

Andrei-R zvan CRI AN
Faculty of Economics and Business Administration
Babe -Bolyai University of Cluj-Napoca, Romania

GOVERNMENTAL FINANCIAL REPORTS: BETWEEN VARIETY AND INTEGRATION

Theoretical
article

Keywords

Government
Financial reporting
Statistics
IPSAS

JEL Classification

H83

Abstract

Governments in general provide two main types of financial information: Government Finance Statistics (GFS), used for macroeconomic analysis and General Purpose Financial Reports (GPFR), more or less according with International Public Sector Accounting Standards, used for making decisions in the public sector entities. The aim of this paper is to make a comparison between GFS and GPFR to extract the similarities and differences between them. The documents of GFS and GPFR will be compared row by row, relieving the common and the different components. Our proposal is to create a unique informational system which generates both GFS and GPFR. This system could bring significant benefits such as saving time or reducing costs.

1. Introduction

Nowadays, the authorities and the regulators give an increased attention to the public sector financial reporting. Governments produce two types of ex-post financial information: government finance statistics on the general government sector and general purpose financial reports for accountability and decision making at entity level. According to Government Finance Statistics Manual (2001), elaborated by International Monetary Fund, the GFS system is designed to provide statistics that enable policymakers and analysts to study developments in the financial operations, financial position or liquidity of the general government sector. The GFS framework can be used to analyze the operations of a specific level of government, as well as the entire general government or public sector. The same document states that one method used in the GFS system to produce summary information on the performance and financial position of the general government or public sector is through the use a set of balancing assets, net acquisitions of financial assets, or net incurrences of liabilities. Also, an important issue stated in this Manual is transactions that generate revenue or expense result in a change in net worth, while other types of transactions result in equal changes to assets and/or liabilities and do not result in a change to net worth. According to International Public Sector Accounting Standards (IPSAS 1) issued by International Public Sector Accounting Standards Board (IPSASB) General Purpose Financial Reports (GPFR) are a structured representation of the financial position and financial performance of an entity. The objectives of GPFR are to provide information for a wide range of users in making and evaluating decisions about the allocation of resources. International Public Sector Accounting Standards Board is an independent standard-setting board that is supported by the International Federation of

Accountants (IFAC). The IPSASB consists of 18 voluntary members which are appointed by the IFAC-Board based on recommendations from the IFAC Nominating Committee. Members represent various areas of professional accounting expertise including ministries of finance, government audit institutions and academia.

IPSASB states that IPSAS financial statements and Governmental Finance Statistics have much in common (IPSASB, 2012, p. 5). Both show financial, accrual-based information, the government's assets, liabilities, revenue and expenses and comprehensive information on cash flows. Also, IPSASs and GFS reporting guidelines have some significant differences, as a result of their different objectives and separate development. These differences include different reporting entity definitions and specific differences with respect to recognition, measurement and presentation.

The paper aims to establish the similarity level between the content of Government Finance Statistics presented by GFS Manual (2001) and the content of General Purpose Financial Reporting presented by IPSAS 1 and IPSAS 2. International bodies could use the differences and similarities between GFS and IPSAS for improving the structure and therefore the relevance of provided information.

The paper is structured in the following way: it contains methodological issues, general aspects related to Government Finance Statistics and IPSAS, the findings of the comparison between them and a brief summary. Also, the paper contributes to a better understanding of relationship and interaction between GFS and IPSAS.

2. Methodology

This paper aims to make a comparison between the structure and content of Government Finance Statistics (GFS) and the structure and content General Purpose Financial Reports (GPFR) presented by

IPSAS 1. The purpose of the paper is to establish a similarity level between these two types of financial reporting, analyzing the common components they present. It is important to mention that our comparison refers only to presentation, not to valuation and measurement.

To that effect, we calculated Jaccard's coefficients for every component of the financial statements (Balance Sheet, Statement of Government Operations, Statement of Other Economic Flows, Statement of Sources and Uses of Cash, taking into consideration the main components of the GPFAR according to IPSAS 1. Considering the Balance Sheet, these are following:

- **Current assets:** Cash and cash equivalents, Receivables, Inventories, Prepayments, Other current assets;
- **Non-current assets:** Receivables, Investments in associates, Other financial assets, Infrastructure, plant and equipment, Land and buildings, Intangible assets, Other non-financial assets;
- **Current liabilities:** Payables, Short-term borrowings, Current portion of long-term borrowings, Short-term provisions, Employee benefits, Superannuation;
- **Non-current liabilities:** Payables, Long-term borrowings, Long-term provisions, Employee benefits, Superannuation
- **Net assets**

Considering the Balance Sheet, we took into consideration 28 components.

Balance Sheet presented by GFS Manual has the following structure:

- **Net worth;**
- **Nonfinancial assets:** Fixed assets, Inventories, Valuables, Nonproduced Assets;
- **Financial assets: Domestic:** Currency and deposits, Securities other than shares, Loans, Shares and other equity, Insurance technical reserves, Financial

derivatives, Other accounts receivable; **Foreign:** Currency and deposits, Securities other than shares, Loans, Shares and other equity, Insurance technical reserves, Financial derivatives, Other accounts receivable;

- **Liabilities: Domestic:** Currency and deposits, Securities other than shares, Loans, Shares and other equity (public corporations only), Insurance technical reserves (GFS), Financial derivatives, Other accounts payable; **Foreign:** Currency and deposits, Securities other than shares, Loans, Shares and other equity (public corporations only), Insurance technical reserves (GFS), Financial derivatives, Other accounts payable;

We took into consideration 41 elements that structure Balance Sheet presented by GFS Manual.

Regarding to Statement of Financial Performance (equivalent for GFS Statement of Government Operations), this illustrates the Classification of Expenses by Function and by Nature:

- **Revenue:** Taxes, Fees, fines, penalties and licenses, Revenue from exchange transactions, Transfers from other government entities, Other revenue;
- **Expenses (by Function):** General public services, Defense, Public order and safety, Education, Health, Social Protection, Housing and community amenities, Recreational, cultural and religion, Economic affairs, Other expenses, Finance costs;
- **Expenses (by Nature):** Wages, salaries and employee benefits, Grants and other transfer payments, Supplies and consumable used, Depreciation and amortization expense, Impairment of property, plant and equipment, Other expenses, Finance costs;

- **Share of surplus of associates;**
- **Surplus/(deficit) for the period.**

For the Statement of Financial Performance, we took into consideration 28 components.

The GFS equivalent of the Statement of Financial Performance (Statement of Government Operations) is structured in the following way:

- **Revenue:** Taxes, Social contributions, Grants, Other revenue;
- **Expense:** Compensation of employees, Use of goods and services, Consumption of fixed capital, Interest, Subsidies, Grants, Social benefits; Other expense
- **Transactions in nonfinancial assets: Net acquisition of nonfinancial assets:** Fixed assets, Change in inventories, Valuables, Nonproduced assets;
- **Transactions in financial assets and liabilities (financing);**
- **Net acquisition of financial assets:** Domestic, Foreign
- **Net incurrence of liabilities:** Domestic, Foreign.

For our comparison, we took into consideration 27 elements from Statement of Government Operations.

The Statement of Changes in Net Assets/Equity contains the following components:

- Changes in accounting policy;
- Restated balance;
- Gain on property revaluation;
- Loss on revaluation of investments;
- Exchange differences on translating foreign operations;
- Net revenue recognized directly in net assets/equity;
- Surplus/deficit for the period.

We took into consideration 7 elements contained in the Statement of Changes in Net Assets/Equity.

The Statement of Other Economic Flows presented by GFS contains the change in net worth resulting from other economic

flows and it classifies these changes in the following way:

- **Nonfinancial assets:** Holding gains, Other volume changes;
- **Financial assets:** Holding gains, Other volume changes;
- **Liabilities:** Holding gains, Other volume changes.

As it can be seen, for our analysis we took into consideration six elements.

The Cash Flow Statement is presented by **IPSAS 2 – Cash Flow Statements**. For the comparison, we took into consideration following elements:

- **Cash flows from operating activities:** Taxation, Sales of goods and services, Grants, Interest received, Other receipts, Employee costs, Superannuation, Suppliers, Interest paid, Other payments, Net cash flows from operating activities;
- **Cash flows from investing activities:** Purchase of plant and equipment, Proceeds from sale of plant and equipment, Proceeds from sale of investments, Purchase of foreign currency securities, Net cash flows from investing activities;
- **Cash flows from financing activities:** Proceeds from borrowings, Repayment of borrowings, Distribution/dividend to government; Net cash flows from financing activities;
- Net increase/(decrease) in cash and cash equivalents;
- Cash and cash equivalents at the beginning of the period;
- Cash and cash equivalents at end of period.

Thus, we took into consideration a number of 26 elements.

Statement of Sources and Uses of Cash is the GFS equivalent for Cash Flow Statement and it is structured in the following way:

- **Cash flow from operating activities;**
- **Cash receipts from operating activities:** Taxes, Social contributions, Grants, Other receipts;
- **Cash payments for operating activities:** Compensation of employees, Purchases of goods and services, Interest, Subsidies, Grants, Social benefits, Other Payments
- Net cash inflow from operating activities;
- **Cash flows from investments in nonfinancial assets;**
- **Purchases of nonfinancial assets:** Fixed assets, Strategic stocks, Valuables, Nonproduced assets;
- **Sales of nonfinancial assets:** Fixed assets, Strategic stocks, Valuables, Nonproduced assets;
- Net cash outflow from investments in nonfinancial assets;
- Cash surplus/deficit;
- **Cash flows from financing activities;**
- **Net acquisition of financial assets other than cash:** Domestic, Foreign;
- **Net incurrence of liabilities:** Domestic, Foreign
- Net cash inflow from financing activities;
- Net change in the stock of cash.

In order to compare Cash Flow Statement with Statement of Sources and Uses of Cash, we took into consideration 37 components of the last.

We present the content of IPSAS Statements presented by IPSAS 1 and IPSAS 2 because they are considered benchmark for this comparison. Actual, the comparison involves counting how many of these elements are presented in Government Financial Statements.

The calculation formula for the Jaccards' coefficients shows as follows (Tiron-Tudor, 2010, p. 440):

$$S_{i,j} = \frac{a}{a+b+c} \text{ Similarity degree}$$

$$D_{i,j} = \frac{b+c}{a+b+c} \text{ Dissimilarity degree}$$

where:

- $S_{i,j}$ – represents the similarity degree between the two sets of analyzed accounting regulations ;
- $D_{i,j}$ – represents the dissimilarity or diversity between the two sets of analyzed accounting regulations ;
- a – represents the number of elements which take the 1 value for both sets of regulations ;
- b – represents the number of elements which take the 1 value within the j set of regulations and the 0 value for the i set of regulations ;
- c – represents the number of elements which take the 1 value within the i set of regulations and the 0 value for the j set of regulations.

Jaccard's coefficients are applicable to analyze the level of convergence between different regulations at different points in time or among different countries (Tiron-Tudor, 2010, p. 426).

To make this comparison, we used the structure presented by *Government Finance Statistics Manual – Second Edition* (2001), issued by International Monetary Fund Statistics Department.

3. Governmental Financial Statistics and IPSAS in literature

The Consultation Paper *IPSASs and Government Finance Statistics Reporting Guidelines*, issued in October 2012 was developed by the International Public Sector Accounting Standards Board (IPSASB). The document describes the relationship between IPSASs for accrual-based financial statements and Government Finance Statistics (GFS) reporting guidelines. Also, the Consultation Paper identifies existing

differences between IPSASs and GFS reporting guidelines, describes ways to manage those differences and identifies opportunities to further reduce differences where appropriate (IPSASB, 2012, 5).

Parry (2011) reviews and compares the financial reporting and statistical standards for financial information about public sector institutions – particularly sovereign governments. The purpose of the paper is to provide a better understanding of the relationship between such systems and the extent to which these systems duplicate or conflict with each other.

Sanderson & Van Schaik (2008) approach the issue of IPSAS, in order to establish the impact that the IPSAS implementation would have. Also, **Christiaens et al. (2013)** reveals an important move to accrual accounting, particularly to IPSAS-accrual accounting whereby there still remains a level of reluctance mainly in central governments, especially in countries where businesslike accrual accounting has been developed.

4. Government Finance Statistics vs. International Public Sector Accounting Standards

The GFS system covers all entities that materially affect fiscal policies. Fiscal policies are implemented by entities wholly devoted to the economic functions of government, such as a government ministry. In addition to those entities, fiscal policy may be carried out by government-owned or controlled enterprises that engage primarily in commercial activities. These enterprises such as the central bank or national railroad, which are referred to as public corporations, are not considered part of the government, but statistics should be collected on them (International Monetary Fund, 2001, 6).

Although GFS system is described as a statistical reporting system, it has all of the attributes of an accounting system (Parry, 2011, 23):

- It adopts an accounting model;
- It defines many accounting concepts: assets, liabilities, revenues, expenditures etc.;
- It prescribes reporting formats including an operating statement and a balance sheet.

Government Finance Statistics Manual – Second Edition (2001) describes a specialized macroeconomic statistical system (the GFS system) designed to support fiscal analysis. The Manual provides the economic and accounting principles to be used in compiling the statistics and guidelines for the presentation of fiscal statistics within an analytic framework that includes appropriate balancing items, which summarize the net value of the activities covered by a set of accounting entries, such as the net value of total revenue less total expense. The primary purpose of GFS Manual is to provide a comprehensive conceptual and accounting framework suitable for analyzing and evaluating fiscal policy, especially the performance of the general government sector and the broader public sector of any country.

According to Eurostat, GFS data show the economic activities of government in a harmonized and comparable way. They differ noticeably from the budget presentations or public accounting presentations that are nationally specific and not harmonized between countries. GFS data include both the financial and non-financial activities of the government (Eurostat, 2013, 2).

Government Finance Statistics allow analysts to study developments in the financial operations, financial position and liquidity situation of the public sector. Other possible users include (Statistics New Zealand, 2011, 5):

- Government taxation analysts – to examine tax rates and taxation revenue;
- Different levels of government – to argue cases for additional funding from higher levels of government;

- International bodies (OECD and International Monetary Fund) – to analyse the performance and sustainability of government;
- International credit rating agencies – to review international credit ratings;
- International economists – to analyse government operations across countries;
- The financial sector;
- Tax payers – to see how their payments are spent by government.

IPSAS are issued and developed by IPSAS Board of the International Federation of Accountants (IFAC), the global organization of the accounting profession. The IPSAS Board focuses on the accounting and financial reporting needs of the public sector, whether it is a national or local government, or inter-governmental organisation. Many IPSAS are close to IFRS, but there are important deviations, without which IPSAS would not account adequately for specific public sector issues (Sanderson & Van Schaik, 2008, 22).

International Federation of Accountants (IFAC) states that most IPSAS have a corresponding International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS) on which they are based.

IPSAS have become the reference for the development of public sector accounting systems and this is why IPSAS deserve the attention of accounting policy-makers, practitioners and scholars (Christiaens et al., 2013, 2).

IPSAS 1 considers that the financial statements must be complete, include a statement of the financial situation (also called a balance sheet or a statement of assets and liabilities), a statement of financial performance (also called a statement of revenues and expenses, an income statement, an operating statement or a profit and loss statement), a statement of changes in net assets/equity, a cash flow statement, a comparison of budget and

actual amounts and explanatory notes. A series of principles must be met by entities: fair presentation and compliance with IPSAS, going concern, consistency of presentation, materiality and aggregation, offsetting and comparative information.

IPSAS 1 – Presentation of Financial Statements is drawn primarily from International Accounting Standard (IAS) 1, „Presentation of Financial Statements”, published by the International Accounting Standards Board (IPSASB, 2006, 24). The objective of IPSAS 1 is to prescribe the manner in which general purpose financial statements should be presented to ensure comparability both with the entity’s financial statements of previous periods and the financial statements of other entities. IPSAS 1 sets out overall considerations for the presentation of financial statements, guidance for their structure and minimum requirements for the content of financial statements prepared under the accrual basis of accounting (IPSASB, 2006, 32).

IPSAS 2 – Cash Flow Statements is drawn primarily from IAS 7 „Cash Flow Statements” published by the International Accounting Standards Board (IPSASB, 2000, 81). The objective of this standard is to require the provision of information about the historical changes in cash and cash equivalents of an entity by means of cash flow statement which classifies cash flows during the period from operating, investing and financing activities (IPSASB, 2000, 84).

Nevertheless, an important characteristic of the International Public Sector Accounting Standards is that governments are not obliged to adopt them and thus their adoption depends on a free choice. It is clear that the success of IPSAS strongly depends on setting out its strengths and highlighting the necessary conditions to be met (Christiaens et al., 2010, 537).

According to IPSASB, the IPSAS equivalents to the GFS statements have different names (see Table 1).

5. Findings

Although the IPSAS statements and Government Finance Statistics serve for different purposes, it is very important to determine the similarity and dissimilarity between them. As a result, it could be created and implemented a system that generates both in the same time. Implementing this system could save time and costs.

In the comparison, we analyzed how many of the elements of the IPSAS Statements listed above are contained by their GFS equivalents.

Regarding to similarity level between Balance Sheet presented by IPSAS 1 and the GFS equivalent presented by GFS Manual, the similarity level between them is:

$$S_{i,j} = \frac{8}{8+33+20} = \frac{8}{61} = 0,1311$$

Contrary, the dissimilarity level between Balance Sheet presented by IPSAS 1 and the GFS equivalent is:

$$D_{i,j} = \frac{33+20}{8+33+20} = \frac{53}{61} = 0,8689$$

It is very important to mention that Balance Sheet presented by IPSAS 1 classifies the assets into current and non-current assets and the Balance Sheet presented by GFS Manual classifies the assets into financial and non-financial assets. IPSAS 1 states that an asset shall be classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is held for sale or consumption in the entity's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within twelve months after the reporting date or

- It is cash or a cash equivalent (as defined in IPSAS 2, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date).

All other assets must be classified as non-current.

On the other hand, GFS Manual classifies the assets into financial and nonfinancial. According to GFS Manual, financial assets consist of financial claims, monetary gold and Special Drawing Rights (SDRs) allocated by the IMF. Monetary gold and SDRs are not financial claims, which mean that they are not the liability of any other unit. They provide economic benefits by serving as a store of value and they are used as a means of payment to settle financial claims and finance other types of transactions. As a result, they are treated as financial assets.

The same document states that nonfinancial assets may come into existence as outputs from the production process, be naturally occurring, or be constructs of society. Produced assets are classified as fixed assets, inventories or valuables.

IPSAS 1 classifies also the liabilities into current and non-current liabilities. Liabilities shall be classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the entity's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date or
- The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities must be classified as non-current.

Related to the similarity level between Statement of Financial Performance presented by IPSAS 1 and the GFS

equivalent (Statement of Government Operations), the calculated coefficient is:

$$S_{i,j} = \frac{7}{7+20+21} = \frac{7}{48} = 0,1458$$

The common items which are found in both IPSAS and GFS are: Revenue, Taxes, Other revenue, Expenses (by Nature), Wages, salaries and employee benefits, Grants and other transfer payments and Other expenses.

The dissimilarity degree between Statement of Financial Performance and Statement of Government Operations is:

$$D_{i,j} = \frac{20+21}{7+20+21} = \frac{41}{48} = 0,8542$$

Statement of Government Operations presented by GFS Manual includes Transactions **affecting net worth**, **Transactions in nonfinancial assets** and **Transactions in financial assets and liabilities (financing)**. According to GFS Manual, it presents details of transactions in revenue, expense, the net acquisition of financial assets and the net incurrence of liabilities.

On the other hand, Statement of Financial Performance presented by IPSAS 1 includes revenue and it classifies expenses by function and nature. Also, Statement of Financial Performance includes **Share of surplus of associates** and surplus or deficit for the period.

Statement of Changes in Net Assets/Equity presented by IPSAS 1 presents following information: Changes in accounting policy, Restated balance, Gain on property revaluation, Loss on revaluation of investments, Exchange differences on translating foreign operations, Net revenue recognized directly in net assets/equity and Surplus/deficit for the period. None of these elements exists in the GFS equivalent (Statement of Other Economic Flows):

$$S_{i,j} = \frac{0}{0+6+7} = \frac{0}{13} = 0$$

There is no similarity between the content of Statement of Changes in Net Assets/Equity and the content of the Statement of Other Economic Flows.

As a consequence, the dissimilarity level between Statement of Changes in Net Assets/Equity and the Statement of Other Economic Flows is:

$$D_{i,j} = \frac{6+7}{0+6+7} = \frac{13}{13} = 1$$

The Statement of Other Economic Flows presents change in net worth resulting from other economic flows for nonfinancial assets, financial assets and liabilities. GFS Manual states that the Statement of Other Economic Flows presents influences on the government's net worth that are not the result of government transactions. They are classified as changes either in the value or volume of assets, liabilities and new worth.

The Statement of Sources and Uses of Cash is the GFS equivalent for Cash Flow Statement presented by IPSAS 2. We found following common elements: Cash flow from operating activities, Taxation, Sales of goods and services, Grants, Interest received, Other receipts, Employee costs, Net cash flows from operating activities, Cash flows from investing activities, Cash flow from financing activities, Net increase/(decrease) in cash and cash equivalents hence it results the following similarity level:

$$S_{i,j} = \frac{15}{15+22+11} = \frac{15}{48} = 0,3125$$

Contrary, the dissimilarity level between Cash Flow Statement presented by IPSAS 2 and the Statement of Sources and Uses of Cash is:

$$D_{i,j} = \frac{22+11}{15+22+11} = \frac{33}{48} = 0,6875$$

The Statement of Sources and Uses of Cash records cash inflows and outflows, according to the GFS Manual. It shows the total amount of cash generated or absorbed by current operations, transactions in nonfinancial assets and transactions involving financial assets and liabilities other than cash itself. We consider that the most important similarity between Statement of Sources and Uses of Cash and the Cash Flow Statement is that both statements classify cash flows in operating, investments and financing.

6. Conclusions and recommendations

Considering that the objectives proposed in the research were aimed, it is assumed that this scientific approach has achieved its purpose and can be used in practice. As it can be seen, the similarity level between GFS Statements and statements presented by IPSAS is not so high. The highest similarity level – 31,25% - exists between the Cash Flow Statement presented by IPSAS 2 and the GFS equivalent (Statement of Sources and Uses of Cash). Contrary, the lowest similarity level exists between Statement in Changes in Net Assets/Equity and Statement of Other Economic Flows. These two financial reporting do not have common elements. However, the low similarity level between GFS Statements and IPSAS Statements is natural because GFS Statements and statements presented by IPSAS serve for different purposes. GFS statements serve as support for macroeconomic analysis and statistics and statements presented by IPSAS serve as support for making decisions in the public sector entities and accountability. The low similarity level between these statements is given by the different purposes they have. If GFS Statements and IPSAS statements were very similar, it would be useless to generate both of them. The similarity and

dissimilarity level between IPSAS Statements and their GFS equivalents can be seen in Table 2. The overall similarity level is calculated as an average of the four similarity levels between the IPSAS Statements and GFS Statements. The overall dissimilarity level is calculated in the same way.

The recommendation is to try to implement a system that generates both GFS Statements and IPSAS Statements or a combination between them. Creating this system could reduce the costs and make the providing of information easier. Also, the paper contributes to a better understanding of the relationship between GFS and IPSAS.

7. References

- [1] Christiaens, J., Reyners, B., Rolle, C. (2010), *Impact of IPSAS on reforming governmental financial information systems: a comparative study*, International Review of Administrative Sciences: 537-554;
- [2] Christiaens, J., Vanhee, C., Manes-Rossi, F., Aversano, N. (2013), *The Effect of IPSAS on Reforming Governmental Financial Reporting: an International Comparison*, Working Paper;
- [3] Eurostat (2013), *Government finance statistics – Summary tables*, Eurostat Statistical Books;
- [4] International Monetary Fund Statistics Department (2001), *Government Finance Statistics Manual – Second Edition*;
- [5] International Public Sector Accounting Standards Board – IPSASB (2006), *IPSAS 1 – Presentation of Financial Statements*;
- [6] International Public Sector Accounting Standards Board – IPSASB (2000), *IPSAS 2 – Cash Flow Statement*;
- [7] International Public Sector Accounting Standards Board - IPSASB, *IPSASs and Government Financial Statistics Reporting Guidelines*, Consultation Paper, October 2012;
- [8] Parry, M. (2011), *International Standards for Accounting and Statistics*, International Journal of Governmental Financial Management, The International Consortium on Governmental Financial Management
- [9] Sanderson, I., Van Schaik, F. (2008), *Public Sector Accounting Standards: Strengthening accountability and improving governance*, Accountancy Ireland: 22-24;
- [10] Statistics New Zealand (2011), *Introducing government finance statistics*, Tauranga Aotearoa, Wellington, New Zealand;

[11] Tiron-Tudor, A. (2010), *Romanian Public Institutions Financial Statements on the Way of Harmonization with IPSAS*, Accounting and

Management Information Systems, Vol.9, No.3, pp. 422-447

.FIGURES AND TABLES:

Table 1.The IPSAS equivalents to the GFS statements

GFS	IPSAS
Balance Sheet	Statement of Financial Position Alternative: Balance Sheet, Statement of Assets and Liabilities
Statement of Government Operations	Statement of Financial Performance Alternative: Income Statements, Statement of Revenue and Expenses, Operating Statement, Profit and Loss Statement
Statement of Other Economic Flows	Statement in Changes in Net Assets/Equity
Statement of Sources and Uses of Cash	Cash Flow Statement
Comparison of Budget and Actual Amounts	-

Source: the projection of author, based on IPSASB (2012)

Table 2.The similarity and dissimilarity between IPSAS Statements and Government Finance Statistics equivalents

Analyzed items	$S_{i,j}$	$D_{i,j}$
Balance Sheet (IPSAS) – Balance Sheet (GFS)	0,1311	0,8689
Statement of Financial Performance (IPSAS) - Statement of Government Operations (GFS)	0,1458	0,8542
Statement in Changes in Net Assets/Equity (IPSAS) - Statement of Other Economic Flows (GFS)	0	1
Cash Flow Statement (IPSAS) – Statement of Sources and Uses of Cash (GFS)	0,3125	0,6875
TOTAL	0,1474	0,8526

Source: the projection of author