



DPE 022/011/2023

18th December 2023

To Heads of Departments

Circular 23/2023: Central Government Accounting Standards

A Dhuine Uasail

As part of the Central Government Financial Reporting Reform as approved by Government in 2019, the first Central Government Accounting Standards (CGAS) are coming into effect for all accounting periods commencing on or after 1/1/2024 for all Government Departments and Offices of Government.

The CGAS are based on International Public Sector Accounting Standards (IPSAS). They will bring the current Statements of Financial Position (Balance Sheets) of Departments and Offices into line with international accounting norms and enhance the reputation of central Government financial statements with both national and international stakeholders.

For the 2024 Accounting period and onwards, Departments and Offices of Government, the Houses of the Oireachtas Commission, the National Training Fund and the Social Insurance Fund are to account for Property, Plant and Equipment, Intangible Assets, Impairment of Cash and Non Cash Generating Assets, Service Concession Arrangements, Inventory, Leases, Provisions, Contingent Liabilities, Contingent Assets and Short-Term Employee Benefits as outlined in the following standards;

- CGAS 17 Property, Plant and Equipment
- CGAS 21 Impairment Non-Cash Generating Assets
- CGAS 26 Impairment Cash Generating Assets
- CGAS 31 Intangible Assets
- CGAS 32 Service Concession Arrangements
- CGAS 12 Inventory
- CGAS 13 Leases
- CGAS 19 Provisions, Contingent Liabilities and Contingent Assets
- CGAS 39A Short Term Employee Benefits

The CGAS are published on the [Government Accounting website](#). The CGAS are supported by Central Government Guidance Manuals (CGAM).

These standards include the principle of materiality in the preparation of accrual based financial statements. There should be no **material** omissions or misstatements in the application of these standards. A material omission is an omission that would influence the decisions or assessments of users made on the basis of the financial statements.

Sanction required for a transitional period.

If a Department or Office is not able to fully comply with the accounting treatments as set out in any of the standards, CGAS 17, 21, 26, 31, 32, 12, 13, 19 and/or 39A, they must seek sanction in 2024 and in each subsequent year of non-compliance for a temporary derogation from the Government Accounting Unit in the Department of Public Expenditure, NDP Delivery and Reform (DPENDR). In applying for a temporary derogation, Departments and Offices must provide DPENDR with a plan which includes a reasonable timeline to comply with whatever part(s) of a standard(s) that the Department or Office is not in a position to implement as part of its financial reporting.

In the Statement of Accounting Policies and Principles in the Appropriation Accounts from 2024 onwards, an Accounting Officer must state if the Department or Office is fully compliant with CGAS 17, 21, 26, 31, 32, 12, 13 19 and 39A. If a Department or Office is not fully compliant, the Accounting Officer must state in the Statement of Accounting Policies and Principles if they have received sanction for a transitional derogation and have a plan to comply in a reasonable timeframe. **Non-compliance without DPENDR sanction is a serious matter as it undermines the credibility of Central Government financial reporting to national and international stakeholders.**

Adopting broad suite of CGAS standards based on International Public Sector Accounting Standards

CGAS 1, 2, 3 and 24 will come into effect by a future circular. These standards will introduce primary statements based on recommended international practice as outlined in the IPSAS standards. When CGAS 1, 2, 3 and 24 come into effect, the current operating cost statement will be replaced by a Revenue and Expenditure Statement as well as a Cash Flow Statement. The Statement of Financial Position will continue as it is with a few changes. Until such as time as they come into effect, any reference in the nine standards above to the Revenue and Expenditure Statement and the Cash Flow Statement will be read as meaning the Operating Cost Statement.

This circular replaces or rescinds circulars:

Issue Ref	Title
21/2020	Increase in the value threshold for inclusion of assets in asset registers
18/1997	Treatment of IT Assets in Asset Registers and related matters
01/1996	Appropriation Accounts requirements for 1995 and related issues - supplementary to 18/92, 1/95 and the Circular letter of 23 February 1995
14/1996	Valuation of Land and Buildings for the purposes of the Appropriation Accounts
19/1996	Appropriation Accounts Requirements for 1996 and related issues

Mise le Meas,

John Kinnane

Acting Assistant Secretary