



Ministry  
of Finance

Republic  
of Poland

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# Better Accounts, Better Budgets, Better Spending?

## IPSAS and EPSAS: lovers or rivals?

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## IPSAS and EPSAS: lovers or rivals?

- **Public sector in Poland – structure and accounting rules**
- **Harmonization of the accounting in Polish public sector**
- **Role to be played by IPSAS or EPSAS**

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## IPSAS and EPSAS: lovers or rivals?

### Public sector structure

#### State budget

- Budgetary entities
- special purpose funds
- Budgetary economic institutions
- Executive agencies
- State culture institutions
- State health institutions
- Universities
- National (health and social) Insurance Companies
- Other state legal entities

#### Local budgets (2808)

- Local budgetary entities
- Local budgetary institutions
- Local cultural institutions
- Local health institutions
- Other local legal entities

1. Accounting Act

2. Accounting Act + MoF Regulation

## IPSAS and EPSAS: lovers or rivals?

### Accounting Act

- Fully accrual
- Based on the EU Accounting Directives
- Applied by the private sector and public sector

### Ministry of Finance's public sector accounting regulation

- Standardized Chart of Accounts
- Described financial statement elements (and their forms)
- Sector specific regulations (eg. registration of budgetary flows)
- Simplifications for public sector entities (in particular on depreciation, accounting for some of the provisions, exclusion of the operation within the sector)

### Accounting Act and MoF Regulation are the basis to keep the accounting records.

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## IPSAS and EPSAS: lovers or rivals?

### Scope of harmonization in public sector

- Financial statements, budgetary statements and statistical data are based on data generated from the accounting records
- Process of budget creation and performance budgeting are based on the data generated directly from the accounting records
- There are some minor exceptions in the accounting procedures introduced by the sectorial legislation (for universities, healthcare and cultural institutions)
- Financial statements are consolidated at the level of each local budgetary entity and each state budgetary entity – there is no consolidated financial statement at the Whole of Government level

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## IPSAS and EPSAS: lovers or rivals?

### IPSAS from Polish perspective

- International standards are considered as a chance for full harmonization of the accounting procedures and as a suitable basis for possible consolidation procedures
- Poland currently runs the project on identifying differences between domestic GAAP and IPSAS (with a support of the Swiss Contribution project)
- The priority is to meet expectations and information needs of the domestic decision makers and keep the control over the system (both standard setting and interpretations) as it forms the basis for almost all reporting systems at the domestic level
- No decision has been taken at this moment (the main concern is the cost-benefit ratio)

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## IPSAS and EPSAS: lovers or rivals?

### EPSAS from Polish perspective

- Directive 85/2011/EU is already implemented and current actions are based on the Commission report of 2013
- It is not possible to achieve 100% comparability of financial statements (neither under IPSAS nor under EPSAS)
- Users of the EPSAS based financial statements are not defined
- The cost-benefit ratio for EPSAS implementation might not be satisfactory
- It might be difficult to assure proper quality of the standards (lack of permanent technical staff, proper due process, shortage of time)
- There is no guarantee that EPSAS will allow to meet the aims of the reform
- EPSAS should not be presented as the only solution available



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**Thank you for your attention**

for any questions:  
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