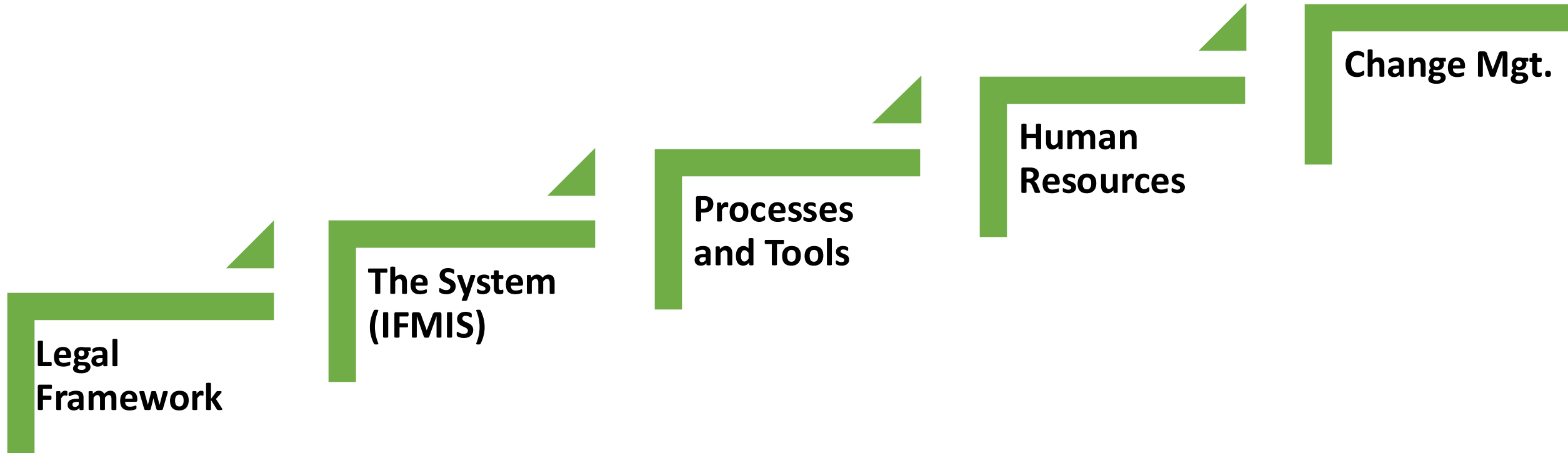
e) IPSAS Compliant Checklist

f) IPSAS Training Manual





The Building Blocks





Challenges & Way Forward

1. Legal framework for accruals accounting
2. Cash Budgeting basis vs Accruals Accounting basis
3. Developing a robust and sustainable system for IPSAS accruals (IFMIS)
4. Technical and professional capacity
5. Funding
6. Change management
7. Complexity of institutional structure and PFM processes in the Ghanaian public sector posing challenges to application of some of the standards, such as:
 - **IPSAS 40 - Public Sector Combinations**
 - **IPSAS 14 - Events After Reporting Date**
 - **IPSAS 20 - Related Party Disclosures**
 - **IPSAS 39 – Employee Benefits**
 - **IPSAS 21 – Impairment of Non-Cash Generating Assets**
 - **Etc.**





Conclusion

Ghana has made significant progress in her accounting and financial reporting landscape by expanding the coverage of her National Accounts from Budgetary Central Government to Whole-of-Government within the last 6-years

Coverage of the 36 applicable IPSASs in the Whole-of-Government National Accounts of Ghana is a milestone that must be deepened and sustained

The CAGD is intensifying efforts to address emerging implementation issues to ensure that Ghana's success story becomes a positive reference point for other countries.





THANK YOU

