

Memorandum

To: NZASB Members

Meeting date: 12 October 2026

Subject: **IPSAS adoption around the world**

Date: 1 October 2026

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☐ **Action Required**

☒ **For Information Purposes Only**

Purpose¹

1. As part of the review of the New Zealand Accounting Standards Framework (ASF), different framework options are being considered for Tier 1 and Tier 2 public benefit entities (PBEs). One of the possible framework options is to base standards for such entities on IFRS Accounting Standards, rather than IPSAS – i.e. to move to a ‘sector neutral’ approach.
2. The purpose of this paper is to inform the consideration of the option above, by providing information on the history of adoption of IPSAS around the world. Specifically, this paper considers:
 - (a) Whether any jurisdictions have moved *from IPSAS to IFRS Accounting Standards* for their public sector; and
 - (b) Whether jurisdiction that have *recently moved from cash accounting to accrual accounting* in the public sector tended to select *IPSAS or IFRS Accounting Standards* on moving from cash to accrual.
3. This paper does not assume that international practice determines the appropriate framework for New Zealand, but uses that practice as contextual evidence to inform the Board’s consideration.

Recommendations

4. We recommend that the Board **NOTES** the information in this paper for the purpose of the discussion on PBE framework options for public sector and not-for-profit PBEs.

Structure of this memo

5. This memo has the following sections:
 - (a) Background
 - (b) IPSAS adoption around the world

¹ This memo refers to the work of the International Accounting Standards Board (IASB) and uses registered trademarks of the IFRS Foundation (for example, IFRS® Standards, IFRIC® Interpretations and IASB® papers).

- (c) [Movements in IPSAS adoption: 2020–2024](#)
- (d) [Observations](#)

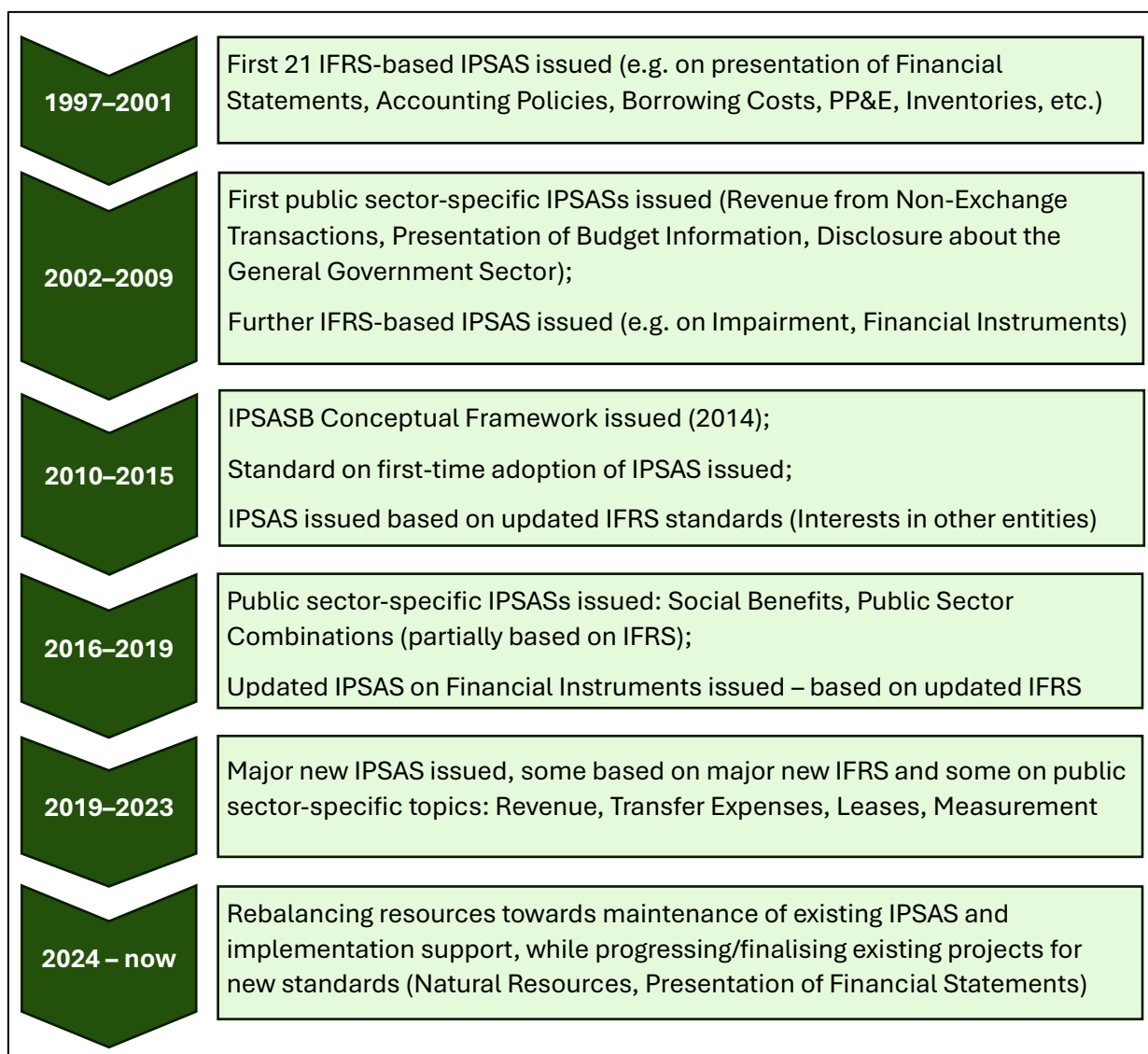
Background

Background: The IPSASB and IPSAS

6. The International Public Sector Accounting Standards Board (IPSASB) develops accounting standards (and, more recently, sustainability standards) for use by public sector entities. The structures and processes that support the operations of the IPSASB are facilitated by the International Federation of Accountants (IFAC).
7. The IPSASB's predecessor body was the Public Sector Committee (PSC), which was established by IFAC as a standing committee with a broad mandate to develop programs to improve public financial management and accountability. Over the next 10 years, the PSC issued studies on specialised accounting issues in the public sector. In 1996, the PSC's role changed to an international accounting standard setter for the public sector, with the launch of its Standards Program. In 2004, the PSC was relaunched as the IPSASB with revised terms of reference to reflect the Board's mandate to focus on developing and issuing IPSAS.²
8. The IPSASB's current strategic objective is:
 - (a) **Delivering Global Standards:** Developing and maintaining public sector financial and sustainability reporting standards.
 - (b) **Inspiring Adoption and Implementation:** Raising awareness of the IPSASB Standards and the benefits of their adoption and implementation.
9. The IPSASB follows an open and transparent [due process](#) to ensure that IPSAS are developed in the public interest. This process provides the opportunity for all those interested in public sector financial and sustainability reporting, including those directly affected by the Standards, to make their views known to the IPSASB, and ensures that all views are considered in the standard-setting development process.
10. As explained in Agenda Item 6.3 on *Alignment between IPSAS and IFRS Accounting Standards*:
 - (a) Many IPSAS are based on IFRS Accounting Standards, but in developing IPSAS based on IFRS Accounting Standards, the IPSASB considers the need for modifications for public sector-specific considerations, and makes such modifications where appropriate (e.g. modifications to IFRS-based revenue requirements to cover revenue from sources such as taxes, grants and donations; specific requirements for assets received in a non-exchange transaction to be initially recognised at fair value/current operational value; modifications to financial instruments requirements to cover concessionary loans, etc.).
 - (b) The IPSASB has also developed several public sector-specific IPSAS on topics not covered by IFRS Accounting Standards (e.g. transfer expenses, natural resources).
11. A brief history of the IPSASB's [financial reporting](#) standards (IPSAS) is shown in Figure 1 below – noting that this graphic does not provide a complete list of all IPSAS on issue.

² Per the IPSASB website – [About IPSASB | IPSASB](#) (under 'History')

Figure 1 Brief history of IPSAS Standards



12. IPSAS are the only suite of international accounting standards developed specifically for the public sector for the preparation of general purpose financial statements (we are not including the Government Finance Statistics Manual 2014 in this category – see the paragraph 17). The IPSASB has been expanding its activities to support the application of its standards through the IPSASB Application Group and other current and upcoming initiatives. According to IFAC’s *International Public Sector Financial Accountability Index* (2024), of the 53 jurisdictions where the public sector reports under the full accrual basis, 35 jurisdictions adopt IPSAS or standards based on IPSAS³, including New Zealand. If this analysis is expanded to jurisdictions where the public sector reports under the full or partial accrual basis, the number of jurisdictions adopting IPSAS or standards based on IPSAS is 77⁴. More information is included in the section ‘IPSAS adoption around the world’.

³ The reference to ‘IPSAS or standards based on IPSAS’ covers accrual-based IPSAS with no modifications, accrual-based IPSAS modified for the local context, and national standards with reference to accrual-based IPSAS.

⁴ Per the International Public Sector Financial Accountability Index – 2025 Status Report: (available [here](#)): Under the ‘accrual basis’, transactions are recognised in the financial statements when an underlying economic event occurs – which is not necessarily when cash is paid or received – resulting in the recognition of assets and liabilities in the balance sheet. Under the ‘cash basis’, transactions are recognised only when cash is received or paid. Under the ‘partial accrual basis’, some transactions are recognised on the accrual basis and some on cash basis. Refer to the

Background: Review of the ASF – multi-sector vs sector-neutral approach

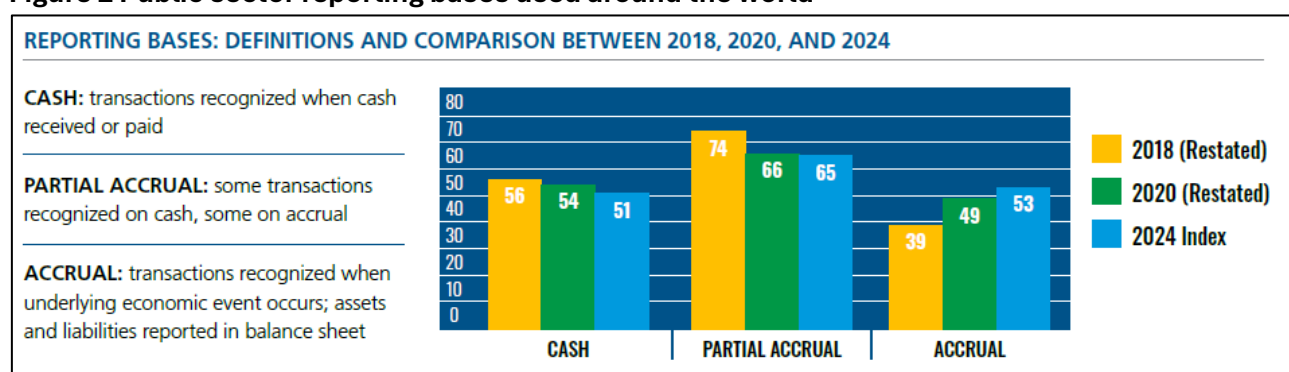
13. Please refer to the Background section in the agenda item *Alignment between IPSAS and IFRS Accounting Standards*. A brief summary of the background information on the ASF review is provided below.
 - (a) A key element of the New Zealand ASF is its multi-sector, multi-standards approach, i.e.:
 - i. Standards for for-profit entities are based on IFRS Accounting Standards.
 - ii. Standards for PBEs in Tier 1 and Tier 2 are primarily based on IPSAS, with some modifications for enhanced local relevance in New Zealand.
 - (b) Before the current ASF was introduced in 2012, New Zealand standard setting was underpinned by a sector-neutral approach, where standards for both for-profit entities and PBEs were based on IFRS Accounting Standards, with some modifications for PBEs.
 - (c) However, in the years leading up to the introduction of the current ASF, concerns have been arising about the appropriateness of the sector-neutral approach for PBEs and the users of their financial statements. Considering these concerns, the current ASF takes the multi-sector approach mentioned above.
 - (d) As part of the ASF review, we are considering different framework options for developing accounting standards for PBEs. This includes considering the option of going back to a 'sector-neutral' approach, whereby standards for PBEs (or a specific PBE sector, e.g. public sector PBEs) are directly based on IFRS Accounting Standards, rather than on IPSAS. This paper aims to inform the considerations on this topic.
14. This paper explores whether any jurisdictions where the public sector previously reported under accrual-based IPSAS have moved away from accrual-based IPSAS and towards IFRS Accounting Standards. If several jurisdictions had made such a move, this would provide relevant evidence when assessing whether a sector-neutral approach, with IFRS-based standards across sectors, could be a credible option for the ASF. If there are no examples of such a move, this may be relevant to assessing whether IPSAS-based standards remain an appropriate basis for New Zealand public sector PBEs in Tier 1 and Tier 2.
15. The paper also explores whether jurisdictions where the public sector recently moved from cash accounting to accrual accounting have tended to select IPSAS or IFRS Accounting Standards as their first accrual accounting framework. If such jurisdictions are tending to select IPSAS, this could be an indicator in favour of IPSAS-based standards for New Zealand public sector PBEs in Tier 1 and Tier 2, as this would indicate that given the choice between IFRS Accounting Standards and IPSAS, governments tend to select IPSAS for public sector reporting. Conversely, if governments are tending to select IFRS Accounting Standards when moving from cash accounting to accrual accounting, this could be an indicator in favour of a sector-neutral IFRS-based standards suite.
16. Please note: When this paper refers to adoption of 'IPSAS' and movements towards or away from 'IPSAS', it is referring to the IPSASB's accrual-based suite of IPSAS. The IPSASB had also issued a cash accounting standard, but trends in the adoption of this cash-based standard is not covered in this paper.
17. Please also note that we have not considered the adoption of the Government Finance Statistics Manual 2014 (GFSM) in this paper. More information on this is included below.

- (a) As explained in the PBE Conceptual Framework (based on the IPSASB Conceptual Framework), many governments produce two types of ex-post financial information: government finance statistics and general purpose financial statements⁵.
- (b) We acknowledge that the Government Finance Statistics Manual 2014 (GFSM) also constitutes an international statistical reporting framework for governments. However, the GFSM is a *macroeconomic* statistical framework designed to *support fiscal analysis*. Its primary purpose is to provide a conceptual and reporting framework for *analysing and evaluating fiscal policy*, particularly the performance of the *general government sector and broader public sector*.⁶ GFS reports are used to analyse fiscal policy options, make policy, evaluate the impact of fiscal policies, determine the impact on the economy, and compare outcomes nationally and internationally⁷. This differs from the purpose of general purpose financial reporting, which is to provide information about a *reporting entity* that is useful to primary users – being resource providers, service recipients and their representatives – for accountability and decision-making purposes.⁸ The different objectives and focus on different reporting entities lead to the different treatment of some transactions and events. In addition to differences in presentation and classification of items, there are also recognition and measurement differences – for example, some provision liabilities that are recognised under general purpose financial reporting frameworks like IPSAS and IFRS Accounting Standards are not recognised under GFSM. More information about these differences is included in the papers '**Reporting requirements in Australia for public sector and private sector not-for-profit entities**' and '**Public sector Tier 1 and Tier 2 framework review**'.
- (c) Consequently, we have not analysed trends in GFSM adoption in this paper (and GFSM is not include in our analysis of alternative frameworks for Tier 1 and 2 public sector PBEs).

IPSAS adoption around the world

18. We have included below an extract from *The International Public Sector Financial Accountability Index – 2025 Status Report*⁹, published by IFAC, the IPSASB and the Chartered Institute of Public Finance and Accountancy (CIPFA). The extract below shows the percentages of jurisdictions where the public sector reports under the cash basis, partial accrual basis and full accrual basis. The Status Report is based on data in the *International Public Sector Financial Accountability Index*, which covers financial reporting bases and frameworks used by federal and central governments around the world.

Figure 2 Public sector reporting bases used around the world



⁵ XRB, *Public Benefit Entities' Conceptual Framework*, Preface, paragraphs 20.

⁶ International Monetary Fund, *Government Finance Statistics Manual 2014*, paragraphs 1.1–1.2.

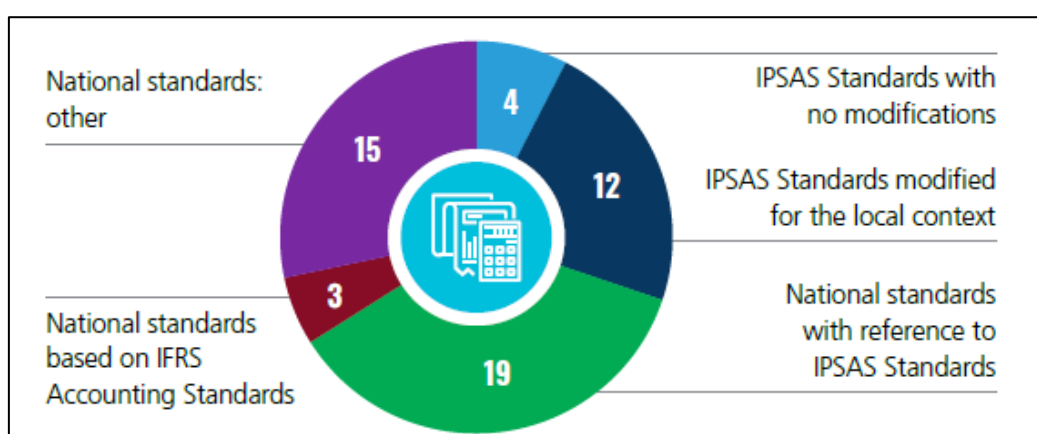
⁷ International Monetary Fund, *Government Finance Statistics Manual 2014*, paragraphs A6.11.

⁸ XRB, *Public Benefit Entities' Conceptual Framework*, paragraphs 2.1–2.4.

⁹ This report is available on the following webpage : [International Public Sector Financial Accountability Index: 2025 | IFAC](#)

19. As can be seen from Figure 2, cash-basis reporting has been decreasing among public sectors around the world, and accrual-based reporting has been increasing (with partial accrual reporting decreasing as jurisdictions complete their move from cash accounting via the partial accrual basis to full accrual basis).
20. The diagram below, extracted from the Status Report, shows IPSAS adoption by jurisdictions where the public sector reports under the full accrual basis. Of the **53 jurisdictions** that report under the **full accrual basis**:
- (a) **35 jurisdiction** report in accordance with **IPSAS, IPSAS modified for the local context or national standards with reference to IPSAS**. New Zealand is included in this group.
 - (b) Only **3 jurisdictions** report under national standards based on **IFRS Accounting Standards** (the same three jurisdictions mentioned above).

Figure 3 Standards applied by public sector in jurisdictions using full accrual basis (2024)



21. The table below lists the jurisdictions represented in the graph above, according to data from the index linked above:

Table 1: Standards applied by public sector in jurisdictions using full accrual basis (2024)

Standards used	Number of jurisdictions	Jurisdictions
IPSAS Standards with no modifications	4	Cayman Islands, Ghana, Philippines, Tanzania
IPSAS Standards modified for the local context	12	Brazil, Chile, Colombia, Georgia, Iceland, Israel, Lithuania, New Zealand , Nigeria, Saudi Arabia, Switzerland, Türkiye
National standards with reference to IPSAS Standards	19	Argentina, Armenia, Austria, Cook Islands, Czech Republic, Ecuador, Estonia, France, Vatican, Indonesia, Kazakhstan, South Korea, Latvia, Peru, Russian Federation, Spain, Sweden, Ukraine, United Arab Emirates
<i>Total IPSAS or IPSAS-based standards</i>	35	See above
National standards based on IFRS Accounting Standards	3	Australia, United Kingdom, Jersey

Standards used	Number of jurisdictions	Jurisdictions
National standards: Other	15	American Samoa, Belgium, Canada, Denmark, Federated States of Micronesia, Finland, Guam, Guatemala, Hong Kong, Marshall Islands, Northern Mariana Islands, Palau, Poland, United States of America, Vanuatu

22. It is also worth noting the following about two jurisdictions excluded from the table above:
- (a) **South Africa:** In the *International Public Sector Financial Accountability Index*, South Africa is classified as applying ‘partial accrual’ accounting in the public sector, and its standards are classified as ‘national standards: other’. This is because the South African government’s consolidated financial statements and government departments’ financial statements are currently prepared on a modified cash basis – although the plan is to ultimately transition to accrual accounting. However, ‘public entities’ in the South African public sector apply accrual-based standards based on IPSAS, known as ‘Generally Recognised Accounting Practice’ (GRAP). These ‘public entities’ include state-owned enterprises, regulatory bodies and authorities, constitutional institutions (e.g. Electoral Commission), the South African Reserve Bank and the Auditor General of South Africa.
 - (b) **Kenya:** Kenya is currently in the process of adopting IPSAS (without modifications) on a full accrual basis for the government and public sector. Full IPSAS implementation is expected by 2027.

Movements in IPSAS adoption: 2020 - 2024

23. We have compared the 2024 data in the *International Public Sector Financial Accountability Index* about IPSAS adoption among jurisdiction around the world with the related data from 2020, which is when the last Index was published¹⁰. We used 2020–2024 because it provides a recent and directly comparable period using the IFAC/CIPFA Index data. The purpose of the analysis is to identify the current direction of travel in public sector reporting in order to answer the questions in paragraphs 14 and 15 of this paper (which are relevant to the ASF review), rather than to provide a complete historical account of every jurisdiction’s reporting framework decisions since IPSAS was first developed.
24. Key insights from this comparison are summarised in the table below. Please note that this table excludes the following:
- (a) Jurisdiction on which there was no data in the Index for either 2020 or 2024; and
 - (b) Movements between different ways of adopting IPSAS (e.g. movements from ‘IPSAS with no modifications’ to ‘IPSAS modified for the local context’ and vice versa).
25. In addition to tracking movements from cash to full accrual accounting, the tables also covers movements from cash accounting to partial accrual accounting. Please note that the IPSAS suite assumes full accrual accounting, and there is no “partial accrual” IPSAS suite or standards. We understand “partial accrual basis” to mean that some transactions are accounted for on an accrual basis and some on cash basis – for example, if the jurisdiction has not fully adopted all IPSAS Standards or if some of the entities that consolidated into the government’s financial statements are reporting under the cash basis while other have already transitioned to accrual basis. We also understand that partial accrual accounting can be an intermediate step towards full accrual accounting, and if a jurisdiction adopts IPSAS-based

¹⁰ We copied the 2024 information from the *International Public Sector Financial Accountability Index* webpage into Excel, and compared against the information from the 2020 Index which we had obtained in 2020 (when it was still available online).

standards when transitioning to the partial accrual basis, it seems likely that the jurisdiction would also apply IPSAS-based standards if and when it moves to the full accrual basis. Therefore, movements from the cash basis to partial accrual basis, together with movements from cash basis and from partial accrual basis to full accrual basis, can help understand the direction of travel for public sector reporting.

Table 2: Movement towards and away from accrual basis (2020-2024)

Type of movement	Details of movement	Number of jurisdictions	Jurisdictions
Jurisdictions moving towards accrual basis	Cash to accrual	1	Saudi Arabia
	Cash to partial accrual	3	Germany, Ireland, Nicaragua
	Partial accrual to full accrual	6	Armenia, Georgia, Ghana, Kazakhstan, Poland, United Arab Emirates (UAE)
	Total	10	
Jurisdictions moving away from full accrual basis	None identified ¹¹		

Table 3: What standards were adopted when moving to accrual accounting? (2020-2024)

Standards adopted	Type of movement	Number of jurisdictions	Jurisdictions
IPSAS-based standards	Cash to accrual	1	Saudi Arabia (IPSAS modified for local context)
	Cash to partial accrual	1	Ireland (IPSAS modified for local context)
	Partial accrual to full accrual	5	Armenia, Kazakhstan, UAE (National standards with reference to IPSAS); Georgia (IPSAS modified for local context); Ghana (IPSAS with no modifications);
	Total	7	
Standards based on IFRS Accounting Standards	Any	0	None
National Standards - other	Cash to partial accrual	2	Germany, Nicaragua
	Partial accrual to accrual	1	Poland
	Total	3	

¹¹ The adoption status of Serbia changed from partial accrual basis in the 2020 Index to cash basis in the 2024 Index, and the status of Dominican Republic, Japan and Moldova changed from full accrual accounting in the 2020 Index to partial accrual in the 2024 Index – but based on further research, this seems to be a correction of the 2020 classifications for these jurisdictions, rather than a move away from full accrual basis/towards cash basis.

Table 4: Movement towards and away from IPSAS (2020-2024)

Type of movement	Details of movement	Number of jurisdictions	Jurisdictions
Jurisdictions moving towards IPSAS-based standards (accrual or partial accrual basis)	From: National standards: other; To: National standards with reference to IPSAS [full accrual basis]	2	Argentina, France
	From: National standards: other; To: National standards with reference to IPSAS [partial accrual basis]	6	Albania, Bolivia, Burkina Faso, Croatia, Japan, Uruguay
	From: National standards: other; To: IPSAS modified for the local context [full accrual basis]	1	Saudi Arabia
	From: National standards: other; To: IPSAS modified for the local context [partial accrual basis]	2	El Salvador, Ireland
	Total	11	
Jurisdictions moving to standards based on IFRS Accounting Standards	From: IPSAS or IPSAS-based standards To: Standards based on IFRS Accounting Standards	0	None identified
	From: National standards: other To: Standards based on IFRS Accounting Standards	0	None identified
Jurisdictions moving away from IPSAS-based standards to other national standards	From: IPSAS or IPSAS-based standards To: National standards: other	0	None identified ¹²

26. To supplement the information in the tables above and provide further context, we have attempted to understand the rationale behind moving towards accrual-based IPSAS for two countries: Saudi Arabia and Ireland.

- (a) **Saudi Arabia:** The IFAC/CIPFA Index indicates that Saudi Arabia moved from cash accounting in 2020 to adopting IPSAS (full accrual basis) in 2024. The following points could help in understanding the rationale for IPSAS adoption in Saudi Arabia.
- According to the IFAC article *The Saudi Arabian Public Sector's Journey to Accrual Accounting: Lessons Learned and Key Insights*, “the shift to accrual accounting has significantly improved the quality of financial reporting in the public sector” in Saudi Arabia, as the recognition of assets and liabilities help the government “provide a clearer picture of its financial position and performance. This transparency is crucial for informed decision-making and fostering public trust”.

¹² The adoption status of Serbia and Bosnia and Herzegovina changed from “national standards with reference to IPSAS” and “IPSAS with no modifications” respectively in the 2020 Index to “national standards – other” in the 2024 Index – but on further research, it seems that Serbia is largely applying cash accounting with reference to the IPSASB’s cash accounting standard (and had done so previously), and Bosnia Herzegovina seem to still be progressing towards IPSAS adoption. These changes in status seem to be corrections of the 2020 classifications.

- The IFAC article mentioned above also notes the following specifically in relation to adopting IPSAS: “Adopting IPSAS has aligned Saudi Arabia’s public sector accounting practices with global standards, facilitating comparisons with other countries and enhancing the credibility of the Kingdom’s financial statements. This alignment also supports international investors and stakeholders in understanding the government’s financial health”.
 - A report by the Ministry of Finance of Saudi Arabia, *‘The Saudi Arabian public sector’s transition to accrual accounting’*, has referred to drawing heavily on IPSASB guidance material specifically aimed at supporting IPSAS adoption in the public sector to facilitate the transition to accrual accounting in the public sector.¹³
- (b) **Ireland:** The IFAC/CIPFA Index indicates that Ireland moved from cash accounting in 2020 to IPSAS modified for the local context (partial accrual basis) in 2024. We understand that Ireland is classified as applying the ‘partial accrual’ basis of accounting in the Index because it is still in the process of transitioning to full accrual accounting in the public sector. The [IFAC website](#) notes the following about the Irish central government: “Current appropriation accounts remain primarily cash-based, with certain accrual-based information included in the Statement of Financial Position and related notes”. The Irish government has been developing Central Government Accounting Standards (CGAS) based on IPSAS. It has been issuing IPSAS-based CGAS in stages, rather than as a complete suite. This process is not yet complete. The following points could help in understanding the rationale for adopting IPSAS in the Irish public sector.
- The [OECD report ‘Financial Reporting in Ireland’ \(2019\)](#) included recommendations to modernise the public sector financial reporting system in Ireland by moving from cash accounting to accrual accounting, with a suggested roadmap that uses IPSAS as the main reference framework for developing public sector standards. The OECD notes that in considering whether to choose IPSAS or IFRS Accounting Standard as the basis for its public sector standards, the Irish government should note that “only two OECD countries (Australia and the UK) use IFRS as a basis for the development of their public sector accounting standards [...], while an increasing number of countries are using IPSAS”.
 - As noted on the [Irish government website](#), the Irish government subsequently agreed with the abovementioned recommendations in the OECD report, i.e. to move to accrual-based standards based on IPSAS, with the Minister for Finance and Public Expenditure and Reform noting the following: “These reforms will ensure that Ireland’s system for financial reporting and accounting can be at the forefront of global best practice. This is not just an academic exercise. Adopting international standards for financial reporting will further strengthen the credibility and resilience of our public finances, and help us to unlock the benefits of Ireland’s national assets”

Observations

27. The IFAC/CIPFA Index provides a useful high-level view of public sector reporting practices, but it may have some limitations. For example, the categories used in the Index do not necessarily capture the full detail of each jurisdiction’s reporting framework, including the jurisdictional legislative setting, the extent of local modifications in jurisdictions applying IPSAS-based standards that are not ‘pure’ IPSAS, the extent to which individual public sector entities apply

¹³ The report notes that the IPSASB resource “*Transition to the Accrual Basis of Accounting: Guidance for Public Sector Entities*” was heavily drawn upon in designing and planning the public sector’s transition to accrual accounting”.

the same suite of standards as the central government, what type of requirements are included in 'national standards: other', or the reasons for adopting a particular framework. Accordingly, the evidence should be treated as contextual rather than determinative.

28. Based on the tables above, the following observations can be made with respect to the period of 2020 and 2024:

- (a) **Accrual accounting in the public sector:** Several jurisdictions have moved to full accrual accounting in the public sector – or close to full accrual accounting through partial accrual accounting. We have not identified jurisdictions moving from accrual to cash accounting for the public sector.

This indicates that the move away from cash accounting and towards accrual accounting continues around the world. We note that New Zealand has applied accrual accounting in the public sector for many years, and the international evidence from the IFAC/CIPFA Index supports the view that the ASF review should proceed on the basis that accrual accounting remains the appropriate reporting basis for New Zealand's Tier 1 and Tier 2 public sector PBEs.¹⁴

- (b) **What standards are used when jurisdictions transition to accrual accounting:** Of the 4 jurisdictions who moved from cash accounting to full or partial accrual accounting in the public sector, 2 jurisdictions chose to adopt IPSAS-based standards upon moving from cash to accrual, and the other 2 adopted national standards not referring to IPSAS, but they also did not adopt standards based on IFRS Accounting Standards. Of the 6 jurisdictions that moved from partial accrual basis to full accrual basis of accounting in the public sector, 5 adopted IPSAS-based standards and only 1 adopted national standards not referring to IPSAS – but none adopted IFRS Accounting Standards.

This indicates that, while some jurisdictions prefer to use domestically-developed standards over IPSAS when transitioning from cash to accrual accounting, IPSAS is a more popular choice for such transition compared to IFRS Accounting Standards, which have not been chosen by entities transitioning from cash to accrual accounting between 2020 and 2024. This is consistent with the fact that IPSAS are developed specifically for the public sector, whereas IFRS Accounting Standards are not.

- (c) **Jurisdictions applying IPSAS in the public sector do not tend to move to IFRS:** We have not identified jurisdictions that moved away from IPSAS-based standards to national standards of IFRS Accounting Standards during 2020-2024. By contrast, 11 jurisdictions who (according the IFAC/CIPFA Index) previously applied national standards that do not refer to IPSAS in the public sector moved to IPSAS-based standards during 2020-2024. On this basis, it seems uncommon for jurisdictions to move away from IPSAS-based standards once these have been adopted for the public sector. Also, transition from IPSAS-based standards to standards based directly on IFRS Accounting Standards for the public sector has not been observed in recent times. This could partially be because it is challenging to move from one suite of standards to another one. However, this observation is also consistent with the fact that IPSAS are developed specifically for the public sector, whereas IFRS Accounting Standards are not. The observation above also indicates that IPSAS-based standards are becoming more commonly applied in public sectors around the world.

29. The choices made by other jurisdictions do not determine what is fit-for-purpose for New Zealand. However, they provide relevant contextual evidence for the ASF review because New

¹⁴ We also note that the Australian public sector reports under the accrual basis (albeit using standards based on IFRS, rather than IPSAS).

Zealand's public sector financial reporting is assessed in an international context, including by users interested in fiscal transparency, accountability and New Zealand's sovereign debt profile. The observed international movement towards IPSAS-based frameworks supports the view that IPSAS remains a credible and widely accepted basis for public sector reporting. Any move away from IPSAS-based standards for public sector PBEs would therefore need to be supported by a clear New Zealand-specific rationale and considered against whether it would maintain the current level of international credibility, comparability and understandability.