

International Public Sector Financial Accountability Index - International Federation of Accountants and Chartered Institute of Public Finance and Accountancy



Objective and features

1. Objective

The index aims to actively track and promote the adoption of accrual-based accounting by governments across the globe.

2. Institutional coverage

National governments.

3. Technical coverage

The dimensions covered by the framework are

1. treasury and cash management,
2. accounting and reporting, and
3. budget management.

4. Application method

Custodian.

Methodology



5. Methodology

The International Public Sector Financial Accountability Index is a multi-country index rather than a detailed individual country assessment tool. The index collects, verifies, and analyzes current financial reporting and budgeting frameworks used by governments around the world, as well as documents future reform plans. Based on this data, it lists the countries according to their current practices. In particular, the index captures the difference of countries that have not only adopted accrual-based accounting but have also implemented it. This distinction is checked through the country's financial statements. For each country, the custodian publishes a data sheet of current financial reporting basis, current financial reporting framework, 2023 projected financial reporting basis, 2023 projected financial reporting framework, and link to the most recent published financial statements.

6. Benchmarking system

Each country is classified according to its status of adopting accrual-based accounting: (1) accrual, (2) cash transitioning to accrual, (3) cash, and (4) no data.

7. Linkage to PEFA framework

The index can be linked to aspects related to a PEFA performance indicator: annual financial reports (PI-29), specifically to accounting standards (PI-29.3).

8. Complementarity with PEFA framework

This tool focuses on the adoption of accrual-based accounting by countries and provides further information on accounting standards.

Development and use



9. Development and coordination

The index was developed jointly by the International Federation of Accountants (IFAC) and the Chartered Institute of Public Finance and Accountancy (CIPFA), with the Zurich University of Applied Sciences as a knowledge partner. It was launched in 2017 along with the publication of its first data.

10. Assessment management

The updating of the index is envisaged to occur about every two years, but this timeframe may change as the tool is updated in the future. IFAC and CIPFA manage the updating of the index and the assessment by collecting and analyzing public country-level data. IFAC and CIPFA compile the index independently from the countries using publicly available data. Overall quality assurance for this tool is mostly delivered through validating the data index by CIPFA and having this work reviewed by an external consultant.

11. Uses by the government and members of the PFM community

IFAC and CIPFA use the index to evaluate and track governments that use accrual-based accounting and to encourage those governments that do not use accrual-based accounting to adopt it.

12. Sequencing with other tools

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13. PFM capacity building

While status reports include high-level recommendations and advice on how countries could start the process of adopting accrual accounting methods, they neither include other types of country-specific recommendations nor contribute to capacity-building initiatives.

14. Tracking of changes and frequency of assessments

One of the index's primary purposes is to track progress over time. A status report update was published in 2018 which outlines the most recent status of countries and the index's methodology, goals, and future. This data serves as a direct input into how countries are classified in the index.

The plan is to update the index biannually. However, there is no timeframe set, and this may change as updates are made in the future.

15. Resource requirements

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Transparency



16. Access to methodology

The custodian website provides the methodology used to classify countries along with files of all the data used. The index does not directly publish user guides for countries related to its evaluation.

17. Access to assessment results

There are no detailed country assessments but there is a status *report* providing a high-level overview of all countries' status in the Index.