



MINISTRY OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT

Government Centre, Port Louis, Mauritius

Circular No 6 of 2020

Our Ref: CF/40/30/10/40 V3

25 August 2020

From: Financial Secretary

To: Supervising Officers-in-Charge of Ministries/Departments and Accounting Officers

Implementation of Accrual IPSAS in the Public Sector

The purpose of this Circular is to inform you of (i) the actions being taken by Government in the context of the implementation of accrual International Public Sector Accounting Standards (IPSAS) in the whole Public Sector; and (ii) the amendments brought to the Statutory Bodies (Accounts & Audit) Act in the Finance (Miscellaneous Provisions) Act 2020 in respect to the preparation of financial statements on accrual IPSAS by Statutory Bodies.

2. As you may be aware, Government embarked on the implementation of accrual IPSAS as from October 2016 with the main objective to improve transparency, accountability and decision making through the preparation of internationally benchmarked Financial Statements.

3. With the adoption of accrual IPSAS, the quality and comprehensiveness of financial information are gradually being enhanced and these are reflected in Public Sector Financial Statements.

Roadmap

4. The Finance and Audit Act was amended and a roadmap has been developed to set the timeframe for the gradual implementation of accrual IPSAS in the Public Sector as per table below:

Target	Coverage
2019/20	<ul style="list-style-type: none">Partial Implementation in Budgetary Central Government (BCG)
2020/21	<ul style="list-style-type: none">Full implementation in BCG
2021/22	<ul style="list-style-type: none">Full implementation in the Central Government and General Government
2022/23	<ul style="list-style-type: none">Full implementation in the Public Sector

5. A Steering Committee, which is supported by Technical Committees, has been set up at the level of this Ministry to ensure the smooth implementation of accrual IPSAS in the Public Sector. So far, progress has been made in the recognition of various assets as well as liabilities in the Financial Statements of both Government and Local Authorities on an accrual basis.

Government Assets Register

6. The Government Assets Register (GAR), a computerised system, has been developed by the Treasury to assist Ministries/Departments to identify and record non-financial assets. It is to be noted that non-financial assets include State Lands and Government buildings. All these non-financial assets are targeted to be captured by the end of June 2021.

7. Furthermore, with a view to have a best estimate of the value of Government fixed assets (i.e. State Lands and Government Buildings), the Valuation Department is currently carrying out a valuation exercise of such assets under the responsibility of Ministries/Departments.

Transition to accrual IPSAS - Statutory Bodies

8. Amendments have been brought to the Statutory Bodies (Accounts & Audit) Act [SBAA] in the Finance (Miscellaneous Provisions) Act 2020 for all statutory bodies to prepare their Financial Statements in compliance with accrual IPSAS, except for Financial Services Commission. The sections, where amendments have been brought to the SBAA, are enclosed for your information.

9. Accordingly Statutory Bodies, previously specified in Part II of the Second Schedule of the Statutory Bodies (Accounts & Audit) Act, will have to prepare their Financial Statements for the Financial Year 2020/21 based on accrual IPSAS. It is to be noted that Statutory Bodies shall submit their Financial Statements for FY 2019/20 in accordance with section 72 of the Financial Reporting Act to the Director of Audit by end of October 2020.

10. With a view to facilitating the transition to accrual IPSAS, Statutory Bodies are also encouraged to prepare their Financial Statements on an accrual IPSAS basis for FY 2019/20 and submit a soft copy (ipsas.mof@govmu.org) to this Ministry and the Treasury by 30th December 2020. The staff of the Treasury, Financial Reporting Council and this Ministry will assist Ministries/Departments/Statutory Bodies in the transition and address any technical/capacity constraints.

11. It is to be noted that draft Accounting Policies and Format for Financial Statements in line with IPSAS have been prepared. Kindly refer to the websites of this Ministry (<http://mof.govmu.org>) and the Treasury (<http://treasury.mof.govmu.org>) for the Standards/Format and all other relevant information pertaining to implementation of IPSAS.

12. You are kindly requested to relay the contents of this Circular to the attention of Chairperson and members of Boards/Councils and Chief Executive Officers of Statutory Bodies under the aegis of your Ministry.



**D.D. Manraj, GOSK
Financial Secretary**

Extract from THE FINANCE (MISCELLANEOUS PROVISIONS) ACT 2020

63. Statutory Bodies (Accounts and Audit) Act amended

The Statutory Bodies (Accounts and Audit) Act is amended –

- (a) in section 2, in the definition of “financial statements”, in paragraph (a), by repealing subparagraph (v) and replacing it by the following subparagraph –
- (v) a statement of comparison of annual estimates and actual amounts; and
- (b) in section 6A, by repealing subsection (3) and replacing it by the following subsection –
- (3) (a) Subject to paragraph (b), every statutory body specified in the First Schedule shall prepare financial statements in compliance with the International Public Sector Accounting Standards (IPSAS) issued by IFAC.
- (b) Paragraph (a) shall not apply to the Financial Services Commission established under the Financial Services Act.
- (c) in the First Schedule –
- (i) by deleting the following items and their corresponding entries –
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| Export Processing Zones Development Authority | Export Processing Zones Development Authority Act |
| National Agency for the Treatment and Rehabilitation of Substance Abusers | National Agency for the Treatment and Rehabilitation of Substance Abusers Act |
| National Institute for Cooperative Entrepreneurship | Co-operatives Act |
| Tertiary Education Commission | Tertiary Education Commission Act |
- (ii) by inserting, in the appropriate alphabetical order, the following items and their corresponding entries –
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|--------------------------------------|--|
| Higher Education Commission | Higher Education Act 2017 |
| Insurance Industry Compensation Fund | Insurance Act |
| National Cooperative College | Co-operatives Act |
| Special Education Needs Authority | Special Education Needs Authority Act 2018 |
- (d) by repealing the Second Schedule.