

FMM 04.3 Application of IPSAS

3.1 Mandatory Policy

1. The Government of PNG and its reporting entities when gazetted are to adopt the International Public Sector Accounting Standard (IPSAS) *Financial Reporting Under the Cash Basis of Accounting*.
2. Reporting entities are encouraged to adopt further non cash disclosures and commence preparations towards Accrual Based accounting.
3. Non Trading Reporting Entities that nominate reporting under an Accruals Basis are to adopt the IPSAS Accrual standards. except those identified as trading enterprises.
4. Under Section 62 of the PFMA, in the case of a statutory body that is declared by its governing law or by the Finance Minister to be a trading enterprise for the purpose of this section, the accounts and records required by Subsection (1) shall be kept in accordance with the accounting principles generally applied in commercial practice.

3.2 Non-mandatory Guidance

The IPSAS are issued by the International Public Sector Accounting Standards Board (IPSASB) and agencies are encouraged to visit this website

<https://www.ipsasb.org/standards-pronouncements>.

Further Information	frcd@finance.gov.pg
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