

The International Public Sector Accounting Standards (IPSAS) and the Government Accounting Conceptual Framework (MCCG) in Mexico.

Las Normas Internacionales de Contabilidad del Sector Público (NICPS) y el Marco Conceptual de Contabilidad Gubernamental (MCCG) en México.

Vázquez Cid de León Carlos¹, Montesinos González Salvador², Ramírez Castillo Eric Amín³, Vázquez Arango María de Lourdes⁴

¹University Technology of the Mixteca, carlosvazquezc@mixture.utm.mx

²University Technology of the Mixteca, smontesinos@mixture.utm.mx

³"Benito Juárez Autonomous University of Oaxaca", aminramirez@gmail.com

⁴"Benito Juárez Autonomous University of Oaxaca", mar.v.aa@hotmail.com

Abstract: This research shows an overview of the current state of government accounting in Mexico, its objective is to present generalities and particularities of both the International Public Sector Accounting Standards (IPSAS) as well as the Conceptual Framework of Government Accounting (MCCG), the harmonization of accounting in the international arena is very important, however it tends to be very broad, in the case of institutional collaborators they have to make use of this literature to comply with the law depending on the country in which that works, however an organizer is presented with the postulates and a route that synthesizes the theoretical content for its accounting application, from 2018 to 2021 there is current information to be applied in the work of presenting financial information, in this work a review was carried out This documentary is a descriptive research, the design was non-experimental-transversal, within the Results, a list of IPSAS and MCCG Postudalos is formulated.

Keywords: NICPS, MCCG, Government Accounting, Mexico.

Suggested citation (APA, 7th edition)

Vázquez, C. C., Montesinos, G. S., Ramírez, C. E. A., Vázquez, A. M. L. (2021) The International Public Sector Accounting Standards (IPSAS) and the Government Accounting Conceptual Framework (MCCG) in Mexico. *Journal of Business Management and Technology*, 5(6), 193-206.

I. Introduction

The International Federation of Accountants (IFAC) is the world organization for the accountancy profession, and according to IFAC (2020) it is in charge of issuing general application standards that each country assumes according to its characteristics, form of governments, accuracy of records, accountability and transparency. With these reports, the public sector seeks to improve the quality and transparency of its financial and accounting information, in order to have good bases for decision-making, reduce the level of corruption and keep citizens informed (Araya et al, 2016: 265).

It is important to know these standards, which can be consulted in the "Manual of Pronouncements of International Public Sector Accounting Standards" (IPSAS) their primary activities, serve the public interest. In the entities of this

sector, the control and protection of their assets through financial reports becomes relevant (Aversano et al, 2018: 1) IFAC provides leadership to the global accounting profession by serving the public interest through:

1. The development, maintenance, and promotion of global professional standards and a Code of Ethics for Professional Accountants of consistent high quality.
2. Encouraging the convergence of professional standards, particularly those of auditing, assurance, ethics, education, and standards for financial reporting; The search for continuous improvements in the quality of auditing and financial management;
3. Promoting the values of the accounting profession to ensure that this continually attracts high caliber beginners.
4. The promotion of compliance with the obligations of membership; and
5. Assisting emerging and developing economies, in cooperation with regional accountancy bodies and others, in establishing and maintaining a profession committed to quality performance and serving the public interest.

On the other hand, in Mexico, the General Government Accounting Law (LGCG) in its article 21 establishes that accounting will be based on a conceptual framework that represents the fundamental criteria for the elaboration of standards, the accounting, valuation and presentation of reliable financial information. and comparable to meet the needs of users and will allow it to be recognized and interpreted by specialists and stakeholders in public finance. Business operations support the economic system of regions and nations, but under a logical sense of commercial interrelationships, mastery of a financial accounting language is required for a full understanding that guarantees international negotiations based on unique financial information that reveals the true image business (De la Hoz, et. al, 2020, p. 294).

The conceptual framework is the base, it is the foundation, it could be said that it is the theoretical framework, something that we must be clear about is that it is a standard as such, the conceptual framework is the scheme, it is issued in order to establish the bases so that the governments: federal, federative and municipal entities comply with the obligations that it imposes on them, that is, here we can find that it defines, delimits, interrelates and integrates in a logical deductive way its objectives and foundations. In addition, it establishes the necessary criteria for the development of standards, valuation, accounting, obtaining and presentation of accounting, budgeting and economic information, in a clear, timely, reliable and comparable way, to satisfy the needs of users, defining the basic structure and main elements of the financial statements to be prepared, since this conceptual framework represents the fundamental concepts for the elaboration of standards, the accounting, valuation and presentation of reliable and comparable financial information to satisfy the needs of users and will allow it to be recognized and interpreted by specialists and interested in public finance.

The National Council for Accounting Harmonization (CONAC) issued the Government Accounting Conceptual Framework (MCCG), which develops the basic aspects of the Government Accounting System for public entities, becoming the theoretical reference that is composed of the following sections:

- I. Characteristics of the Government Accounting Conceptual Framework;
- II. Government Accounting System;
- III. Basic Postulates of Government Accounting;
- IV. Financial information needs of users;
- V. Qualities of the financial information to be produced;
- VI. Budgetary, Financial and Economic Statements to be produced and their objectives;
- VII. Definition of the basic structure and main elements of the financial statements to be prepared.

II. Reflection

2.1 Can public entities in countries with different economic contexts and forms of government adopt the same accounting standards?

According to (CONAC, 2008) due to economic duality, yes, the public entity must recognize in accounting, the representation of transactions and some other event that affects its financial situation, its composition by the resources allocated for the achievement of its purposes and by Its sources, according to the rights and obligations, is very similar to the case of ISO standards, which are generally elaborated universal.

2.2 What should a public official in our country know about International Accounting Standards?

International accounting standards must be adapted to company accounting, thus achieving greater transparency and comparability of the information to be used in financial markets, which will imply a competitive advantage for companies.

Concluding a public official in our country should know that the accounting operations of public sector organizations require standardization that some call harmonization in order to achieve a competitive advantage that allows transparency and analysis of the results of said organizations clearly and more easy, especially when it comes to cross-country, IPSAS sets the requirements for financial reporting by governments and other public sector entities that are not government business enterprises. These standards, according to Ablan (2013), establish “the requirements for the recognition, measurement, presentation and disclosure of transactions and events in general purpose financial statements” (p.224).

2.3 International Public Sector Accounting Standards IPSAS

International accounting standards applicable to public entities, the scope and importance of International Accounting Standards for the Public Sector IPSAS are applied by all entities belonging to the public sector, such as those central, regional, and local governments, and their entities such as ministries, administrative departments, public bodies, boards of directors and commissions, among others, except where otherwise stated. We need IPSAS to improve the quality and reliability of financial information presented by governments.

2.4 What is the use of international government accounting regulations in public entities?

The IPSAS are a set of standards both for the recording of economic events and for the presentation of Financial Statements, issued by the International Public Sector Accounting Standards Board, which is part of the International Federation of Accountants.

Its main objective of IPSAS is to provide public sector entities with useful information for decision-making and contribute to the transparency and accountability of the resources allocated, increasing both the quality and the detail of the financial information presented by the entities of the public sector of the different countries. For Rubio & Peña (2015: 627), access to quality information improves accountability and combats corruption in government. International regulations applicable to public entities.

Purpose of the International Public Sector Accounting Standards Council IFAC's mission, as stated in its constitution, is to serve the public interest, IFAC will continue to strengthen the accounting profession around the world and contribute to the development of strong international economies by establishing and promoting the observance of high-quality professional standards, promoting international convergence, and taking a position based on the public interest wherever the profession's specialization is most relevant.

The internal body of IFAC is in charge of issuing IPSAS is the International Public Sector Accounting Standards Board (IPSASB)¹.

Entities that intend to adopt the accrual basis of accounting in the future will find various IPSASB publications useful, specifically Study 14 "Transition to the Accrual (or Accrual) Basis of Accounting: A Guide for Governments and Government Entities", where establishes a guide for migration to the accrual registration system (IFAC, 2007).

Nature, scope and authority of pronouncements in the development of its standards, the IPSASB seeks input from its advisory group and considers and makes use of pronouncements issued by: The International Accounting Standards Board (IASB)², insofar as they are applicable to the public sector. The issuers of national standards, regulatory bodies and other bodies with regulatory capacity. Universities (Public, Private) Professional accounting bodies other organizations interested in public sector financial information; Public Interest Activities Committees the International Auditing and Assurance Standards Board (IAASB). International Accounting Training Standards Board (IAESB) International Ethics Standards Board for Accountants (IESBA) International Public Sector Accounting Standards Board (IPSASB).

Although the IPSASB recognizes the right of governments to establish accounting guidelines and standards for the presentation of financial statements, it openly promotes the adoption of the accrual system as the best mechanism to obtain more accurate information (Fuentes, 2008)

¹https://www.ifac.org/system/files/publications/files/A9-IPSASB-Conceptual-Framework_0.pdf

²<https://www.ifac.org/news-events/2009-03/las-normas-internacionales-de-contabilidad-para-el-sector-p-blico-revisadas-ya-s-e-encuentran>

The IFAC home page is <https://www.ifac.org/>, it requires registration to access the information, its contents are really enriching for users and interested parties, however the manuals are very robust, only volume 1 It has 1048 pages in which the 40 standards in force in 2018 are explained in a broad way, the IPSAS that will be addressed are 1, 2 and 4 as an example, below are the 40 IPSAS in table 1:

Table 1

IPSAS number and its international standard

No.	International standard
NICSP 1	Presentation of Financial Statements
NICSP 2	Statement of cash flows
NICSP 3	Accounting Policies, Changes in Accounting Estimates and Errors
NICSP 4	Effects of Variations in Foreign Currency Exchange Rates
NICSP 5	Borrowing Costs
NICSP 6	Consolidated and Separate Financial Statements
NICSP 7	Investments in Associates
NICSP 8	Participations in Joint Ventures
NICSP 9	Income from exchange transactions
NICSP 10	Financial Information in Hyperinflationary Economies
NICSP 11	Construction Contracts
NICSP 12	Inventories
NICSP 13	Leases
NICSP 14	Events Occurring after the Date of the Financial Statements
NICSP 15	Financial Instruments: Presentation and Disclosure
NICSP 16	Investment Properties General Directorate of Government Accounting
NICSP 17	Property, Plant and Equipment
NICSP 18	Financial Information by Segments
NICSP 19	Provisions, Contingent Liabilities and Contingent Assets
NICSP 20	Information to be Disclosed about Related Parties
NICSP 21	Impairment of Non-Cash-Generating Assets
NICSP 22	Disclosure of Financial Information on the General Government Sector
NICSP 23	Income from non-exchange transactions (Taxes and Transfers)
NICSP 24	Presentation of Budget Information in the Financial Statements.
NICSP 25	Employee Benefits
NICSP 26	Impairment of Cash-Generating Assets
NICSP 27	Farming.
NICSP 28	Financial instruments: Presentation
NICSP 29	Financial Instruments: Recognition and Measurement
NICSP 30	Financial Instruments: Disclosures
NICSP 31	Intangible assets
NICSP 32	Concession service agreements: Grantor
NICSP 33	First-time Adoption of Accrual Basis IPSAS
NICSP 34	Separate financial statements
NICSP 35	Consolidated financial statements
NICSP 36	Investments in associates and joint ventures
NICSP 37	Joint agreements
NICSP 38	Disclosure of interests in other entities
NICSP 39	Employee benefits
NICSP 40	Combinations in the public sector

Note. Compilation of all the NICCSP in Mexico and its international standard, Own elaboration.

2.5 The 3 IPSASs that are taken as an example to address:

In the group of characteristics found in the definitions of IPSAS 1, an economic entity is defined as "a group of entities that includes a parent and one or more controlled entities." It is at this point that it is understood that this standardization has a business influence, inasmuch as the controlling connotation is clearly used in business groups, which is already beginning to undermine a public interest of adequate income redistribution to improve living conditions in general, since a profit is started with this definition. (IPSASB, 2012, p.32)

2.5.1 IPSAS 1 Presentation of Financial Statements

OBJECTIVE: To ensure the comparability of the financial statements, both with those of previous years of the entity itself, and with those of other entities. Establish the minimum requirements on the content of the financial statements, the preparation of which is done by the accrual accounting method³.

SCOPE: IPSAS 1 is applicable in the presentation of all financial statements for general use. It is not applicable to interim financial information. It applies to both individual financial statements and consolidated financial statements. The Standard applies to all public sector entities, except Public Companies. Public Companies (SOEs) must comply with the International Accounting Standards (IAS) issued by the International Accounting Standards Committee (IASC today IASB).

DEFINITIONS: Accounting policies are the principles, methods, conventions, rules and practices, of a specific nature, adopted by an entity to prepare and present its financial statements. Accrual method is the accounting method by which transactions and other events are recognized when they occur (and not only when they are collected or paid in cash or its equivalent). Asset Associated Entity Economic entity Group of entities comprising the controlling entity and the controlled entities for the purpose of presenting financial information. An economic entity can include entities that have both commercial and social policy objectives. Borrowing costs Cash flow equivalents.

Consolidated financial statements Controlled Entity Control Distribution to Owners Equity Method Expenses Fair Value is the amount for which an asset could be exchanged or a liability settled, between interested parties who know about the matter, act of good will and do so in a free transaction market.

2.5.2 IPSAS number 2 Statements of Cash Flows

OBJECTIVE: Provide information on the changes produced in the cash and cash equivalents of an entity, through the use of a statement of cash flows that classifies the flows produced during the year by the entity's operating, investing and financing activities⁴.

SCOPE: Information on cash flows may be useful to assess the entity's compliance with laws and regulations (including with respect to authorized budgets, where applicable) and to make decisions for the purpose of providing resources or not to another entity or to enter into transactions with it or not.

DEFINITIONS: Cash, cash and demand deposits. Cash flows are the inflows and outflows of cash and cash equivalents. Cash equivalents are short-term, highly liquid investments [temporary investments] that are easily convertible to known amounts of cash. Classification of the statement of cash flows Operating Activities Degree to which the entity's operations are financed by: taxes (directly and indirectly) or the recipients of the goods and services supplied by the entity. Investing Activities Separately disclose the flows from investing activities. They show the degree to which they have served to create the resources with which it is planned to contribute to the provision of the entity's future services. Financing Activities Separately disclose the flows from financing activities in order to predict the demand for future cash flows with which to serve the entity's capital providers.

2.5.3 IPSAS Number 4 Effects of Changes in Foreign Currency Exchange Rates

³How to consult IPSAS 1 en <https://www.ifac.org/system/files/publications/files/nicsp-01-presentaci-e.pdf>

⁴How to consult IPSAS 2 in <https://www.ifac.org/system/files/publications/files/nicsp-02-estados-de-fluj.pdf>

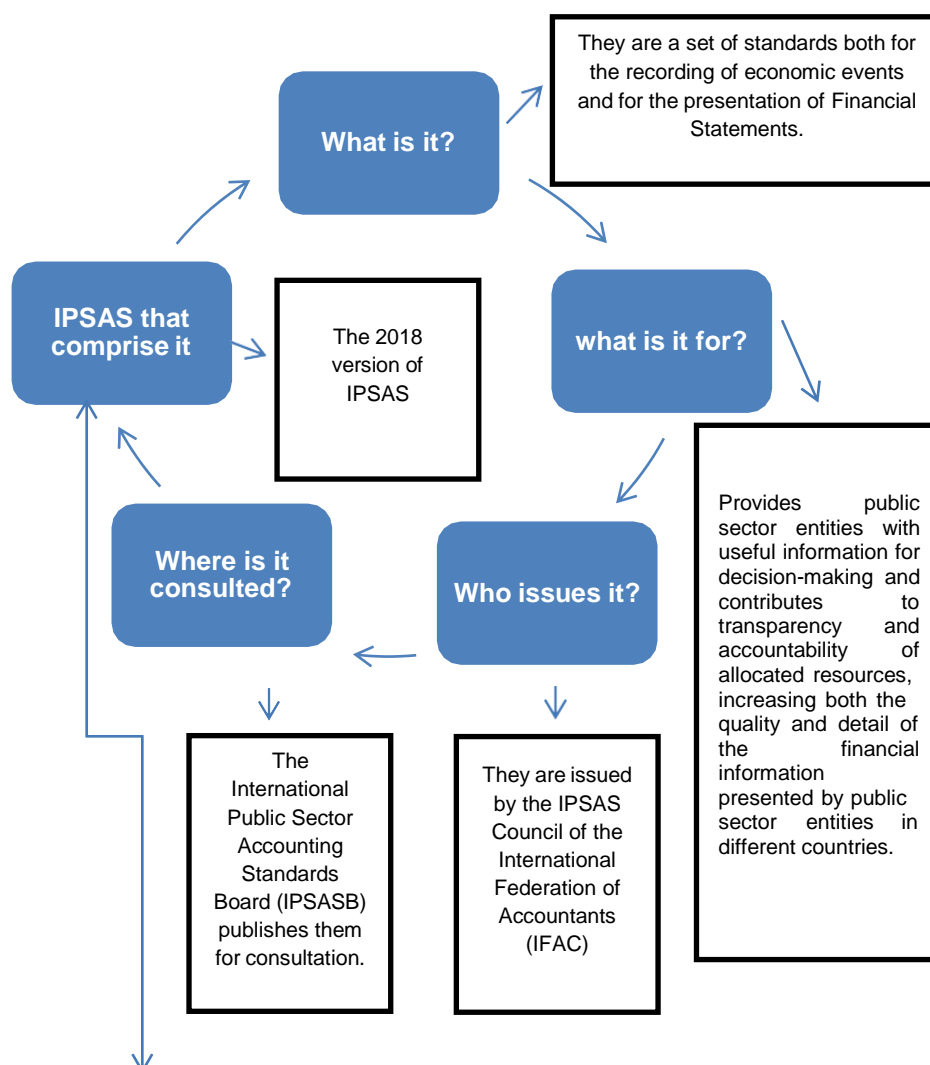
OBJECTIVE: Transactions should be expressed in the entity's presentation currency and financial statements of foreign operations should be translated into the entity's presentation currency. The main problems consist of deciding the exchange rate to use and how to recognize the financial effect of changes in exchange rates in the financial statements⁵.

SCOPE: This Standard does not deal with the hedge accounting treatment for foreign currency items, with the exception of exchange differences of obligations in foreign currency. This Standard does not deal with the expression of the financial statements of an entity that passes said statements from their presentation currency to another currency of convenience.

DEFINITIONS: Closing rate: it is the cash exchange rate in effect on the date of presentation. Consolidated financial statements: correspond to those of an economic entity, which are presented as those of a single entity.

Figure 2

Mind map of the 3 Selected IPSASs, own elaboration, with data from IFAC 2018 ^{6,7y8}.



⁵ Available in https://www.coneval.org.mx/rw/resource/coneval/med_pobreza/Banco_mundial/Nota9.pdf

⁶ http://www.ifac.org/system/files/publications/files/Vol1_L.pdf

⁷ http://www.ifac.org/system/files/publications/files/Vol2_L.pdf

⁸ http://www.ifac.org/system/files/publications/files/Vol3_L.pdf

IPSAS 1 Presentation of Financial Statements: This standard shall apply to all general purpose financial statements that are prepared and presented on an accrual basis in accordance with IPSAS.

IPSAS 2 Cash Flow Statements: The entity that prepares and presents statements on the accrual (or accrual) accounting basis, must prepare a cash flow statement, in accordance with the requirements established in this Standard.

IPSAS 4 Effects of Changes in Foreign Exchange Rates: When accounting for transactions and balances in foreign currency, except for transactions and balances with derivatives that are within the scope of IPSAS 29

Note. Mind map of the 3 Selected IPSASs, own elaboration, with data from IFAC 2018.

2.6 Is the Conceptual Framework of Government Accounting the only reference for accounting harmonization?

According to what was investigated, it is not the only reference, for example, there is a history that this MCCG had six sections, today it has seven, the OECD ⁹It has participation for what can be considered an international benchmark with constant changes, for example the Government Accounting Conceptual Framework is the basis of the Government Accounting System for public entities. It is the theoretical reference that defines, delimits, interrelates and integrates in a logical - deductive way its objectives and foundations, also, conceived as the series of concepts necessary for the elaboration of norms, the accounting, the valuation and the presentation of financial information, It is in article 21 of the LGCG where the Conceptual Framework of Government Accounting is based.

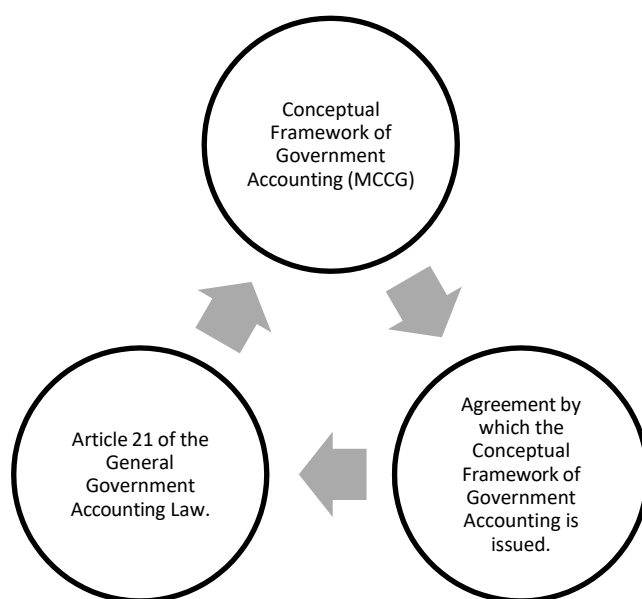
2.7 How does the Conceptual Framework impact on the execution of the accounting records of public entities?

In Mexico it has been transcendental, it is necessary that those interested in working in public entities (in the areas of Budgets, Treasuries, Financial Directorates, Planning and Evaluation) keep in mind the legal and technical requirements that allow them to comply with the processes of accountability, oversight and transparency. The essential elements, the accounting technique supported by the Conceptual Framework of Government Accounting and the Basic Postulates of Government Accounting; since they lead to the timely, truthful and reliable generation of reports, reports and financial statements that guarantee the results of the financial management carried out by the agencies and entities that make up the Federal, State and Municipal Public Administration, as suggested in the article by Black, Christensen, Taylor &Schmardebeck (2016), which focuses on the management of real income as an increasingly common method of manipulating financial results.

⁹ OCDE (2016), Principios de Gobierno Corporativo de la OCDE y del G20, Éditions OCDE, Paris.
<http://dx.doi.org/10.1787/9789264259171-es>

Figure 2

Review of content and theoretical resources



Note. Own elaboration with IFAC data.

2.8 How does the MCCG influence accounting harmonization?

The MCCG is based on the Accounting Law, which grants CONAC the attribution of being the coordinating body for the harmonization of government accounting, aiming at the issuance of accounting standards and guidelines for the generation of financial information to be applied by the public entities.

2.9 Government Accounting

Government accounting is the method that systematically investigates the operations carried out by the agencies and entities of the public administration, also provides financial, budgetary, programmatic and economic accounting information, complete and in a timely manner to support the decisions of officials of public entities, in its different areas and phases of the production process.

2.9.1 Objectives of Government Accounting

1. Show accountability to make known to the general public, the patrimonial and budgetary situation of the State through the General Account of the Republic.
2. Analyze the efficiency of the management and the effectiveness of the entity's programs.
3. Ensure compliance with the Law in the budget execution and in general of the different transactions carried out by the governmental entity. According to (Quintero & Mesa, 2019) in the process of preparing the consolidated financial statements for the Public Sector, the homologation of accounting policies between the controlling entity and its subsidiaries is required.
4. Guide administrative management to ensure the efficient use of State resources.
5. Measure the progress and fulfillment of the Government's goals, as well as the distribution and social impact of the origin and application of public resources.

According to (GovMex, 2019) The SCG is made up of the set of records, procedures, criteria and reports structured on the basis of common technical principles aimed at capturing, valuing, registering, classifying, reporting and systematically interpreting transactions, transformations and identifiable and quantifiable events that, derived from economic activity and expressed in monetary terms, modify the economic, financial and patrimonial situation of public entities in particular and of public finances in general. The SCG, of public entities, must record in a harmonious, delimited and specific way the budgetary and accounting operations derived from public management, as well as the

Economic Flows ¹⁰ . Likewise, it must periodically generate useful, reliable, relevant, timely, understandable and comparable financial statements, expressed in monetary terms, to avoid the process of manipulating accounting information, since it can take advantage of the gaps in the regulations and of the possible choices between different valuation practices that it offers, to transform the accounts and the process by which the transactions are structured; so that the preferred accounting results are produced (Solá, 2019), or to depress them in search of benefits such as tax that would constitute fraud (Castro, 2020).

2.10 Relationship between Accounting, Accountability and Inspection

They are related in an important way when we see it from the accounting perspective of the national budget that was later called the Accounting Office of the Treasury, as an entity that in some way would make its functions of monitoring the common heritage more formal, and that the accounts were given. of the application of the budget in a clear way. It is worth mentioning that for the efficient rendering of clear accounts as a central activity of the Federation's supervisory entity, it is part of an official structure as follows: It depends centrally on the oversight commission of the Superior Audit of the Federation of the Chamber of Deputies, and at the same level and in a coordinated manner the Superior Audit of the Federation who have at a lower level a board of directors with their advisers as staff, and on the one hand the Technical Secretary depends and on the other the Evaluation and control unit (Zamorano, 2007).

2.11 Needs covered by Government Accounting

Accounting objectives focus on the common needs of users to weigh or evaluate the entity's ability to generate cash flows. Investors, creditors, and others use reported earnings to assess prospects for cash flows.

Financial information needs of users.

Given the importance of the information issued by the government sector, there are several agents interested in knowing it, such as:

The H. Congress of the Union and the legislatures of the Federative Entities of the States, who require said information to be able to know, review and approve the public budget and the public account.

The Superior Audit of the Federation (ASF), state control entities and internal control bodies, who personally we can say, are among the most interested in knowing the information generated, since they are in charge of the review and control of such information.

As mentioned (Sandoval, 2009), the ASF has played an important role in the construction, development and improvement of the control of federal public resources in our country. Over time, the work and efforts of the ASF have earned it the recognition of being one of the most effective institutions of the Mexican State for its transparent, objective, quality results that are increasingly close and understandable to Mexican society. .

The same public entities, because through knowledge of the information they can evaluate and control their own operations. This information makes it easier for them to keep an internal control that allows them to optimize the use of resources. In the same way, the information allows you to prepare the statements and reports that you have to present to the supervisory body.

Credit institutions, which provide financing to entities, since by knowing that information, they can evaluate the credit quality of said entity.

The general public, which in our point of view, should be the most interested in such information, since it would allow them to know how the resources that they contribute to the federation through their taxes are being used.

2.12 Accounting harmonization in Mexico

The need for accounting harmonization has been the subject of discussion for several years, as demonstrated in various working groups established since 1998 and in the 2004 National Tax Convention, in which it was agreed, among other things, to seek to harmonize and modernize accounting systems. accounting information for the three areas of government. However, little concrete progress was made until the approval of the 2007 tax reform, which led to the 2008 constitutional reform that empowered Congress to pass laws on government accounting that guarantee its harmonization at the national level.

¹⁰https://www.gob.mx/cms/uploads/attachment/file/471840/MCGPEF_2019_03_II_Aspectos_Generales.pdf

Consequently, that same year the General Government Accounting Law (LGCG) was issued, which entered into force on January 1, 2009. With the LGCG, the regulatory framework for public financial information in Mexico takes a qualitative leap that influences In the operation of accounting harmonization in Mexico, the MEFP adopts the Classification of Government Functions, developed by the Organization for Economic Cooperation and Development (OECD).

III. Methods

This is a descriptive research, the design was non-experimental-transversal according to (Rodríguez, Ramírez, Carmona and Ibáñez, 2021). The methodology used consisted, similarly to that of (Hollander & Morales, 2017) in the revision of some standards, which will be presented as examples, looking for the options that existed to give an explanation in one way or another, as well as concepts that suggest subjectivity on the subject. part of the accountant, when recognizing, evaluating or disclosing financial information This work did not pretend to make an exhaustive review of each standard, much less to compare the NICPS with the MCCG, but to teach the reader graphically and verbatim how international accounting is structured in Mexico .

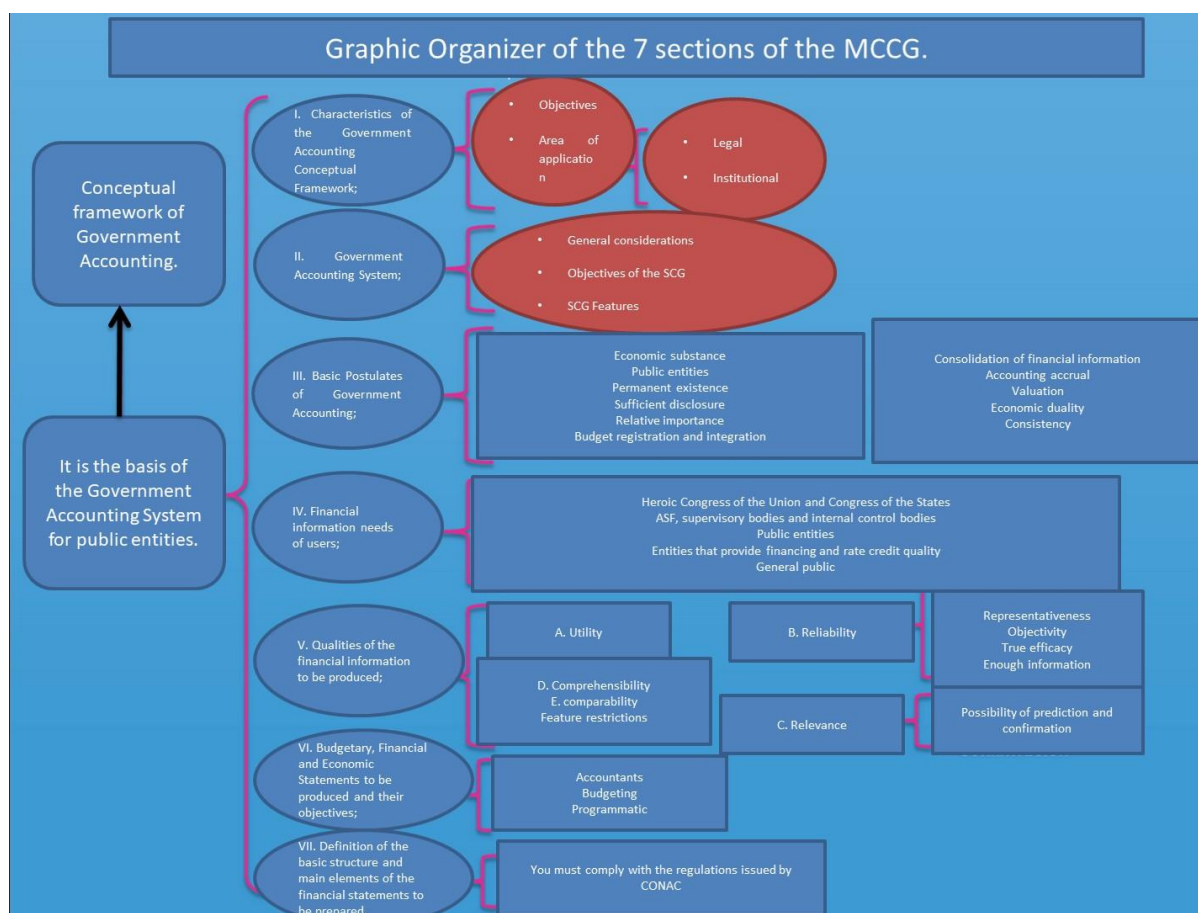
IV. Results

In the case of Mexico, there is CONAC, which issued the Government Accounting Conceptual Framework (MCCG), which develops the basic aspects of the Government accounting system for public entities. The MCCG is based on the Accounting Law, which grants CONAC the attribution of being the coordinating body for the harmonization of government accounting, aiming at the issuance of accounting standards and guidelines for the generation of financial informa

tion to be applied by the public entities.

Figure 2

Mind map of the graphic organizer of the seven sections of the MCCG.



Note. Own elaboration with data from the MCCG of Mexico.

Table 2

Postulates and important content

Applications and important content	
I. Characteristics of the Government Accounting Conceptual Framework;	A) .- objectives of the MCCG has as purposes 1) .- Establish the essential attributes to develop the government accounting regulations; 2) .- Reference the application of the registry in operations and transactions that can be valued and quantified; 3) .- Provide the essential concepts that govern government accounting, precisely identifying the bases that support it; 4) .- Harmonize the generation and presentation of financial information, which is necessary for: a.- To render accounts in a truthful and timely manner; b.- Interpret and evaluate the behavior of public management; c.- support decision-making; and d.- support in the inspection tasks.
II. Government Accounting System;	B) .- Objectives of the SCG a) Facilitate decision-making with accurate, timely and reliable information, aimed at optimizing the management of resources; b) Issue, integrate and / or consolidate the financial statements, as well as produce reports of all the operations of the public administration; c) Allow the adoption of policies for the efficient management of spending, aimed at fulfilling the aims and objectives of the public entity; d) Record in an automatic, harmonious, delimited, specific and real-time accounting and budgeting operations, thus promoting the single, simultaneous and homogeneous record; e) Address information requirements of users in general on public finances; f) Facilitate the recognition, registration, monitoring, evaluation and inspection of income, expenses, assets, liabilities and patrimonial operations of public entities, as well as their extinction; g) Provide technical-documentary support to financial records for their monitoring, evaluation and inspection; h) Allow effective transparency in accountability.
III. Basic Postulates of Government Accounting;	1) Economic substance is the accounting recognition of transactions, internal transformations and other events that economically affect the public entity and delimit the operation of the Government Accounting System (SCG). 2) Public entities the executive, legislative and judicial powers of the federation and the federative entities; the autonomous entities of the federation and the federative entities; the town councils of the municipalities; the political-administrative bodies of the territorial demarcations of Mexico City; and the entities of the parastatal public administration, whether federal, state or municipal.
IV. Financial information needs of users;	a) The H. Congress of the Union and the legislatures of the federative entities of the States that require financial information to know, review and, where appropriate, approve the public budget and the public account; b) The Superior Audit of the Federation (ASF), state control entities, and internal control bodies for the purposes of review and control of financial information; c) Public entities, to carry out the evaluation, monitoring and internal control of their operations; as well as preparing statements, reports and reports in order to know their accounting and budgetary situation in the efficient use of public resources, safeguarding public assets, rendering accounts and setting public policies; d) Entities that provide financing and that rate the credit quality of public entities; e) The general public that requests information on the accounting and budgetary situation of public entities.
V. Qualities of the financial information to be produced;	The attributes and indispensable requirements that the accounting and budgeting information must meet in the governmental sphere; same that are observed in the preparation of financial statements. They establish a guide to select:

<p>VI. Budgetary, Financial and Economic Statements to be produced and their objectives;</p>	<p>1) .- The accounting methods, 2) .- Determine the information to be disclosed in said statements, 3) .- Meet the objectives of providing useful information to support decision-making; 4) .- As well as facilitating monitoring, 5) .- Control, 6) .- Evaluation, 7) .- Accountability and 8) .- Supervision of public resources by the bodies empowered by law to carry out said chores.</p> <p>Objectives 1) .- Expenditure by program category 2) .- Investment programs and projects 3) .- Results indicators C) .- Program information VI.- Budgetary, financial and economic statements 1) .- Complementary information to generate the national accounts and meet other requirements from international organizations of which Mexico is a part. D) .-Complementary information</p>
<p>VII. Definition of the basic structure and main elements of the financial statements to be prepared.</p>	<p>a) In the financial statements reflect: Assets, liabilities and patrimony or Public Finance, and those originated by patrimonial modifications. The rights and obligations should be distinguished considering their short and long-term realization, including those owned or in charge of the government, and those that for any circumstance are in their charge or custody. It corresponds to disclose, through the notes to the financial statements, the assets and liabilities whose amount is uncertain or is subject to a future condition that must be confirmed by a subsequent legal act or by a third party. If the event is quantifiable, it will be recorded in memorandum accounts for control purposes until it affects the financial situation of the public entity. The income and expenses derived from the exercise and execution of public budgets will be presented.</p> <p>b) In the budget statements reflect: The income derived from the application of the Income Law, considering mainly the figures that show the estimated, modified, accrued and collected, their difference and sections of the different fractions indicated in the mentioned law, the income derived from the final result of financing operations, applying the limits and fractions of the income law, the expenses derived from the exercise of the expenses budget, presenting the different stages such as: approved, modified, committed, accrued, exercised and paid. Said information should allow presentation by different levels of aggregation.</p>

Note. Own elaboration with data from the MCCG of Mexico.

4.1 IPSAS (1,2 and 4) taken as examples

IPSAS 1 Presentation of Financial Statements: Examples of this type of user are taxpayers and fees, members of legislative bodies, creditors, suppliers, the media, and workers. Financial statements for general information purposes are those that are presented separately, or within another public document, such as the annual report. This Standard does not apply to intermediate information that is presented in an abbreviated or condensed form.

IPSAS 2 Statements of Cash Flows: In order to sustain the activities of the entity, it is necessary that users acquire the due understanding about the dates on which the cash flows occur and the degree of relative certainty of their appearance. The objective of this Standard is to require entities to provide information about historical movements of cash and the cash equivalents it holds, by presenting a statement of cash flows, classified according to whether they come from operating, investing and financial activities. financing. Considering that business economic results represent a transcendental source of information for its stakeholders, about the processes and activities of its management, it is required that they be faithfully supported in real numbers (Blazek, Durana, and Valaskova, 2020).

IPSAS 4 Effects of Changes in Foreign Exchange Rates: In certain derivatives in foreign currency embedded in other contracts), fall within the scope of this Standard. In addition, this Standard applies when the entity converts amounts related to derivatives from its functional currency to the presentation currency.

V. Conclusion

It is necessary to study and master the basic postulates, since as its name indicates it is the basis to start from this point and together with the conceptual framework it must always be taken when carrying out an operation that affects public entities and is It is also very important to know how the economic activities carried out by our government are counted, the way that resources are counted and how that control over public resources is carried out, derived from the presence of transparency. To reduce corruption, it is necessary that citizens have greater access to public information to know how, when and where public resources are used, which contributes to achieving transparency in their use and thus being able to evaluate the performance of federal, state and municipal governments. Besides that it is very interesting to know that it differs from the accounting that is normally known and that is practiced in private entities.

It is extremely important to know the approvals between laws, their applications, their contents by operating rules and validity, as long as there is a domain and application of municipal, state, national and international laws, it is possible to interact and collaborate effectively as civil servant or public servant, in the accounting field, extensive experience is required when we see political changes such as those that Mexico and the United States of America are experiencing, we observe a manufacturing country against a consumerist country, which is why in this research work reference is made between these two countries, considering that it is the main client of Mexico and in turn neighboring country, it is required as tacit knowledge and to the extent that we use primary (scientific) sources of information despite multiple adjustments, adaptations and even , reforms to the various tax laws and important changes in the administration of taxes, the r In relation to the Gross Domestic Product (GDP), the tax burden or pressure has remained relatively stable in the last fifty years, which requires excellent harmonization considering that the United States of America is the world leader and we need to reduce as much as possible the possible Conflicts in the accounting field and its governing laws, on the other hand, seeing the comparisons with China and Argentina and their socialist tax system with aliquots ranging from 14 to 25% is a big difference with Mexico and the United States of North America.

References

- [1.] AblanBortone, Nayibe Carolina (2013), Las Normas Internacionales de Contabilidad para el Sector Público(NICSP): una revisión de los aspectos clave a considerar y de la situación en Venezuela, *Visión Gerencial*, número 2, Venezuela, Universidad de los Andes, pp 221-240.
- [2.] Araya, Carlos, Caba, María, &López, Aantonio (2016), The convergence of the Central American countries to International Accounting Standards.*RevistaAdministraciónPública*, 50(2), 265-283.
- [3.] Aversano, Natalia, Christiaens, Johan &Van, Tine (2018), Does IPSAS MeetHeritage Asstes' User Needs? *InternationalJournal of Public Administration*,1-10. doi:<https://doi.org/10.1080/01900692.2018.1433205>
- [4.] Blazek, R., Durana, P. y Valaskova, K. (2020). Creative Accounting as anApparatus for Reporting Profits inAgribusiness.*Journal of Risk andFinancial Management*, 13(11),261.<https://doi.org/10.3390/jrfm13110261>
- [5.] Castro Solórzano, Y. C. (2020). Contabilidad creativa, una puertaabierta a la corrupción: aproximacióna partir de la percepción de tresprofesionales en contaduría de la Universidad Nacional deColombia, sede Bogotá. *Apuntes Contables*, (27), 11-31. <https://doi.org/10.18601/16577175.n27.02>
- [6.] CONAC, (2008): Consejo Nacional de Armonización Contable, https://www.conac.gob.mx/work/models/CONAC/normatividad/NOR_01_01_001.pdf
- [7.] Fuertes, I. (2008). Towards harmonization or standardization in governmental accounting?The International Public Sector Accounting Standards Board Experience. *Journal of Comparative Policy Analysis: Research and Practice*, 10(4), 327-345.
- [8.] International Federation of Accountants (IFAC) (2007), Manual of Standards Board Pronouncements of the International Public Sector Accounting, Nueva York, EUA [consultado 30 Jun 2010]. Disponible en: Disponible en: <http://web.ifac.org/publications/international-public-sector-accounting-standards-board/2007-handbook-spanish-ver#2007->
- [9.] IFAC, (2020): Federación Internacional de Contadores <https://www.ifac.org/>

- [10.] IPSASB. (2012). Normas Internacionales de Contabilidad del Sector Público. Londres.
- [11.] Hollander-Sanhueza, R. & Morales-Parada, F. (2017). Una mirada al fenómeno de la contabilidad creativa desde las NIIF y las NICSP. *Perspectiva Empresarial*, 4(1), 85-94. <http://dx.doi.org/10.16967/rpe.v4n1a6>
- [12.] Black, E., Christensen, T., Taylor, T., & Schmardebeck, R. (2016). The Relation between Earnings management and Non-GAAP Reporting. *Contemporary Accounting Research*.
- [13.] Rubio, Jesús & Peña, Victor. (2015), Implementación de políticas públicas de transparencia. El caso de las unidades de enlace en Coahuila, México. *Revista Venezolana de Gerencia*, 20(72), 612-629.
- [14.] Quintero, Dora P. & Mesa, Gloria S. (2019). Homologación de políticas contables para consolidación de estados financieros del sector público. *Revista Venezolana de Gerencia*, 24 (2), 393-408.
- [15.] De la Hoz, S. A., Díaz, A. R., & Escorcía, G. J. (2020) Normas Internacionales de Información Financiera: aplicación del estándar a las operaciones empresariales en Colombia. *Revista Venezolana de Gerencia*, 25 (89), 294-311.
- [16.] Rodríguez, B., Ramírez, F., Carmona, E., y Ibáñez, N. (2021). Competencias culturales de migrantes y su integración laboral. *Negotium Revista Científica Electrónica de Negocios*, 48(6), 45- 59. <http://doi.org/10.5281/zenodo.4765340>
- [17.] Sandoval, Irma Eréndira, “Nuevos retos para la Auditoría Superior de la Federación”, en Ackerman, John M. y Astudillo, César (coords.), *La autonomía constitucional de la Auditoría Superior de la Federación*, México, UNAM, Instituto de Investigaciones Jurídicas, 2009, p. 243; Merino, Mauricio, *Informe sobre la evolución y el desempeño de la Auditoría Superior de la Federación*, México, Cámara de Diputados, CIDE, 2009, pp. 52-56.
- [18.] Solá, J. (2019). Evaluación literaria sobre contabilidad creativa aplicada a las NIIF. *Podium*, 35, 23–42. <http://doi.org/10.31095/podium.2019.35.2>
- [19.] Zamorano J. (2007) Fiscalización y rendición de cuentas, la entidad fiscalizadora en el país, recuperado en <https://www.uaeh.edu.mx/scige/boletin/prepa4/n1/e3.html>