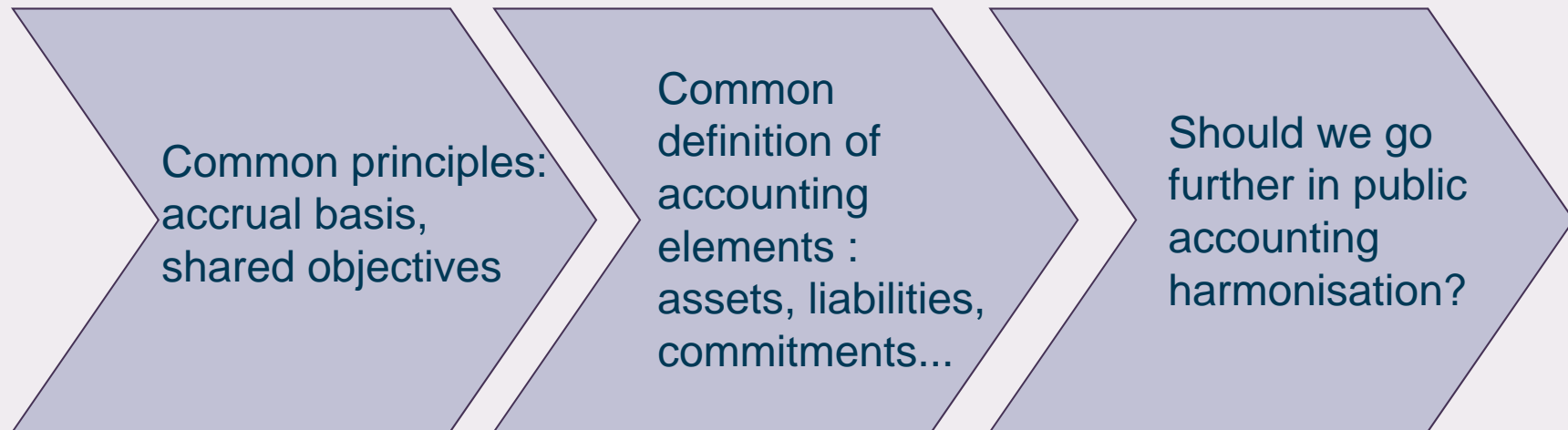




# Debate on European harmonisation and IPSAS



## A realistic and staged approach for EPSAS



## The illusion of a fast implementation of IPSAS

The implementation of IPSAS seems irrelevant.

These standards are not adapted to the specificities of public sector.

- Topics covered by IPSAS, which are suitable for France, are minor issues ;
- In contrast, the specificities of the public entities are not addressed in IPSAS.

## Expenses and incomes

- Lack of expense standard
  - European Union had to create its own standard (*European Union accounting rule 3: “Expenses and Payables”*)
  - No dedicated IPSAS applies to transfer expenses
    - *However, transfer expenses are one of the specificities of the States, especially in interventionist States (40% of expenses in France’s surplus/deficit statement)*
  - Social benefits : no dedicated standard
    - *Yet, transfer expenses and social benefits account for nearly 50% of European gross domestic product in 2011*
- Revenue from non exchange transaction: IPSAS 23 unsuitable
  - balance sheet approach is irrelevant for central governments and inconsistent with IPSAS 9

## Liabilities

### Financial instruments

IPSAS 28, 29, 30 are extremely complex. They are not adapted to the financial operations of public sector in France.

### Public servants' pensions

French pensions plans are funded on a "pay-as-you-go" basis. However, IPSAS 25 does not develop enough this pension plan.

## About consolidation

DGFIP 's  
view about  
the  
consolidation  
package  
  
(IPSASB  
public  
consultations  
ED 48 to 52)

What are the objectives and the meaningfulness of the consolidated financial statements in the public sector environment?

What is a “reporting entity” in the French public sector?

The control's criterion is not sufficient to determinate the consolidation's scope

## About consolidation

Preparation of consolidated financial statements for each government sub-sector would be more appropriate, and consistent with GFS

central  
government  
and its public  
bodies

social security  
organisations

local authorities  
and public  
hospitals

**Thank you very much for your attention.**

