

# Report on the Enhancement of Public Sector Financial Reporting Toolkit (REPF) - World Bank



## Objective and features

### 1. Objective

REPF aims to assess the gap between the country's public sector accounting standards and International Public Sector Accounting Standards (IPSAS), the recognized international benchmark standard for public sector accounting.

### 2. Institutional coverage

National governments.

### 3. Technical coverage

Technical coverage includes the following:

1. Assessment of the public sector accounting environment measures academic education, professional education, training of accountants, budget system, audit, monitoring and enforcement, quality and availability of financial reporting, staff levels, and information technology present in the accounting environment.
2. Assessment of accounting standards as designed and as applied in practice.
3. Assessment of the potential value of adopting IPSAS concepts and standards that are not yet in national standards to measure gaps in accounting between IPSAS and national standards.

### 4. Application method

Self-assessment, self-assessment with validation by external partners/custodian, full assessment by external partners/custodian.



## Methodology

### 5. Methodology

The REPF assessment is structured in four parts:

- Part 1: Assessment of the public sector accounting environment – This part comprises a questionnaire consisting of 109 questions. This questionnaire is a mix of descriptive questions, matrices to be filled in, and yes/no questions.
- Part 2: Assessment of accounting standards as designed – Section 1 of part 2 consists of 605 questions for countries using accrual-based accounting and Section 2 consists of 44 questions for countries using cash-based accounting for which there are yes/no and options-based questions.
- Part 3: Assessment of accounting standards as applied in practice on the basis of samples review of financial statements following results in part 2.
- Part 4: Assessment of the potential value of adopting IPSAS concepts and standards that are not yet in the national standards, supported by 14 questions.

Based on the gathered information, experts prepare a descriptive analysis of the country's PFM system.

### 6. Benchmarking system

REPF is a qualitative benchmarking assessment. Based on the questionnaire, the extent of national alignment with IPSAS is indicated. There are four levels of alignment:

1. No alignment
2. National standards/regulation observed, but no alignment with IPSAS
3. Cash-basis IPSAS or national standards based on cash-basis IPSAS observed
4. Accrual-basis IPSAS or national standards based on accrual-basis IPSAS observed.

### 7. Linkage to PEFA framework

REPF 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

The REPF assessment provides more detailed insights on national alignment with IPSAS.

## Development and use



### 9. Development and coordination

REPF was developed in 2015 by WB's Europe and Central Asia (ECA) region under the Public Sector Accounting and Reporting (PULSAR) program to promote improvements in public sector financial management. PULSAR is a regional and country-level program targeting the Western Balkans and the EU Eastern Partnership countries to support the development of public sector accounting and financial reporting frameworks in line with international standards and good practices.

WB and IMF undertook ROSC assessments, with 12 modules including auditing and accounting that focus on corporate financial reporting for listed companies. REPF was developed to fill a gap and lack of similar assessment tools in public sector accounting. Some of the tools referred to during the development of the REPF were Accounting and Auditing: Report on Observance of Standards and Codes (D14), PEFA (A01), and Country Financial Accountability Assessments (discontinued).

REPF was revised in 2019 mainly due to the update in IPSAS standards. Cash-basis accounting for financial reporting was also included in the revision of the tool in 2019. REPF is to be updated whenever there is an update to the IPSAS standards.

### 10. Assessment management

A full REPF toolkit comprises four parts. It is possible to choose to apply only those parts of the REPF that are most relevant to national needs and circumstances. After identifying the team (experts, country counterparts, academicians) for conducting REPF assessment, data is gathered by examining publicly available information (or documents that can be gathered through a request from the government or from any relevant website) and meetings are held with stakeholders to discuss the assessment findings. Based on the findings, final recommendations are provided.

Custodian quality assurance procedures apply. At each stage of the assessment, there is quality assurance by international experts. A peer review process is in place, including decision meetings and managerial review of assessment outputs.

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

REPF assessment findings are used by governments, multilateral and bilateral institutions, and other donors for an informed decision-making on the use of country systems to provide financial assistance. Development partners (e.g., SECO, Austrian Federal MOF) use the assessment findings that may lead to technical assistance programs in coordination with other development partners.

### 12. Sequencing with other tools

The REPF approach recognizes that other assessments may serve to inform an understanding of a country's public sector accounting environment or the gap between its public sector accounting standards and IPSAS.

### 13. PFM capacity building

Capacity-building initiatives depend on the country. The assessment findings could be included in the country's PFM reform strategy. Donors may offer technical/financial assistance to implement REPF recommendations. The implementation plan is not included in the REPF report. Governments interested in reforms based on the findings from the REPF assessment can refer to the guidelines on how to prepare the roadmap for public sector accounting reforms published on PULSAR website. The REPF team would extend the required support to develop the roadmap.

### 14. Tracking of changes and frequency of assessments

Recommendations of past assessments may be reviewed during an ongoing assessment. Repeat assessments may not apply the option of tracking of changes unless there is evidence of implementation of findings from the past assessment. There is no specific frequency to conduct the assessment. So far, the assessment has been conducted only once in any country.

### 15. Resource requirements

Cost and time taken for the assessment are dependent on:

1. the availability of information (publicly available information or information that can be requested from the government);
2. stakeholder consultations for gathering relevant inputs and evaluating government buy-ins on assessment findings; and
3. the need for translation.

It takes at least four months to conduct an REPF assessment, which includes several phases in the assessment cycle such as gathering of information, review of the assessment, and acceptance process, among others. An assessment team consists of a minimum of four members, including international experts with full understanding of IPSAS, local counterparts with understanding of country-specific organizations, and academicians. The REPF team extends the required support when needed.

## Transparency



### 16. Access to methodology

Methodology is [available](#). Additional information is [available](#) from the PULSAR program web page.

### 17. Access to assessment results

Some of the REPF reports are publicly available.