



Federation of European Accountants
Fédération des Experts comptables Européens

INFO

Standing for trust and integrity

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Transparency essential in the Public Sector

Brussels, 18 March 2010 – FEE (Fédération des Experts-comptables Européens – Federation of European Accountants) alerts accountants in the public sector and other stakeholders of the importance of transparency and fair reporting by the public sector preparer organisations. In two Policy Statements, FEE sets out the impacts of the crisis on public sector reporting and the role accountants in the public sector play and sheds light on the key concepts and criteria commonly used for performance information in the public sector.

The first of these Policy Statements, “**Accountants in the public sector and the crisis**”, focuses on the challenges in public sector reporting and accounting of the serious measures governments of Member States have had to take. Member States have been affected in various ways and to different degrees. Transparency requires that the accounts prepared after such measures help stakeholders and citizens understand the ‘true and fair’ effect of those crisis measures on the individual countries.

The second of these Policy Statements, “**Choosing the Right Performance Information**”, underlines the importance of performance information that indicates how well an organisation is performing against its objectives. Good performance information helps identifying what policies and processes work and why they work. With appropriate information, Parliament, members of the public and other stakeholders are able to exert pressure for improvements and understand better the issues involved. Performance measures should be based on the strategic objectives of the organisation. Performance measures should aim to measure what the organisation is trying to achieve.

FEE President, Hans van Damme, observed: “Recent developments have shown the importance of transparency and comparability of government accounts and reporting. FEE calls for a broad discussion on the need for common and transparent public sector reporting standards in Europe and consideration of the role International Public Sector Accounting Standards (IPSAS) could play in this respect. FEE believes that accountants in the public sector have an important responsibility to ensure that the financial effects of the measures taken to address the crisis are accounted for and reported on transparently so as to inform stakeholders and the public. This would also allow the financial implications of the crisis to be assessed.”



Caroline Mawhood, Chair of the FEE Public Sector Committee, emphasized that "The accountant in the public sector is key to ensuring that the financial effects of the crisis are properly reported. The accountant in the public sector can assist in identifying and preparing performance measures, particularly those with financial implications, against which an organisation or individual can be assessed. The accountant, when acting as auditor, can help to assess the actual performance against the target or measure and help to identify ways to improve the measure or the performance itself. The objective is to develop and achieve the best performance measure for the benefit of the organisation or individual."

Olivier Boutellis-Taft, FEE CEO, underlined: "The crisis has highlighted the importance of transparency and fair and meaningful reporting in both the private and public sector. Providing the proper performance information helps in getting a clear picture of the situation and a balanced view of the work of the whole organisation. Performance information system should be part of the organisation's management systems – not an add-on."

– ENDS –

NOTES FOR EDITORS

1. These policy statements can be downloaded from the FEE website:

http://www.fee.be/publications/default.asp?library_ref=4&content_ref=1237
http://www.fee.be/publications/default.asp?library_ref=4&content_ref=1236

2. Policy statements issued on the crisis:

- I. Reflecting on the Crisis
- II Matters of Specific Relevance for Statutory Auditors during the Financial Crisis
- III Call for Action for European SMEs
- IV Dynamic Provisioning for Financial Instruments
- V Shaping a Sustainable Economy
- VI Key Issues for Management and Auditors for the 2009 Year-end Financial Reporting

These policy statements can be downloaded from the FEE website:

http://www.fee.be/publications/default.asp?library_ref=4&category_ref=235&private=False

About FEE

FEE (Fédération des Experts comptables Européens - Federation of European Accountants) represents 43 professional institutes of accountants and auditors from 32 European countries, including all 27 EU Member States.

In representing the profession, FEE recognises the public interest. FEE has a combined membership of more than 500.000 professional accountants working in different capacities in public practice, small and larger firms, business, public sector and education, who all contribute to a more efficient, transparent, and sustainable European economy.

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