How to succeed with IPSAS implementation: a brief overview of the Austrian Experience

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Success factors for IPSAS implementation

- Accounting and IT maturity
- Role of international Standards
- Capacity building
- Ongoing activities vs. Reform
- Importance of Audit
- Interesting things to read
Accounting and IT maturity

- Data availability & Data quality
  - Registers/Inventories: Assets (Land, Buildings), Companies
  - Consistent, Complete, Computable
  - IT systems in place include accrual elements

- Organizational Preconditions
  - Recognition and Measurement Methodology
  - Training programs, skilled staff
  - Roles and procedures in administrative units for accrual accounting

= Determine Implementation (Transition) Period and OBS quality
Capacity building

- Opening balance sheet is a challenge
- Is rather a marathon than a sprint
- Capacity building is needed in all areas (Administration, Audit Institutions, Parliament)
- Close cooperation with a mutual understanding of the overarching goal is important:
  ✓ Manage processes rather than payments
Role of international Standards - IPSAS

- Independent (no undue influence)
- Transparent (process and standards)
- Comparable (exchange of experiences)
- Comprehensive (ongoing development)
- Capacity (standard setting needs resources)

Don’t get intimidated by the number of standards or their volume. Your transactions define the scope of standards aplicable.
Ongoing activities vs. Reform

- Implementing IPSAS accrual accounting is not a reform; it's a transformation of workflows.
- The world (and therefore challenges for accrual accounting systems) won't stop spinning.
- Ongoing activity of keeping up with Standards and Developments is necessary.
- Can not be accomplished in project structure; accrual accounting must be fully integrated in administration organisation and responsibilities.
Importance of Audit

- Audit creates trust and creditbility of (new) accrual accounting systems
- Audit provides support to accrual accounting challenges
- Audit serves as a challenger of administrative capacity to go to their limits
- Audit has to learn, develop and evolve itself

➢ Cycle of Feedback and Improvement
The Austrian Way

– Staged approach:
  • 2009 – first part (new budget structure, mid term budget plan, reserves)
  • 2013 – full implementation (accrual budgeting and accounting, accrual federal financial statement)
– First Federal Financial Statement on Accruals in Sept. 2014 (changed audit approach)
– Evaluation of new Budget Law ongoing
Thank you for your attention!

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