

▲
31%

ACCRUAL IN 2024

▲
169

JURISDICTIONS

▲
+2%

ACCRUAL % VS 2020

INTERNATIONAL PUBLIC SECTOR FINANCIAL ACCOUNTABILITY INDEX

2025 STATUS REPORT



International
Federation
of Accountants

CIPFA

The Chartered Institute of
Public Finance & Accountancy

IPSASB

International Public
Sector Accounting
Standards Board®

31% OF JURISDICTIONS REPORTED ON ACCRUAL IN 2024

Accrual reporting—recording the economic substance of transactions when they occur rather than when cash settlement happens—is fundamental to transparency, informed decision making, and accountability. The Index collects, verifies, and analyzes current financial reporting bases and frameworks used by federal and central governments around the world. It also provides an overview of public sector reporting trends.

This third International Public Sector Financial Accountability Index status report, provides an update on the progress made since 2020 in implementing accrual-based reporting. It gives a snapshot of the position in 2024, as well as looking ahead by using currently available data to provide indicative projections of the position in 2030.

The 2024 Index contains data from 169 jurisdictions, compared to 165 in the 2020 Index. Both the 2018 Index and 2020 Index data have therefore been restated to provide comparability with the 2024 Index.

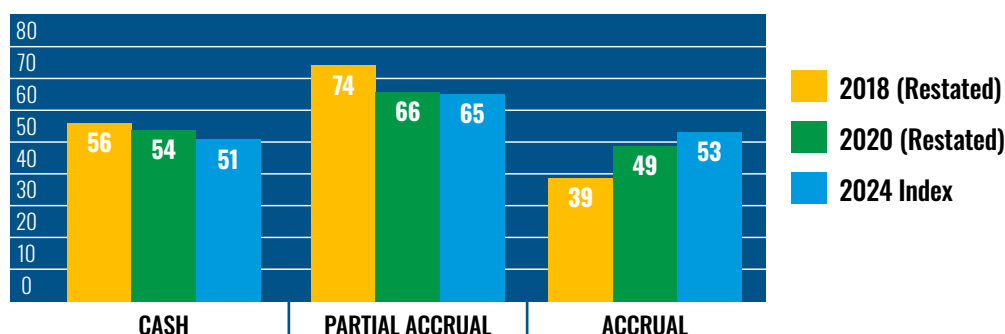
53 jurisdictions (31% of the jurisdictions included in the 2024 Index) reported on accrual in their 2024 or most recent published financial statements, compared with 49 (29%) for 2020. 39% already had some element of accrual in their financial reports – categorized in the 2024 Index as ‘Partial Accrual’ – a marginal drop since 2020.

REPORTING BASES: DEFINITIONS AND COMPARISON BETWEEN 2018, 2020, AND 2024

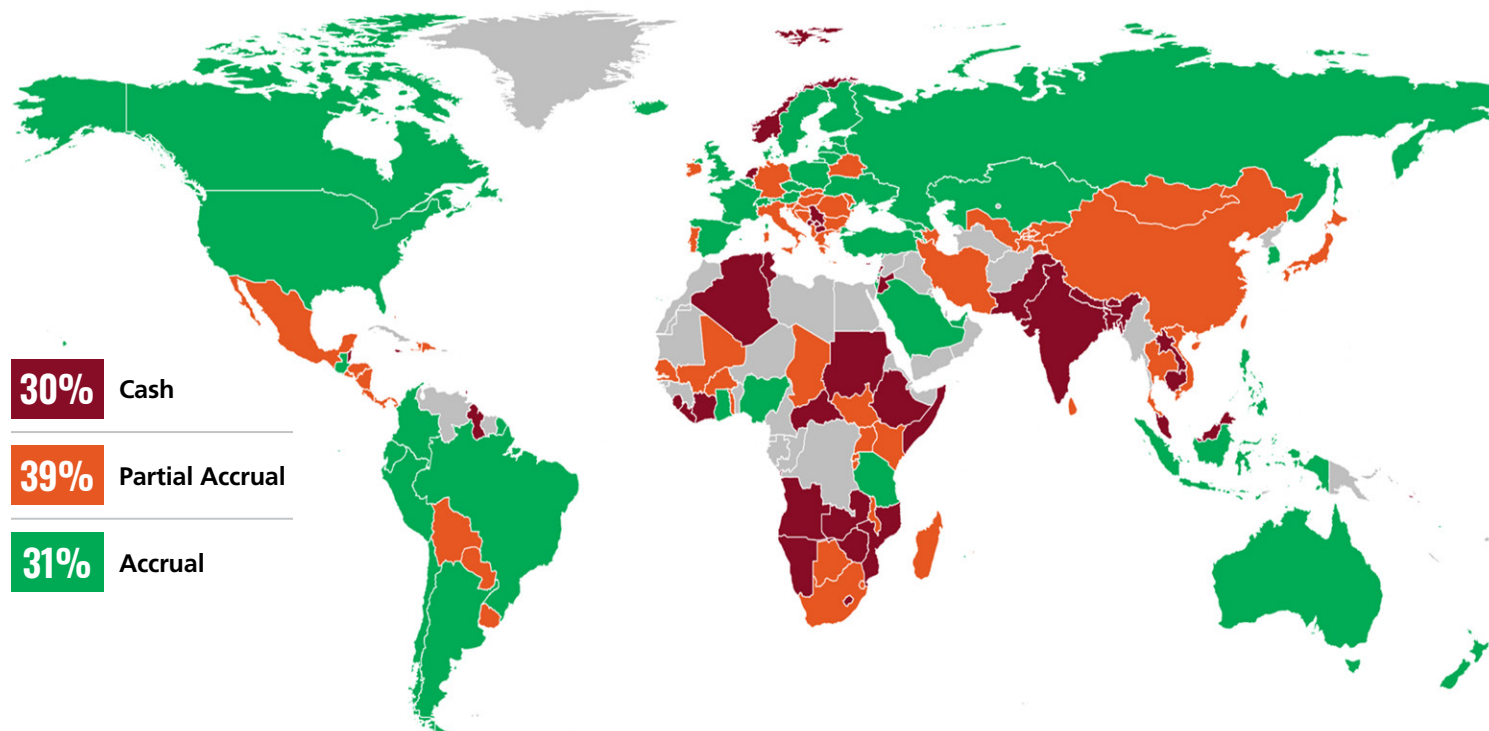
CASH: transactions recognized when cash received or paid

PARTIAL ACCRUAL: some transactions recognized on cash, some on accrual

ACCRUAL: transactions recognized when underlying economic event occurs; assets and liabilities reported in balance sheet



2024 INDEX: FINANCIAL REPORTING BASES



66% OF JURISDICTIONS REPORTING ON ACCRUAL MADE USE OF IPSAS

Accrual reporting frameworks are developed in various ways, many making use of international standards. Specifically, governments make use of International Public Sector Accounting Standards (IPSAS) in three main ways:

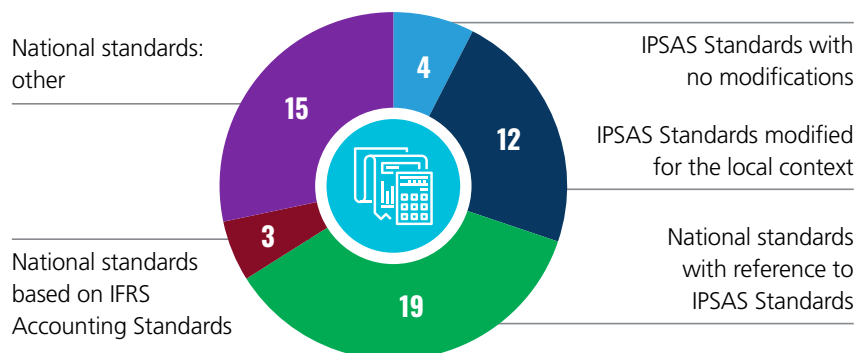
- Directly: implementing IPSAS Standards with no modifications to any of their requirements, while selecting from the permitted options
- Indirectly: implementing IPSAS Standards through a national endorsement process, modifying them for any specific jurisdictional features
- Reference point: developing national standards that use IPSAS Standards as a guidance source

Use of IPSAS Standards has increased since 2020. Of the 53 jurisdictions that reported on accrual in 2024 or in their most recent financial statements, 35 (66%) are using IPSAS Standards in one of these three ways: 4 jurisdictions adopted IPSAS Standards with no modifications; 12 modified IPSAS Standards for the local context; and 19 referred to IPSAS Standards to develop their own national standards.

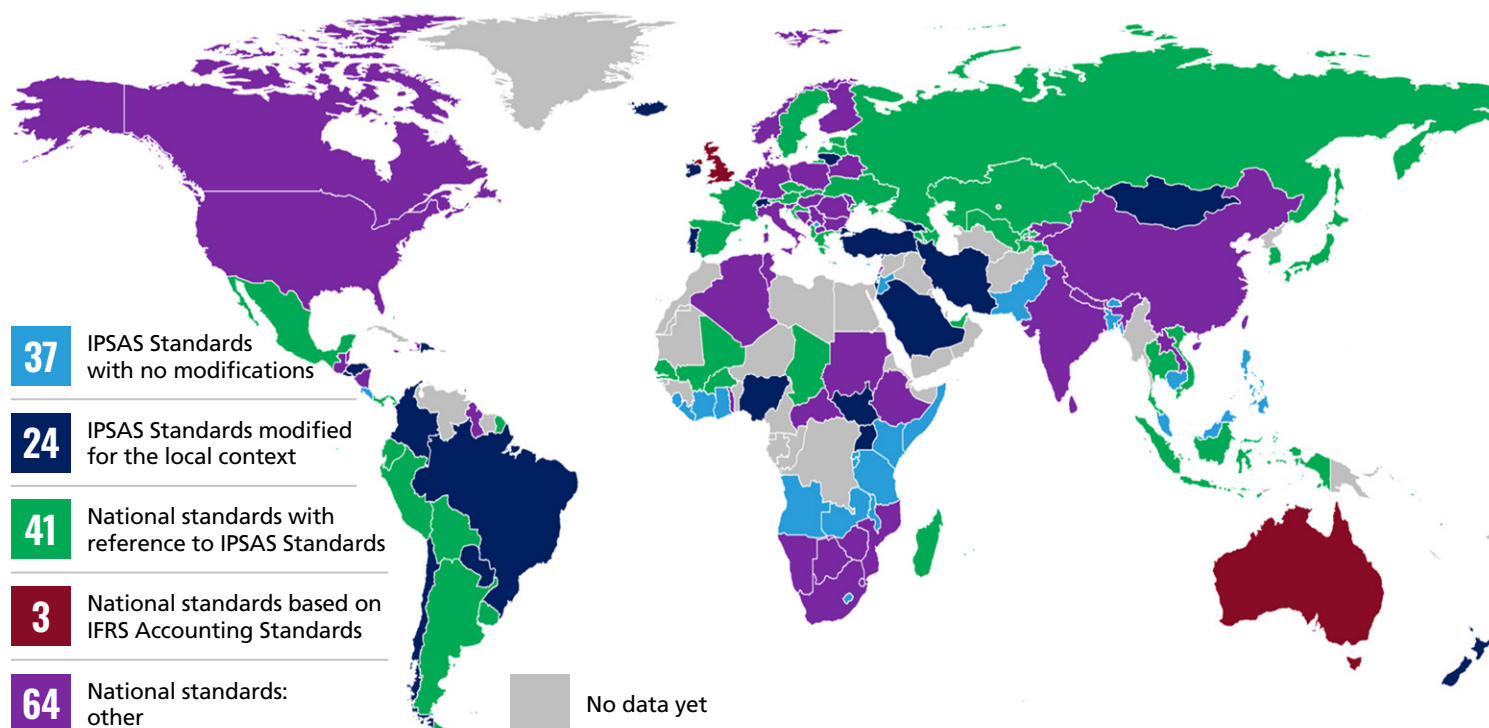
Some jurisdictions not categorized as reporting on accrual still make use of accrual IPSAS Standards or the cash basis IPSAS Standards in their financial reporting frameworks. The map below shows the type of financial reporting framework used and aggregates the data for all jurisdictions using that type of framework in 2024, regardless of whether they are on the cash, partial accrual or accrual basis.

2024 INDEX: ACCRUAL BASIS REPORTING FRAMEWORK CATEGORIES

The IPSAS Standard on first time accrual adoption (IPSAS 33) defines the date of IPSAS adoption as “the start of the reporting period in which the first-time adopter adopts accrual basis IPSAS and for which the entity presents its first transitional IPSAS financial statements or its first IPSAS financial statements.” Accrual categorization in the Index is based on an entity’s most recent, available, financial statements.

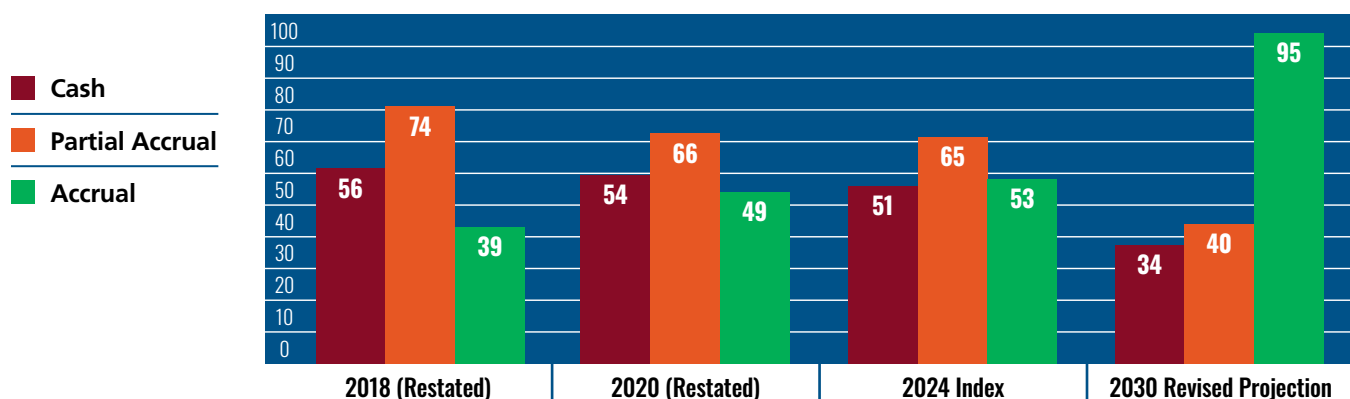


2024 INDEX: FINANCIAL REPORTING FRAMEWORKS – ALL BASES



GLOBAL TRENDS IN PUBLIC SECTOR FINANCIAL REPORTING

CONTINUING BUT MORE GRADUAL SHIFT FROM CASH TO ACCRUAL



Accrual reforms typically face a number of challenges, including lack of political and organizational support, technical issues, insufficient funding and reform fatigue. The 2024 Index shows a more gradual shift to accrual than forecast in the 2021 Status Report. The 2021 Status Report forecast that in 2025, 83 governments (50% of the 165 jurisdictions included in the Report data set) would be reporting on accrual. Based on available information, 55 governments (2 more than in 2024) are now expected to report on accrual in 2025.

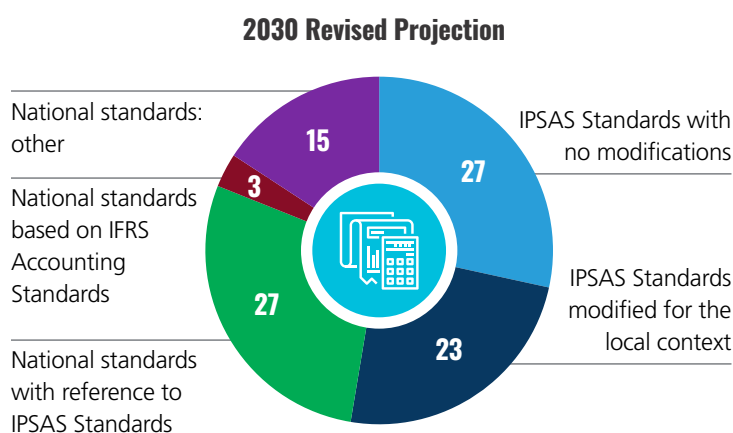
The forecasts in the 2021 Status Report were based on reviews of jurisdiction accrual implementation project plans available at that time. Although there is limited detailed information available on the reasons why the planned accrual transitions did not occur, it appears that the Pandemic, with the consequent huge increase in the financial

and operational pressures on governments, magnified the impact of the typical accrual reform challenges.

As there will inevitably be a knock-on impact on the extent and pace of future accrual reform programs, the 2030 projections in the 2021 Status Report have been reviewed in the development of this report. The revised projection in this 2025 Status Report is that 95 governments will report on accrual in 2030 compared with 120 in the 2021 Status Report. The expectation is that during the next 5 years, many of the governments that originally expected to complete the transition to accrual by 2025 will complete their delayed reform programs, along with some of those projected to have moved to accrual by 2030 in the 2021 Status Report.

INCREASING USAGE AND INFLUENCE OF IPSAS STANDARDS

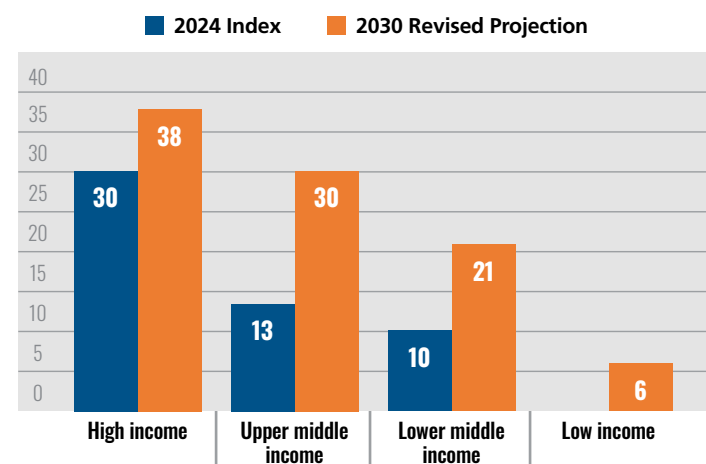
In 2030, 77 (81%) of jurisdictions projected to report on accrual will make use of IPSAS Standards: 27 will adopt IPSAS Standards with no modifications; 23 will use IPSAS Standards modified for the local context; and 27 will refer to IPSAS Standards in developing their national standards. This means that there will be an overall increase in direct and indirect IPSAS Standards usage globally.



CHANGING PROFILE OF COUNTRIES USING ACCRUAL

In 2024, High-income jurisdictions made up the majority of those using accrual accounting (57%), with no Low-income jurisdictions on accrual. This picture is projected to change by 2030, when 57 (60%) of jurisdictions on accrual will be from the Middle- and Low-income groups.

Jurisdictions on Accrual in 2030 by Level of Income



IMPLEMENTING IPSAS STANDARDS

BENEFITS OF ACCRUAL ACCOUNTING

Increased transparency

- Full reporting and disclosure of financial transactions when they occur.
- More accurate reflection of overall financial position with recognition of assets and liabilities.

Informed decision making

- Better information for resource allocation, assessing financial sustainability, statistical reporting, and budgets.
- Reflects the true costs of activities for longer-term view of financing decisions.
- Assists in evaluating whether current revenues cover the costs of current programs and services.

Accountability

- Ensures governments are accountable for decisions by reflecting actual costs.
- Requires complete records of assets and liabilities
- Promotes inter-generational equity by revealing the financial impact of decisions on current and future net assets/equity.

IFAC TOOLS TO SUPPORT IPSAS STANDARDS IMPLEMENTATION

High-quality, global public sector accounting standards are critical to strong public financial management (PFM), driving transparency and comparability, accountability and informed decision making in governments worldwide. IFAC and CIPFA strongly advocate for the adoption and implementation of accrual accounting, in particular the accrual-basis IPSAS Standards, developed by the International Public Sector Accounting Standards Board® (IPSASB®).

PATHWAYS TO ACCRUAL

[*Pathways to Accrual*](#) is a digital platform offering guidance, templates and case studies, serving as a central hub of resources to support governments and other public sector entities plan and execute a transition from cash to accrual accounting.

Through an easy to navigate platform, [*Pathways to Accrual*](#) helps entities consider key aspects, identify critical tasks and issues, and tailor their approach to transition

IPSAS 33, FIRST-TIME ADOPTION OF ACCRUAL-BASIS IPSAS

The updated [*IPSAS 33, First-Time Adoption of Accrual Basis International Public Sector Accounting Standards*](#) enhances the user friendliness of the first-time adoption standard by improving navigation, clarifying core principles, and providing additional implementation guidance.

IMPLEMENTING IPSAS: A GUIDE FOR TRAINERS

[*Implementing IPSAS: A Guide for Trainers*](#) equips trainers with resources to deliver effective training on the IPSAS Standards. Comprising ten modules, each with a trainer's manual and customizable slide decks, the materials focus on key areas most relevant to public sector entities transitioning to IPSAS Standards for the first time.

Updated in 2024, these materials can help in the provision of training that delivers the skills and knowledge necessary for a successful reform program.

IPSASB'S STANDARDS AND PRONOUNCEMENTS

The [*Handbook of International Public Sector Accounting Pronouncements*](#) is the primary authoritative source of international generally accepted principles for public sector entities. It also includes [*The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities*](#).

IPSASB APPLICATION GROUP

Users can submit issues encountered when applying IPSASB standards to specific transactions or events. Submitting issues to the [*IPSASB Application Group*](#) (IAG) will help ensure IPSAS reflect evolving practice and remain practical and understandable for everyone.

ACKNOWLEDGEMENTS

Collection of the 2024 Index data was undertaken with the support of a individuals and organizations. IFAC, CIPFA, and IPSASB would like to record their thanks to the individual survey respondents, as well as to a number of partner organizations that willingly provided their support despite the many other calls on their time. These included the African Union, the Asian Development Bank, Eurostat, the Pan African Federation of Accountants, and the World Bank.

IFAC

IFAC, by connecting and uniting its members, makes the accountancy profession truly global.

IFAC member organizations are champions of integrity and professional quality, and proudly carry their membership as a badge of international recognition.

IFAC and its members work together to shape the future of the profession through learning, innovation, a collective voice, and commitment to the public interest.

CIPFA

CIPFA is the professional body for people in public finance. CIPFA shows the way in public finance globally, standing up for sound public financial management and good governance around the world as the leading commentator on managing and accounting for public money.

IPSASB

IPSASB is the global independent board that develops International Public Sector Accounting Standards™ (IPSAS®) and IPSASB Sustainability Reporting Standards™ (IPSASB SRS™).

The IPSASB's operations are facilitated by the International Federation of Accountants™ (IFAC®).

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For more information, please contact:

IFAC
529 Fifth Avenue
New York, NY 10012
USA
+1 (212) 286-9344
www.ifac.org

CIPFA
77 Mansell Street
London E1 8AN
UK
+44 20 7543 5600
www.cipfa.org

IPSASB
70 York Street, Suite 710
Toronto, ON M5J 1S9
Canada
+1 (647) 826-3171
www.ipsasb.org



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