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AFRICAN UNION GOES IPSAS

Mobassa, Kenya - 5 November 2013: The African Union (AU) has adopted internationally accepted, accounting standards suitable for intergovernmental public sector organizations called International Public Sector Accounting Standards (IPSAS). IPSAS implementation first batch training kicked off today in Mombasa.

The training is organized to create awareness, conduct conceptual training and Training of Trainers (ToT) for heads of mission of representational and regional offices, senior managers of all AU organs, directors and heads of divisions, project officers, finance officers, HR officers, procurement officers, within the Union as part of the IPSAS implementation Plan. The meeting in Mombasa targeted AU staff working in northern and eastern zone including offices in Europe and the United States while other training will follow in Cape Town for West and Southern Africa, and Addis Ababa for headquarters.

The training is expected to equip participants with the understanding of strategic and operational impact of IPSAS adoption, inform about best practices, understanding of the principles and practicalities of key standard that will be adopted in the 2013 year –end financial statements.

The AU wide IPSAS implementation project is developed in response to the Assembly decision. It is transformative in nature, affects all AU internal and external stakeholders and deals with integrated financial, administrative and human resource services.

For the AU, IPSAS compliance will ensure complete, transparent and accurate accounting and reporting on an annual basis. The following benefits are envisaged in adopting of IPSAS: improved accountability, a complete and accurate view of AU's business and performance; greater transparency over the use of resources given to the AU by donors; greater credibility; improved overall management and planning as a result of more precise presentation of income and expenditure; improved programme management, as IPSAS supports the results based management approach; harmonization of final reporting across the AU.

Adoption of IPSAS has necessitated the AU to have IPSAS compliant financial rules and regulations.

According to the Director of Programming, Budgeting, Finance and Accounting, Mr. Thomas Asare, the adoption of IPSAS will get the AU in line with internationally acceptable standards adopted in similar institutions. He also added that adoption of IPSAS will boost confidence as member states and partners are aware that resources are managed according to international standards.

To help oversee the successful implementation of IPSAS, an “IPSAS Project Oversight Committee” has been established comprising all the heads of AU organs and chaired by the Deputy Chairperson of the African Union Commission.

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