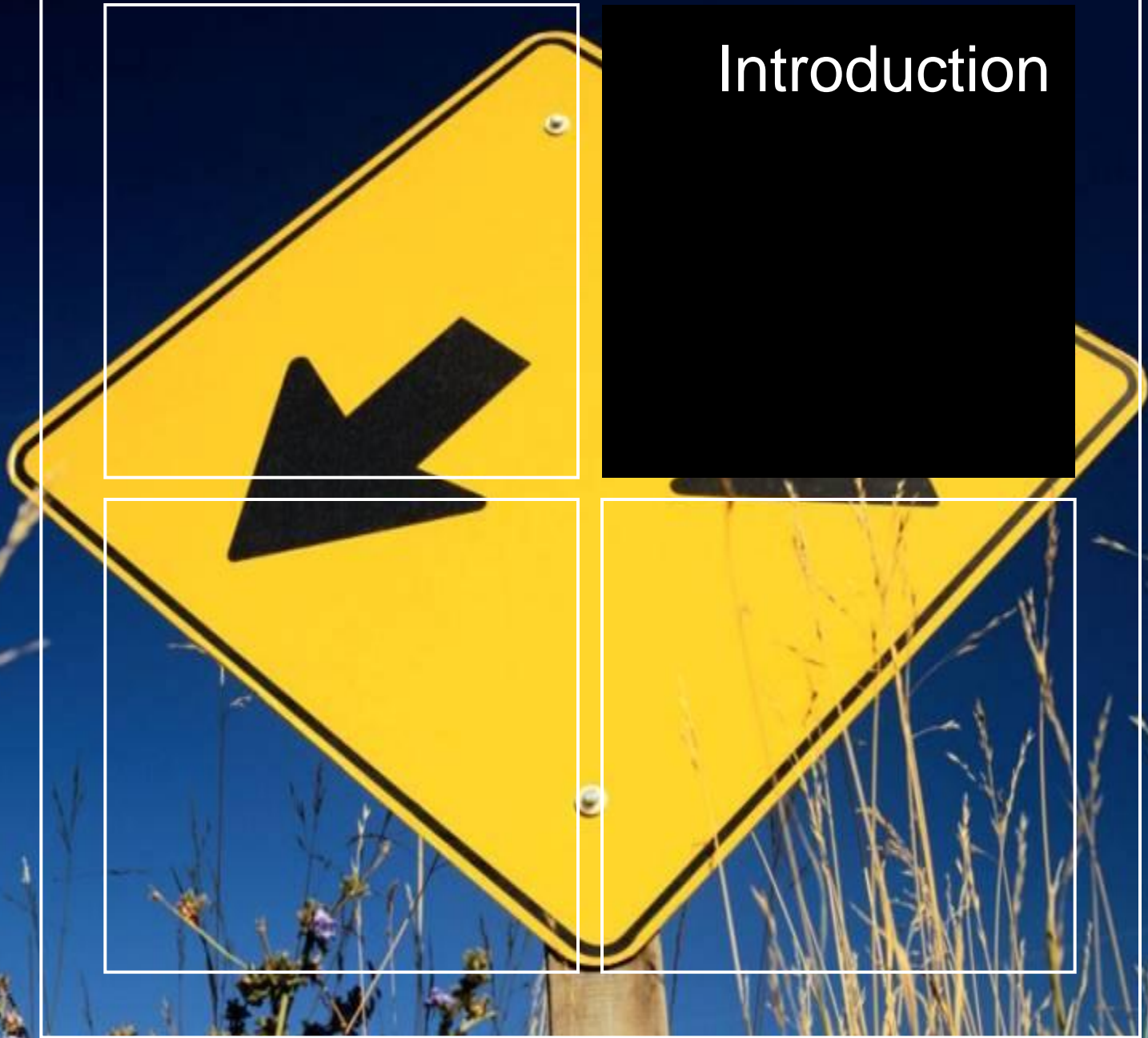


Annual Financial Reporting by Governments - What is Africa's Good Practice?

Andy Wynne
FIMANET

ACBF Annual Meeting, Yaoundé, Cameroon
November 2011

Introduction



Importance of financial reporting

Government's annual financial statements
& report of Auditor General key documents

Parliament sets the budget

*Government is accountable to Parliament
for its financial management*

International good practice not codified

Cash Basis IPSAS issued in January 2003

Not a single country in the world has adopted it – so it is not good *practice*

Problems with:

- *requirement for consolidation*
- *reporting aid received in kind (but not aid from each country)*

Cash IPSAS being reviewed

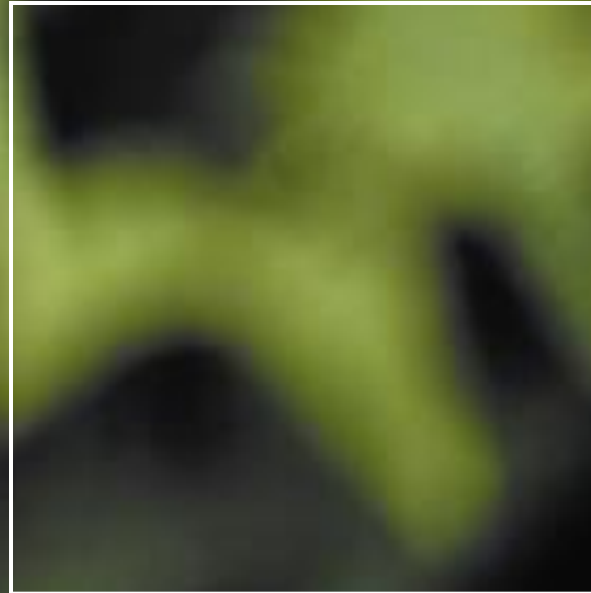
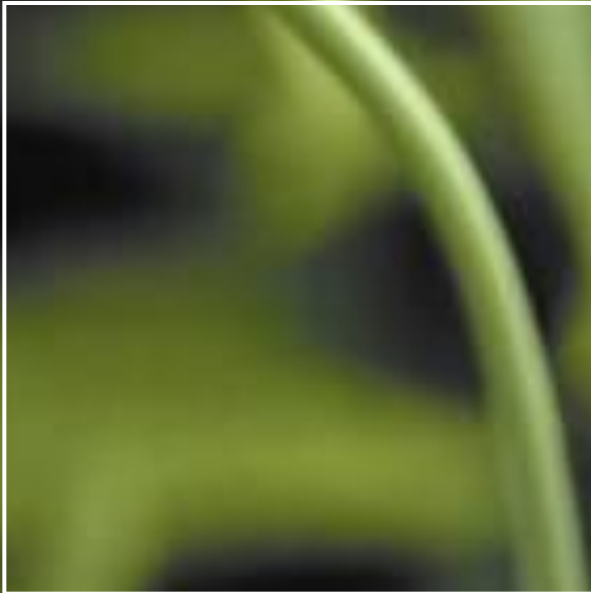
Working party reported in June 2010

No action for the last 18 months

Opportunity to input existing good practice



Study methodology



Financial statements reviewed

Botswana, Ghana, Kenya, Mauritius,
Nigeria, Rwanda, Sierra Leone, South
Africa and Uganda

And visits to:

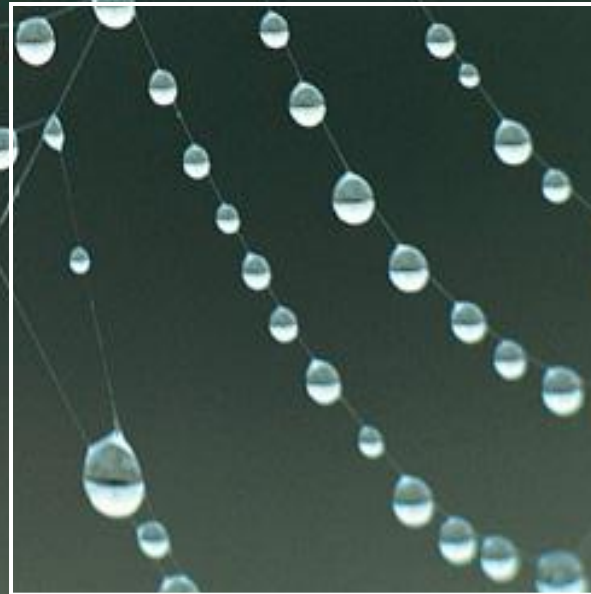
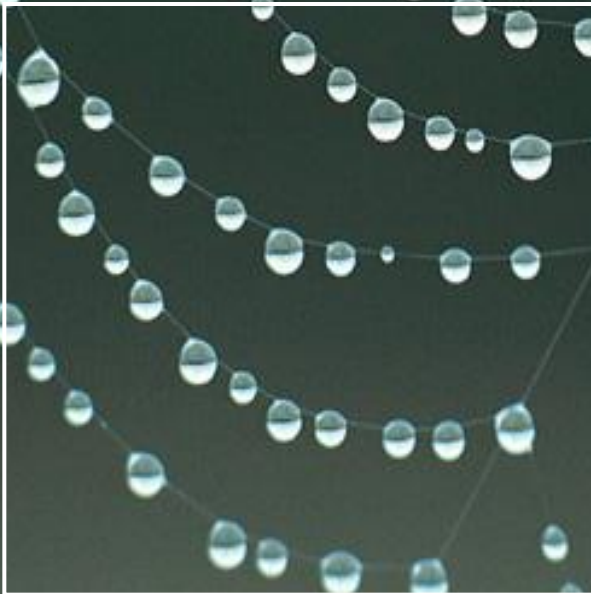
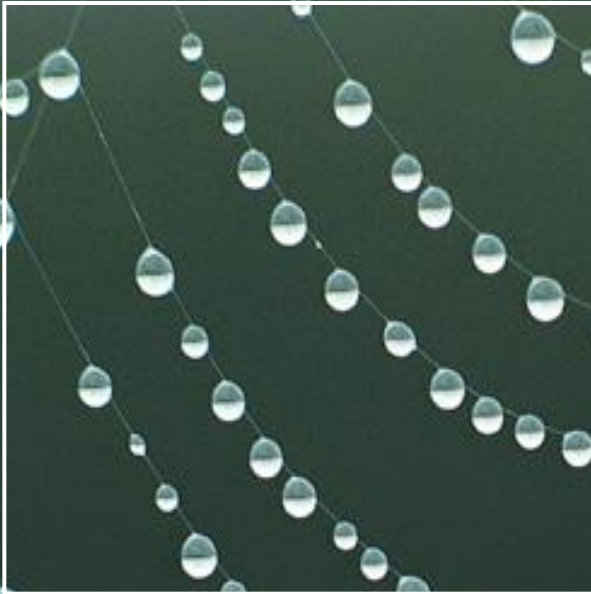
Burkina Faso, Namibia and Tanzania

Broad Indicative Criteria

- **timeliness** – audited financial statements made public promptly after the end of the financial year
- **understandability** – financial statements clear and key aspects and terms explained
- **openness** – key financial information of interest to politicians and public made available
- **consistency** – from one year to the next, between accounts within the same financial statements; reliable and free from material error



Findings



Timeliness

- Audited financial statements made public promptly after the year end?
- Presented to parliament within 12 months of the year end
- Issued within 9 months so available when the budget is discussed in parliament
- Achieved by Mauritius, Tanzania, Uganda and South Africa

Understandability

- Commentary provided by the Accountant & Auditor General (graphs)
- Explanation of key terms
- Summary of last five years
- Listing of entities in the accounts
- Executive summary

Openness

- Comparison of budget & actual with clear explanations
- Details of government debt
- Revenue arrears, losses & wasteful expenditure, proceeds of privatisation
- Outstanding loans, advances & imprests
- Salaries etc for senior politicians & officials; asset declarations

Consistency

- Consistent figures between different statements (Nigeria and Sierra Leone)
- Consistent format from year to year (Mauritius and Sierra Leone)
- Reliable and free from material error

Next steps



Next steps

- Development of accounting standards for ESAAG
- Recommendations to revise the Cash IPSAS
- Research in South Asia



Thank you!

Questions or
comments!

Andy Wynne

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