

The experiences of some countries in adopting the international accounting standards IPSAS to reduce the phenomenon of corruption in public money

تجارب بعض الدول في تبني معايير المحاسبة الدولية IPSAS للحد من ظاهرة الفساد في

المال العام

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Abstract :The current study aimed to reveal the International Public Sector Accounting Standards (IPSAS) and the importance of adopting these standards as a necessity to standardize public accounting practices and protect public money to reduce the phenomenon of financial and administrative corruption, which is a phenomenon complained of by various countries of the world, so many countries rushed to modernize regulations Public accounting, through the orientation of many countries, including Arab and developed, as well as developing countries, to reform their accounting systems in the public sector, and the extent to which these systems tend to adopt international accounting standards for the public sector to standardize their accounting practices among the countries of the world, and the application of international accounting standards for the public sector By governments, it will improve the quality of financial reports, enhance transparency, accountability, and raise the level of public accounting and the comparability of financial information prepared by public sector facilities with the aim of continuous development and providing better information for financial management and decision-making processes in the public sector considering accounting the language of business in the modern era abuse

.keyword: *international accounting standards for the public sector, corruption in public money, accrual basis of accounting, monetary.*

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Introduction :

The General Organization of Public Accounting Committee in Public Accounting has tracked public relations in the balance sheet, and the rest of the balance sheet, except for the balance sheet. Through a set of innovative financial principles and practices within the public sector. This is to improve the quality and transparency of financial reporting in the public sector by providing better information and better financial operations in public sector business operations. International and local accounting standards in the public sector, international and local accounting standards in accounting and statistics for the preparation of financial and international and statistical reports for the preparation of international financial reports

The adoption of international accounting standards by governments in the public sector will lead to the provision of consistent and comparable financial statements to public sector entities worldwide. As the International Accounting Standards Committee for Public Sector Establishments recognizes the right of governments and national standard setters to develop national accounting guidelines and standards for the preparation of financial reports by public sector entities within its competencies, the said committee encourages the adoption of international accounting standards in the public sector. It also encourages the compatibility of national requirements with the aforementioned international accounting standards.

As the interest in studying the application of international accounting standards in the public sector has increased throughout the world, because the latter has proven its efficiency in improving the quality of information included in government financial statements, whether these countries are developed or developing and all Arab countries are striving to adopt these standards because they are considered a leap Quality in order to establish an effective accounting information system that allows providing accurate financial information on the total assets and liabilities of the state and provides an honest picture of the state of the treasury. The international accounting

standards for the public sector are a mechanism for combating corruption in public money, which is a global phenomenon that all countries complain of, to varying degrees, because of the dangers it poses to economic growth, government spending and investment.... Hence, this phenomenon has gained the attention of all Societies and all countries started looking for ways to prevent them.

The study Problem:

Achieving harmony in the preparation of financial reports in different parts of the world is the urgent need for this era, especially if it is necessary to make meaningful comparisons of the financial information that emanates from the different countries that use accounting standards that differ from each other and on the other hand combat corruption in public money And squandered, so there was an urgent need to circulate a common set of international accounting standards. Therefore, the problem of the current study can be identified in an attempt to answer the following questions:

- What are the International Public Sector Accounting Standards issued in 2021?
- What are the requirements for adopting international accounting standards for the public sector, and what are their contributions to combating corruption in public money?
- What are the countries that adopt international accounting standards for the public sector in the world?

Study Objectives:

The current study aims to reveal international accounting standards in the public sector to take advantage of them to reduce the phenomenon of corruption in public money because it provides a coherent standard for the inclusion of financial information in government financial reports, and that the credibility of international accounting standards for the public sector is guaranteed due to its high level and international recognition And the strict procedures that are followed in preparing and explaining them, so many countries hastened

to adopt them, including developed, developing, and Arab countries, which will be identified in this research paper.

The importance of the study:

The current study derives its importance from its focus on three main axes; The first axis: which is related to the theoretical framework of the international accounting standards IPSAS, which has become accepted at the global level because of its importance in reducing the phenomenon of corruption in public money. As for the second axis, the requirements and methods of adopting international accounting standards for the public sector and their contribution to combating financial corruption And finally, the experiences of some Arab, developing and developed countries that apply IPSAS international accounting standards in the public sector.

I. Theoretical framework of IPSAS International Accounting Standards:

1. Definition of IPSAS International Accounting Standards:

On November 10, 2004, the International Public Sector Accounting Standards Board (IPSASB) was established to replace the Public Accounting Standards Board, which is a permanent committee of the International Federation of Accountants (IFAC), where the latter was founded in 1977 and includes 167 members from 127 countries. (IPSAS, a general presentation of international accounting standards in the public sector, 2010, pp. 13-14) The International Public Sector Accounting Standards Board (IPSASB) aims to serve the public interest by setting high-quality standards for financial reporting in the public sector and facilitating the convergence of international and national standards. The official text of these standards is published by IPSASB in English, a guide to IPSASB has been translated from English into French, Spanish, German, Russian and Chinese, and the Arab Society of Certified Accountants (ASCA) in Jordan has published the Arabic version. (Qamo, 2022, p. 25)

From the above, the accounting standard can be defined as “a written statement issued by an official accounting or professional

regulatory body. This statement relates to the elements of the financial statements or a type of operations or events related to the financial position and business results, and defines the method of measurement, presentation, disposal or appropriate delivery.” (Al-Hajjawi & Nour, 2011) According to the International Accounting Standards Board, accounting standards are guiding rules that professionals rely on to support their judgment, aiming to reduce the degree of difference in expression or practice in similar circumstances, and based on the foregoing, it can be said that accounting standards are accounting rules aimed at improving accounting methods and a better understanding of accounting and its control. Accounting standards include the principles, rules, and methods embedded in an accounting framework. Accounting standards are defined as rules and guidelines on the most comprehensive and integrated principles, basic accounting methods and procedures, to provide the basis for accounting records and financial reporting to achieve an impartial, reasonable and objective evaluation of the financial position and operations of government accounting units.. (Minh, 2014, p. 4)

Accordingly, the International Public Sector Accounting Standards can be defined as a set of generally accepted accounting standards issued by the IPSASB, which shows how to prepare financial statements in terms of form and content by public institutions.

2. Importance of IPSAS:

These standards derive their importance from the extent of international recognition of them, and the encouragement of international bodies and organizations to adopt the requirements of these standards, which are not mandatory in their application, but rather depend on the level of international acceptance of them, because the application of internationally recognized standards guarantees the provision of credible and high-quality government financial data. Therefore, the application of the requirements of international accounting standards in the public sector contributes to improving the quality and comparability of financial information prepared by public sector units in the world. (Chellal, 2014, p. 52)

3. Objectives of the International Public Sector Accounting Standards IPSAS:

IPSASB aims to improve the quality of financial reporting for public sector entities by improving transparency and accountability in the public sector and improving the international comparability of financial statements (IPSAS, public consultation the future governance of the international public sector, 2014, pp. 1-12) International Accounting Standards in the Public Sector is to achieve several goals (<http://www.ifac.org>. Conselter, 2020), the most important of which is the development of public accounting; comparing public accounting with financial accounting; And applying the principle of accounting for proven rights and achieving quality in the presentation of public financial reports; Achieving transparency and reliability of public financial information, making it comparable locally or internationally, and applying the logic of performance, as the state must go beyond registering its movable and immovable property and all its investments as expenditures.

4. Procedures for Issuing International Public Sector Accounting Standards IPSAS:

- a) Draft Exposure Draft will be issued ED and will be serial numbered for each IPSAS Standard or RPG Guide for Public Comment.
- b) When amending IPSASs or RPGs manuals may sometimes be sought before the standard or amendment is put into effect. The responses to the presentation and advisory drafts are taken into consideration before issuing or amending the standard or guide.
- c) Standards and manuals and their amendments will be announced, and cooperation in this field will take place with all authorized national authorities, such as the ministries of finance, treasury and others at the level of all countries of the world. (Ahmaro, 2003, p. 12)

5. Scope and Powers of the International Public Sector Accounting Standards IPSAS:

- a. The International Public Sector Accounting Standards Board formulates standards that apply to the accrual basis of accounting and other standards that apply to the cash basis of accounting.
- b. International Public Sector Accounting Standards provide requirements that address transactions and other events in general purpose financial reports. General purpose financial reports are financial reports designed to meet the information needs of users who are unable to require the preparation of financial reports tailored to meet their needs. specified information.
- c. The international accounting standards in the public sector are designed to apply to public sector enterprises the following requirements:
 - be responsible for providing services for the benefit of the public or the redistribution of income and wealth.
 - It primarily finances its activities, directly or indirectly, through taxes and/or transfers from other levels of government, social contributions, debts or fees.
 - It does not have a primary goal to achieve profits (IPSAS, 2021, p. 14).

6. Benefits of adopting the International Public Sector Accounting Standards (IPSAS):

- a. **The political benefits of IPSAS accreditation, which are as follows:**
 - ✓ **Accountability:** Accounting standards requirements to increase disclosure in accounting reports increase the level of accountability in the government.

- ✓ Transparency: As these accounting standards were adopted and full disclosure became a necessity to hold the public sector government accountable.
- ✓ Improving Credibility and Integrity: Reports cannot be credible if the rules are set by the government itself. Hence, the need for such a body of standards that would set the rules.
- ✓ Information helps stakeholders compare and evaluate the extent to which their resources have been used.
- ✓ Major Disclosures: Standards encourage full disclosure, which is based on transparency, integrity, and accountability.
- ✓ Political influence: the government may be required to provide accounting information by a higher authority such as the United Nations.
- ✓ International and Comparative Best Practices: Standards seek to ensure that prepared financial statements are internationally comparable. (Ijeama, 2014, p. 27).

A. The economic benefits of IPSAS accreditation, which are as follows:

- ✓ Building confidence in donor agencies and lenders: IPSAS adoption increases a country's eligibility for economic benefits from donor agencies (USDP), USAID, etc.), bond rating agencies, and official institutions (IMF, World Bank).
- ✓ Improved service delivery: As a result of increased accountability and transparency.
- ✓ Comprehensive Reporting: The adoption of IPSAS will ensure comprehensive reporting of financial transactions and government functions.

- ✓ Strengthening Public-Private Partnership Arrangements: Through the implementation of a similar set of IPSAS and IFRS accounting standards. (Meziani, 2019, p. 148)

7. Presentation of the International Public Sector Accounting Standards IPSAS:

Table N° (1): Presentation of the International Accounting Standards for the Public Sector, 2021 edition.

Standard N°	Standard name	Objective of the standard
1	View financial statements	A statement of the manner in which financial statements are presented for general purposes
2	cash flow data	<ul style="list-style-type: none"> ▪ Statement of sources of incoming cash flows. ▪ Items on which cash was spent during the reporting period. ▪ Cash balance at reporting date.
3	Accounting policies, changes in accounting estimates, errors	Imposing criteria for the process of selecting and changing accounting policies
4	Effects of changes in foreign exchange rates	Entering foreign currency transactions and foreign operations in the financial statements of the facility
5	Borrowing costs	Explain the accounting treatment of borrowing costs
6	Consolidated and separate financial statements	The International Accounting Standard is no longer applied in the public sector and has been cancelled
7	Investments in associates	The International Accounting Standard is no longer applied in the public sector and has been cancelled
8	Shares in joint ventures	The International Accounting Standard is no longer applied in the public sector and has been cancelled

9	Revenue from exchange transactions	Statement of the accounting treatment of revenue resulting from exchange transactions and events
10	Statement of the accounting treatment of revenue resulting from exchange transactions and events	Description of the accounting treatment in the entity's single and consolidated financial statement
11	construction contracts	Statement of the accounting treatment of costs and revenues for construction contracts
12	Inventory	Describe the accounting treatment of inventory under the historical cost system
13	Lease contracts	Determining appropriate accounting policies and disclosures for lessees and lessors
14	Events after the reporting date	A description of when an entity should amend its financial statements and the disclosures it provides
15	Financial Instruments Disclosure and Presentation	It is no longer applicable and has been cancelled
16	investment real estate	Description of the accounting treatment for investment properties
17	Property, plant and equipment	Determine the accounting treatment of property, plant and equipment
18	Reporting on sectors	Establishing principles for reporting financial information by segments
19	Provisions, liabilities and potential assets	Define provisions, liabilities and contingent assets and define the circumstances in which provisions should be recognized
20	Disclosures about related parties	Ensuring the existence of disclosure of the relationships between the related parties (control case)
21	Depreciation of non-cash-generating assets	Describe the procedures in place to determine if a non-cash-generating asset is impaired

22	Disclosure of financial information about the public sector	Determine disclosure requirements
23	Revenue from non-exchange transactions (remittance taxes)	Determine financial reporting requirements for revenue arising from non-exchange transactions
24	Display budget information in financial statements	Compare the estimated and actual amounts resulting from the implementation of the budget in the financial statements
25	Employee benefits	The International Accounting Standard is no longer applied in the public sector and has been cancelled
26	Depreciation of cash-generating assets	A statement of the procedures to be applied in the event of a decrease in the value of a cash-generated asset
27	Agriculture	Statement of accounting treatment and disclosures related to agricultural activity
28	Offer financial instruments	Establishing basic principles for the presentation of financial instruments
29	Financial Instruments Recognition and Measurement	Canceled
30	Financial Instruments Disclosures	Providing disclosures in its financial statements
31	Intangible assets	Statement of the accounting treatment of intangible assets
32	Grantor Franchise Arrangements	It aims to describe the accounting of concession arrangements for the provision of services by the grantor as a “public sector entity”
33	Adoption of international accounting standards in the public sector on an accrual basis for the first time	Providing guidance for the facility adopting the standards for the first time

34	Separate financial statements	Determining the accounting and disclosure requirements for investments when preparing separate financial statements
35	Consolidated financial statements	Establishing principles for presenting and preparing consolidated financial statements "control"
36	Investments in associates and joint ventures	Description of the accounting for investments in associates and joint ventures
37	joint arrangements	Establish financial reporting principles in the case of joint arrangements
38	Disclosure of shares in other facilities	Requiring disclosure of information that helps users of its financial data
39	Employee benefits	Determining and disclosing employee benefits accounting
40	Business mergers in the public sector	Improving convenience, fair presentation, and comparability of information

Source: Prepared by the researcher based on the International Federation of Accountants, Public Sector Accounting Standards Publications, Part One and Two, Edition 2021, pp. 9-10. p. 949.

I. Adoption of IPSAS International Accounting Standards to Combat Corruption in Public Funds

1. Defining corruption in public money

There have been many definitions of corruption, as there is no one specific definition for it, but they all focused on one content, which is the abuse of public authority or public office for personal gain. Perhaps the truest definition of it is the one mentioned in the Encyclopedia of Social Sciences: Public influence for private gain, and this includes all types of bribery of local or national officials or politicians, excluding bribery of the private sector. (Altamimi, p. 08)

As for the definition of Transparency International, it is “the misuse of the authority that is entrusted to a person to achieve personal interests.” It is the same definition that was mentioned by the United Nations when it was mentioned in one of its reports, which is the misuse of public authority to obtain personal gains while harming the public interest.

1. Methods of applying the International Public Sector Accounting Standards (IPSAS):

There are several ways to implement the standards, but the most important are two, and they are:

- a) Direct method: It is by direct application of the standards
- b) The indirect method: It is through harmony and consistency with international standards, through the development of local standards that are more close to international standards, as many recommended that organizations adopt a strategy for the gradual implementation of international accounting standards for the public sector, wherever possible, to reduce risks arising from the complexity and scope of the eventual implementation of IPSAS. Under this approach, individual standards are complied with in successive financial cycles before the full implementation of IPSAS. This strategy was adopted by the United Nations, initially focusing on the implementation of IPSAS requirements International public sector accounting that does not require improvements to existing information systems. (Qamo, 2022, p. 31)

1. Requirements for the application of international accounting standards for the public sector in public institutions.

- a) The requirements for the application of the practical side are in order to achieve the goal of merging the local environment with the international environment, and the application requirements are what professional organizations and bodies interested in accounting, institutions, universities and others should do in order to apply international accounting standards for the public sector and what is related to them in an efficient and sound manner, and accordingly The application requirements are mainly as follows: (IPSAS, a general prestation of international accounting standards in the public sector, 2010)
- b) Scientific and practical qualification: The public accountant and the disbursement officer are considered primarily concerned with the application of international accounting standards for the public sector, so they must be qualified scientifically and practically to be able to apply international accounting standards for the public sector in their correct form in a rapidly changing world. With extensive skills in information technology, and most public

accounting agents in Algeria do not have the required competencies and skills and are not familiar with these standards, in addition to understanding and applying them properly. that have not yet implemented the International Public Sector Accounting Standards.

- c) Regulations and laws that impose the application of international accounting standards for the public sector: The application of international accounting standards for the public sector needs legal bases on which the public institutions that will apply them, including the public accounting law, public procurement law...etc.
- d) system in light of the international accounting standards for the sector general.

Contributions of IPSAS in the fight against corruption in public funds

A) The role of IPSAS standards in supporting the transparency of the public budget: It achieves the following advantages:

- ✓ Shows the real financial position of the government, taking into account the financial dues and obligations, as well as the actual value of the assets;
- ✓ Realistically shows government expenditures based on the cost of resource consumption and not on their acquisition value;
- ✓ It allows calculating the cost of activities and the outputs produced by the departments, and thus measuring their effectiveness;
- ✓ It enables the management of financial forecasts, financial flows, and budgeting more effectively;
- ✓ Complies with the most accepted and common accounting practices, i.e. International Standards of Accountancy in the Public Sector;
- ✓ Responds to the financial and accounting standards set by international bodies such as the International Monetary Fund and the World Bank;
- ✓ More systematic asset and liability management;
- ✓ Improves financial planning to ensure that the government is able to meet its obligations as they fall due;
- ✓ Increasing consistency and comparability between world governments, and enhancing reports on government financial

statistics in accordance with the requirements of the International Monetary Fund;

- ✓ Evaluating accountability for all the resources under the control of the governmental unit and the distribution of those resources. (Bardia, 2016, pp. 138-141)

B) the role of IPSAS standards in activating oversight and accountability in the public sector:

Where the International Public Sector Accounting Standards support the objectives of the auditing standards developed by the International Organization of Supreme Audit Institutions as follows:

- ✓ Among the four component parts of the auditing standards developed by the International Organization of Supreme Audit Institutions, the "basic assumptions" that are based on the need for acceptable accounting standards to report and disclose financial statements related to government needs, and here shows the importance of international accounting standards for the public sector that facilitate the process of accountability and provide Information needed for control and decision-making purposes.
- ✓ The auditor designs legal audit procedures in a way that helps him determine the degree of reliability that the state budget enjoys and the completeness and validity of its accounts. Presentation of financial information in the general budget.
- ✓ Implementing public sector accounting standards to ensure an acceptable level of disclosure, analysis and management of risks to public finances (Qamo, 2022, p. 34).

Conclusions:

The conclusions reached through this study are as follows:

- International recognition of international accounting standards in the public sector is constantly increasing.
- The developed countries are the most receptive to the application of international accounting standards in the public sector.
- The Algerian accounting system is far from the principles of the conceptual framework of IPSAS, as it is based on a cash basis.
- Achieving transparency and justice and granting the right to hold the management of institutions and governments

accountable are among the objectives of the implementation of IPSAS. Achieving transparency comes as a basic support for fighting corruption in public money.

- Among the objectives of the IPSAS application is also to achieve the necessary protection for public property, taking into account the interests of those dealing with state institutions and limiting the abuse of power.
- The requirements for implementing IPSAS are considered one of the most important issues of economic and accounting reform to reduce corruption and waste of public money, whether in Arab, developing or developed countries.

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