

**INTERNATIONAL ACCOUNTING STANDARDS IN THE PUBLIC SECTOR***Khalilov Bahromjon Bahodirovich**Asia International University, Bukhara**Lecturer of department of Economics*

**Abstract:** The present paper presents a comprehensive analysis of international accounting standards in the public sector. The adoption of international accounting standards in the public sector has gained prominence globally, aiming to enhance transparency, accountability, and financial reporting practices.

**Keywords:** International accounting standards, public sector, transparency, accountability

International accounting standards play a crucial role in ensuring financial transparency and accountability in the public sector. These standards provide a framework for consistent and comparable financial reporting practices, which are essential for informed decision-making by stakeholders. The adoption of international accounting standards in the public sector has become a global trend, driven by the need to enhance financial management practices, increase public trust, and facilitate international comparability.

International Accounting Standards (IAS) set out common rules that make financial statements of companies worldwide consistent, transparent and comparable. They determine how a company should keep and report its accounts and specify the types of transactions and other events that have a financial impact. Essentially, the purpose of developing IAS is to create a common accounting language so that companies and their financial reporting are consistent and reliable across companies and across countries.

International accounting standards in the public sector have a rich historical context, shaped by the need for transparency, accountability, and comparability in financial reporting. The globalization of economies and the interconnectedness of nations have underscored the significance of consistent financial reporting practices across borders. This section provides an overview of the historical development of international accounting standards in the public sector, highlighting key milestones and the role of international organizations in their establishment and promotion.

The origins of international accounting standards can be traced back to the early 20th century when efforts were made to harmonize accounting practices across countries. The establishment of the International Federation of Accountants (IFAC) in 1977 marked a significant milestone in the development of international accounting standards. IFAC, as a global organization representing the accounting profession, has been instrumental in promoting consistent and high-quality accounting practices worldwide.

The need for specific accounting standards in the public sector gained prominence in the late 20th century. Public sector entities, including governments, governmental agencies, and other public sector organizations, faced unique challenges in financial reporting due to their diverse objectives, stakeholders, and sources of funding. As a result, the International Public Sector Accounting Standards Board (IPSASB) was established in 1997 to develop international accounting standards specifically for the public sector.

IPSASB, under the auspices of IFAC, has played a crucial role in setting accounting standards for public sector entities. The board comprises representatives from various countries, accounting bodies, and international organizations, ensuring a diverse and inclusive approach to standard-setting. Since its establishment, IPSASB has developed a comprehensive set of standards known as the International Public Sector Accounting Standards (IPSAS). These standards provide guidance on financial reporting, including measurement, presentation, and disclosure, for public sector entities.

The development and adoption of international accounting standards in the public sector have been driven by several factors. Firstly, globalization and the interconnectedness of economies have necessitated the harmonization of accounting practices to facilitate the comparability of financial information across borders. International accounting standards provide a common framework for financial reporting, enabling users to make informed decisions and assess the financial performance of public sector entities.

Secondly, the need for transparency and accountability in the public sector has been a driving force behind the development of international accounting standards. Public sector entities have a responsibility to report their financial activities and use of public funds in a transparent manner. International accounting standards provide a robust framework that enhances the credibility and reliability of financial information, promoting public trust and accountability.

Furthermore, the establishment of international organizations such as the International Monetary Fund (IMF), World Bank, and United Nations (UN) has also contributed to the development and adoption of international accounting standards in the public sector. These organizations recognize the importance of consistent financial reporting practices in ensuring financial stability, promoting good governance, and facilitating international cooperation.

Over the years, international accounting standards in the public sector have evolved and expanded to address emerging issues and challenges. The IPSASB regularly reviews and updates the IPSAS to reflect changes in accounting practices, regulatory requirements, and global developments. The board also collaborates with other standard-setting bodies, such as the International Accounting Standards Board (IASB), to align accounting standards and promote convergence between the public and private sectors.

International organizations play a crucial role in the development and dissemination of international accounting standards in the public sector. These organizations, such as the International Public Sector Accounting Standards Board (IPSASB) and the International Federation of Accountants (IFAC), contribute to the establishment of consistent and high-quality accounting standards worldwide.

#### 1) The International Public Sector Accounting Standards Board (IPSASB):

The IPSASB is a standard-setting body that operates under the auspices of the IFAC. It is specifically responsible for developing International Public Sector Accounting Standards (IPSAS), which provide guidance on financial reporting, accounting policies, and measurement principles for the public sector.

The IPSASB comprises representatives from various countries, national standard-setting bodies, and international organizations. This diverse composition ensures a balanced and inclusive approach to standard-setting, taking into account the needs and perspectives of different stakeholders in the public sector.

The IPSASB plays a critical role in developing and updating IPSAS to address emerging issues and align with global developments. The board conducts research, consults with stakeholders, and considers international best practices to develop robust and relevant accounting standards for the public sector. This includes areas such as financial reporting, presentation and disclosure, accounting policies, and measurement principles.

The IPSASB also collaborates with other standard-setting bodies, such as the International Accounting Standards Board (IASB), to promote convergence between public and private sector accounting standards. This collaboration ensures consistency and compatibility between international accounting standards and fosters harmonization in financial reporting practices.

Moreover, the IPSASB provides guidance and support to governments, standard-setting bodies, and other stakeholders in implementing IPSAS. It offers training programs, publications, and technical resources to enhance the understanding and application of IPSAS globally. These initiatives contribute to the successful adoption and implementation of international accounting standards in the public sector.

#### 2) The International Federation of Accountants (IFAC):

The IFAC is a global organization that represents the accounting profession worldwide. It plays a pivotal role in promoting international accounting standards, including those specific to the public sector.

As the global advocate for the accountancy profession, the IFAC encourages its member bodies, which consist of professional accounting organizations from different countries, to adopt and promote international accounting standards. The IFAC collaborates closely with its member bodies to facilitate the adoption and implementation of these standards at the national level.

The IFAC also advocates for the importance of high-quality financial reporting and the adoption of international accounting standards in the public sector. It engages with governments, regulatory bodies, and international organizations to highlight the benefits of adopting these standards, such as enhanced transparency, accountability, and comparability.

Additionally, the IFAC provides support and guidance to its member bodies in developing their own accounting standards for the public sector. It offers technical assistance, capacity-building programs, and best practice sharing to facilitate the development and implementation of robust accounting frameworks at the national level.

Through its extensive network and collaborations, the IFAC promotes the convergence of accounting standards globally, ensuring consistent financial reporting practices across borders. This convergence enhances international comparability and facilitates the exchange of financial information, supporting investment decisions and fostering economic growth.

In conclusion, international organizations, such as the IPSASB and the IFAC, play integral roles in developing and disseminating international accounting standards in the public sector. The IPSASB, as a standard-setting body, is responsible for issuing IPSAS, providing comprehensive guidance on financial reporting in the public sector. The IFAC, as the global organization for the accountancy profession, advocates for the adoption of international accounting standards and supports its member bodies in implementing these standards at the national level. Through their collaborative efforts, these organizations contribute to the establishment of consistent and high-quality accounting standards worldwide, promoting transparency, comparability, and accountability in the public sector

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