



# IPSAS

## The Journey to adoption of International Accounting Standards (IPSAS) in Zimbabwe

In the year 2019, the Finance Minister Honourable Mthuli Ncube launched the migration to Accrual Based International Public Sector Accounting Standards (IPSAS). This game changer move will result in our Public Sector entities producing better financial reports complying to international standards and giving more useful information about the stewardship of our public sector entities. Some of the expected benefits include:

- Clear and transparent information on all resources the entity controls and how those resources were deployed:
- Clear and transparent information on the entity's efficiency level in utilising resources allocated and whether measures taken were effective (thus resources were put to good use)
- Provides an entity with the opportunity to demonstrate successful management of its resources.
- Informed decisions on further provision of resources to the entity:
- Allows government to measure and consolidate all its resources and how they were utilised and the outputs using one framework.

The migration processes are to be done piece meal with 15 pilot entities having started in 2021 and the rest to complete by 2025.

One would wonder why give 7 years just to transit from one reporting framework to another. Well, making the change to IPSAS is much more than a simple accounting exercise, it impacts your policies, people, systems, and processes. It is important to appreciate that public sector entities in Zimbabwe are not on the same level. Some are on cash basis accounting, some on partial-accrual basis, others are on IFRS whilst others are already in IPSAS. Their accounting processes, policies, system capabilities, human skilling needs as well as financial resource therefore differ. It is therefore imperative that each entity assesses its readiness and comes up with a

feasible plan to prepare for the implementation of IPSAS.

One of the critical and major area to focus on is the internal control frameworks. IPSAS compliant reporting must be backed up by solid internal controls and risk management processes to substantiate the integrity of data produced. This means first time implementors may require improving existing processes or rather create new ones.

Further, first time implementors must also think about factors that influence the nature and speed of the transitioning process, options available in respect of the transition paths, and the management of the transition process. It is therefore critical that an entity choose the right team to drive the transitioning process.

Training and Advisory Services has assisted several entities in applying IPSAS. Our vast experience in the field of financial reporting including participating in standards writing processes has enabled us to deliver the right level of support to entities and practitioners to implement new standards.

If you liked this article and would like to learn more about IPSAS, do not hesitate to contact us on: [marketing@tas.co.zw](mailto:marketing@tas.co.zw) or **+263 8688007098**



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