

6 Implementation of the Central Government Accounting Standards

- 6.1

As part of its programme to modernise central government financial management and accounting, the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (the Department of Public Expenditure) is developing and rolling out a framework of Central Government Accounting Standards (CGAS). The standards are being developed by the Department of Public Expenditure based on the International Public Sector Accounting Standards (IPSAS).¹ A total of 29 individual standards are currently envisaged for development within the framework (see Annex 6A).
- 6.2

The CGAS apply to all central government departments and offices.² Implementation of the standards is expected to formalise accrual accounting financial reporting alongside the existing cash accounting framework.
- 6.3

The CGAS are being implemented on a phased basis (see Figure 6.1). It is currently expected that all of the planned 29 CGAS will be in place for 2028 and later years of account.

Figure 6.1 Timetable for implementation of CGAS

Year of account	Standards (to be) introduced
2024	9
2025	7
2026	7
2027	2
2028	4
Total	29

Source: Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. Analysis by the Office of the Comptroller and Auditor General.

1 IPSAS are developed by the International Public Sector Accounting Standards Board, which is primarily funded by the International Federation of Accountants.

2 The CGAS also apply to the Houses of the Oireachtas Commission, the National Training Fund and the Social Insurance Fund.

3 See *Report on the Accounts of the Public Services 2024*, chapter 3, [Central government accounting standards](#).

4 [Circular 19/2024 Central Government Accounting Standards 2025](#) issued to heads of departments on 9 December 2024.

- 6.4

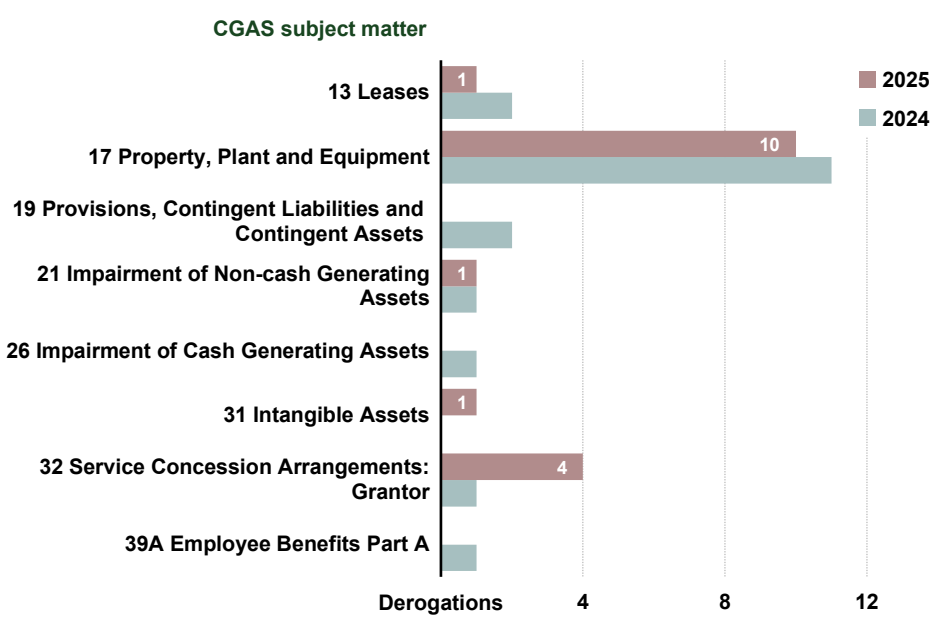
The first nine CGAS became effective for the 2024 year of account and subsequent periods.³ Those standards primarily relate to the statements of financial position. A further seven CGAS became effective for the 2025 year of account and subsequent periods. These primarily relate to revenue recognition and expenditure.⁴
- 6.5

This examination was undertaken to present an overview of progress by departments and offices in implementing the relevant CGAS effective for the 2025 year of account and to highlight any specific CGAS which departments and offices are experiencing most difficulty in implementing. In addition to consideration of compliance with the new standards as part of individual audits, the examination team reviewed relevant correspondence and submissions and engaged with officials from the Department of Public Expenditure.

Progress in CGAS implementation

- 6.6** Departments and offices unable to fully comply with any of the 16 CGAS that are in effect for 2025 were required to seek approval from the Department of Public Expenditure for a temporary derogation in respect of any material non-compliance.⁵ They were also required, in seeking this approval, to submit a plan with a reasonable timeline for achieving compliance with the relevant standards. Where non-compliance continues into future accounting periods, approval for further temporary derogations will be required for each relevant period.
- 6.7** In 2025, full compliance with the applicable CGAS was not achieved (see Figure 6.2). Thirteen bodies received temporary derogation for the 2025 year of account from one or more CGAS. Nine received a derogation from one CGAS; four received derogations from two CGAS.
- 6.8** No department or office sought a derogation from the new CGAS that became effective in 2025. The Department of Public Expenditure informed departments and offices that
- derogations for non-compliance with paragraph 11(a) of CGAS 39A Employee Benefits Part A were not required for the 2025 year of account⁶
 - CGAS 42 Social Benefits included a transitional period for the year 2025 and the first reporting financial year would be 2026.⁷
- 6.9** Fewer derogations were sought in 2025 in respect of the CGAS that became effective in 2024, reflecting improved compliance within departments and offices.

Figure 6.2 Temporary derogations granted for the 2024 and 2025 years of account, by CGAS



Source: Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. Analysis by the Office of the Comptroller and Auditor General.

5 The CGAS include the principle of materiality in the preparation of accrual-based financial statements. This requires that there should be no material omissions or misstatements in the application of the standards. A material omission is an omission that would influence the decisions or assessments of users made on the basis of the financial statements.

6 [Circular 06/2026 Central Government Accounting Standards 2026](#) sets out that the overpayments disclosure in note 5 to the appropriation account will suffice as a transitional measure for 2025.

7 The transitional period was set out in [Circular 19/2024 Central Government Accounting Standards 2025](#).

- 6.10** The most significant area where derogations were granted was in respect of property, plant and equipment (CGAS 17).⁸ Ten bodies received temporary derogation from CGAS 17 for the 2025 year of account. Seven of these bodies had previously received derogation from CGAS 17 for the 2024 year of account, while the remaining three bodies had not previously sought derogation.
- 6.11** While the overall incidence of derogation granted for non-compliance with CGAS has fallen in 2025,
- eight instances of temporary derogation for CGAS effective from 2024 were sought by bodies for the first time in 2025
 - in most remaining cases, the proposed implementation date is later than previously published (see Figure 6.3).⁹

Figure 6.3 Temporary derogations for non-compliance with CGAS

	2024	2025
Bodies granted temporary derogation(s)	13	13
Instances of non-compliance for which temporary derogation was granted	19	17
Latest proposed implementation date	2029	2031

Source: Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. Analysis by the Office of the Comptroller and Auditor General.

Planned CGAS developments in 2026

- 6.12** For the 2026 year of account and subsequent periods
- an additional five CGAS will come into effect across the board for all departments and offices
 - two further standards will also become effective but only for the National Training Fund and the Social Insurance Fund
 - the Department of Climate, Energy and the Environment will be required to begin preparation of the financial statements of the Climate Action Fund and the Circular Economy Fund under CGAS.¹⁰

⁸ [CGAM 17 Property, Plant and Equipment](#) requires that departments/offices should seek to transition to full compliance within a five-year period (i.e. by end 2028). Departments/offices with complex and extensive holdings of land and buildings may receive sanction to increase the transition period to seven years.

⁹ Annex 6B includes more detailed information on the derogations granted for the 2025 year of account.

¹⁰ [Circular 06/2026 Central Government Accounting Standards 2026](#) issued to heads of departments on 16 January 2026.

Annex 6A CGAS currently effective and CGAS planned for implementation to 2028

Central Government Accounting Standard ^a	2024	2025	2026 ^b	2027	2028
2 Cash Flow Statements ^{c,d}			●	→	→
3 Accounting Policies, Changes in Accounting Estimates and Errors ^{c,d}			●	→	→
4 The Effects of Changes in Foreign Exchange Rates ^e	●	→	→	→	→
5 Borrowing Costs	●	→	→	→	→
9 Revenue from Exchange Transactions	●	→	→	→	→
11 Revenue from Construction Contracts	●	→	→	→	→
12 Inventories	●	→	→	→	→
13 Leases	●	→	→	→	→
14 Events after the Reporting Date			●	→	→
16 Investment Property				→	→
17 Property, Plant and Equipment	●	→	→	→	n/a ^f
19 Provisions, Contingent Liabilities and Contingent Assets	●	→	→	→	→
21 Impairment of Non-cash Generating Assets	●	→	→	→	→
23 Revenue from Non-exchange Transactions (Taxes and Transfers)		●	→	→	→
24 Presentation of Budget Information in Financial Statements ^g			●	→	→
26 Impairment of Cash Generating Assets	●	→	→	→	→
27 Agriculture		●	→	→	→
28 Financial Instruments: Presentation			●	→	→
30 Financial Instruments: Disclosure			●	→	→
31 Intangible Assets	●	→	→	→	→
32 Service Concession Arrangements: Grantor	●	→	→	→	→
39A Employee Benefits Part A	●	→	→	→	→
41 Financial Instruments			●	→	→
42 Social Benefits ^h		●	→	→	→
44 Non-current Assets Held for Sale				→	→
45 Property, Plant and Equipment ^f					→

Central Government Accounting Standard ^a	2024	2025	2026 ^b	2027	2028
46 Measurement					Implementation planned
50 Exploration for and Evaluation of Mineral Resources					Implementation planned
51 Tangible Natural Resources					Implementation planned

 Effective
  Transition period^h
 Implementation planned

Source: Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation

- Notes:
- a CGAS follow the same numbering convention as IPSAS so that clear alignment between both frameworks is maintained.
 - b The standards implemented in 2026 cover accounting periods on or after 1 January 2026.
 - c Effective for the National Training Fund, Social Insurance Fund, Climate Action Fund and Circular Economy Fund for the 2026 year of account and subsequent periods.
 - d Implementation by government departments and offices is deferred pending introduction of CGAS 1 Presentation of Financial Statements. A date for the introduction of CGAS 1 has yet to be proposed, therefore it is not included in the current planned framework of 29 standards.
 - e Vote 28 Foreign Affairs early-implemented the CGAS 4 requirements for the treatment of unrealised exchange rate differences for the 2024 year of account.
 - f It is planned to replace CGAS 17 Property, Plant and Equipment with CGAS 45 Property, Plant and Equipment. CGAS 45 will introduce new requirements including enhanced guidance on infrastructure assets, heritage assets and measurement methodologies which are unique to the public sector.
 - g Paragraphs 47 – 53 of CGAS 24 are deferred pending introduction of CGAS 1 Presentation of Financial Statements.
 - h CGAS 42 Social Benefits includes a transitional period for the 2025 year of account. The first reporting financial year will be 2026.

Annex 6B Temporary derogations for the CGAS, effective in 2025^a

Vote in receipt of derogation ^b	Standard	Date of derogation ^c	Proposed implementation date per 2025 derogation ^d	Previously proposed implementation date ^e
Vote 13 Office of Public Works	17 Property, Plant and Equipment	31 March 2026	2029	Within three years ^f
	21 Impairment of Non-cash Generating Assets	31 March 2026	2029	2025
Vote 21 Prisons	17 Property, Plant and Equipment	3 July 2026	2026	2025
	31 Intangible Assets	24 March 2026	2026	Not previously sought ^g
Vote 22 Courts Service	32 Service Concession Arrangements: Grantor	26 March 2026	2026	Not previously sought ^g
Vote 26 Education and Youth	17 Property, Plant and Equipment	31 March 2026	2027 ^h	2027
	32 Service Concession Arrangements: Grantor	31 March 2026	2026	Not previously sought ^g
Vote 27 International Co-operation	17 Property, Plant and Equipment	25 August 2026	2026	Not previously sought ^g
Vote 28 Foreign Affairs and Trade	17 Property, Plant and Equipment	25 August 2026	2026	Not previously sought ^g
Vote 29 Climate, Energy and the Environment	17 Property, Plant and Equipment	25 March 2026	2031	Within transition period ⁱ
Vote 30 Agriculture, Food and the Marine	17 Property, Plant and Equipment	27 March 2026	2027	2026
Vote 31 Transport	13 Leases	30 March 2026	2029	Not previously sought ^g
	17 Property, Plant and Equipment	30 March 2026	2029	Not previously sought ^g
Vote 33 Culture, Communications and Sport ^j	32 Service Concession Arrangements: Grantor	24 March 2026	2030	2028
Vote 34 Housing, Local Government and Heritage	17 Property, Plant and Equipment	26 March 2026	2029	2029
Vote 36 Defence	17 Property, Plant and Equipment	26 March 2026	2029	2029
Vote 45 Further and Higher Education, Research, Innovation and Science	32 Service Concession Arrangements: Grantor	3 September 2026	2027	Not previously sought ^g

Source: Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. Analysis by the Office of the Comptroller and Auditor General.

- Notes:
- a [Circular 19/2024 Central Government Accounting Standards 2025](#) requires accounting officers to 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.
 - b The derogation received may relate to one or more elements of the relevant standard.
 - c This reflects the date of the derogation letter issued by the Department of Public Expenditure.
 - d This is based on the detail included in the relevant derogation letter for the 2025 year of account, appropriation account or correspondence with the Department of Public Expenditure.
 - e This is the proposed implementation date published in the *Report on the Accounts of the Public Services 2024*, chapter 3, [Central government accounting standards](#).
 - f The Office of Public Works indicated, in its 2024 appropriation account, that full compliance with CGAS 17 was expected within three years.
 - g Although effective from 1 January 2024, derogation from this CGAS was not previously sought.
 - h The Department of Education and Youth has yet to undertake a project to determine the appropriate accounting treatment for schools built on patron-owned land. This derogation was granted on condition that a compliance plan for those schools will be prepared as part of that project.
 - i For the 2024 year of account, the Department of Public Expenditure indicated that the default position for implementation of CGAS 17 would be within the transitional period of five years from the effective date. However, it indicated that implementation of CGAS 17 by Vote 29 would become clearer in due course.
 - j For the 2024 year of account, the derogation was granted to the then Vote 29 Environment, Climate and Communications.