



FEE Public Sector Roundtable  
Going for Governance: EU standard-setting for public sector accounting  
Brussels, 22 January 2014

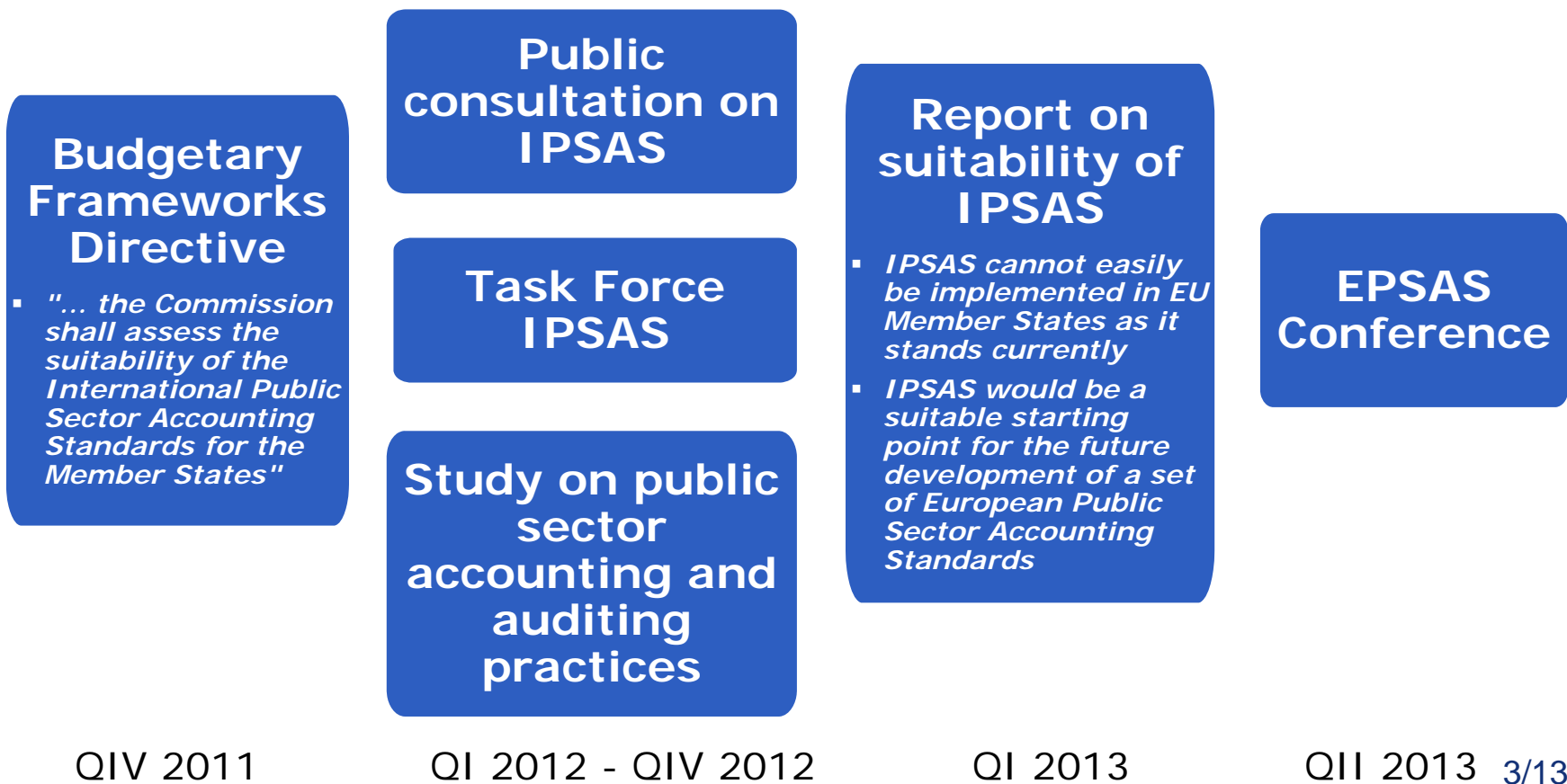
Eurostat's proposal for the EPSAS governance model

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## Eurostat's proposal for the EPSAS governance

- I – Study on the suitability of IPSAS
- II – Next steps of EPSAS project
- III – EPSAS governance structure (possible)
- IV – EPSAS governance – principles
- V – EPSAS governance – The GAB (optional)
- VI – EPSAS governance – The TAG (optional)
- VII – EPSAS: What it is and what it isn't

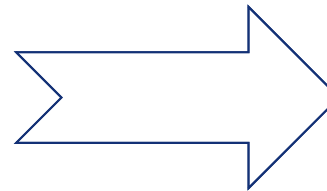
## I – Study on the suitability of IPSAS: Retrospective



## II – Next steps of EPSAS project

Outputs from:

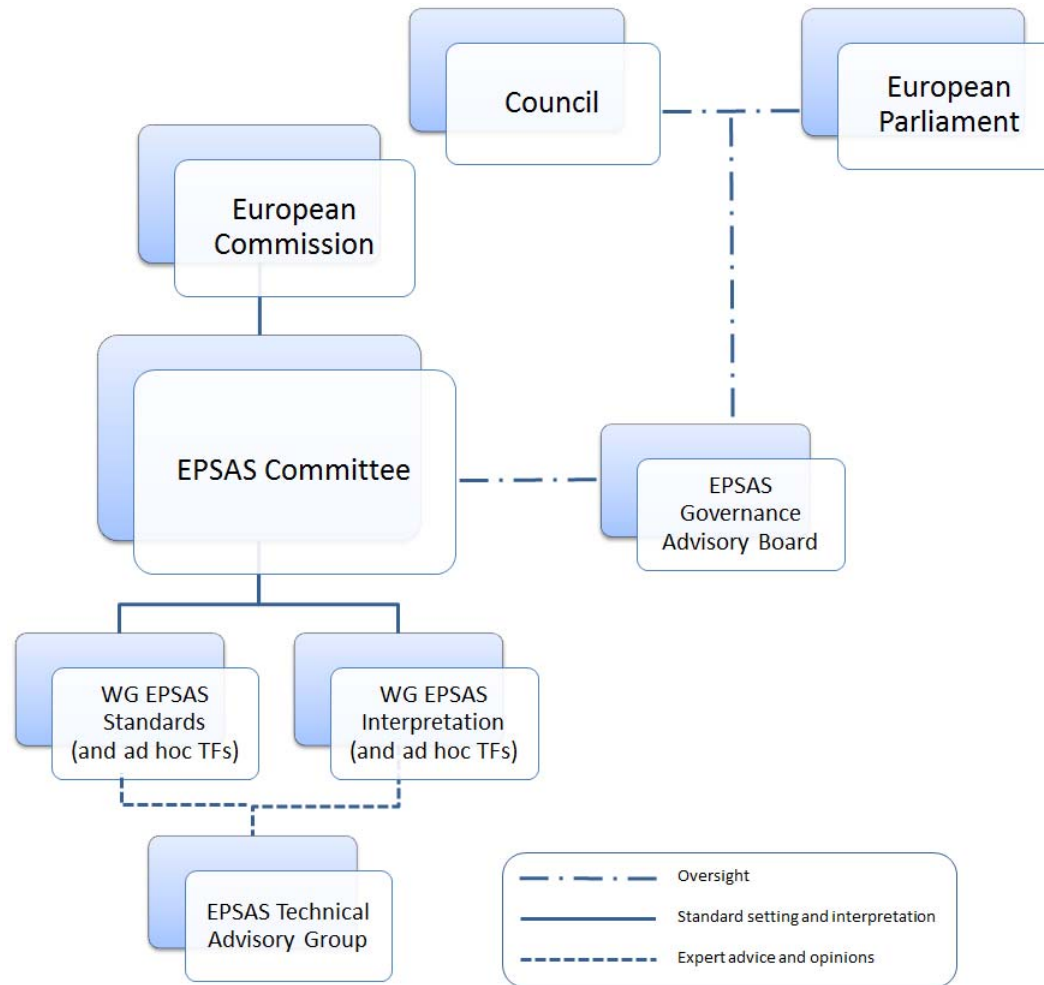
- TF EPSAS Governance
- TF EPSAS standards
- Public consultation on EPSAS Governance
- External study (PwC)



Commission  
Communication

Framework  
Regulation

# III – EPSAS Governance – possible structure



## IV – EPSAS governance - principles

### EPSAS governance structure:

- Professional independence
- Impartiality
- Legitimacy
- Transparency
- Competence and capacity
- Cost effectiveness
- Accountability

### EPSAS standards:

- Reliability
- Relevance
- Coherence and comparability
- Accessibility and clarity

## V – EPSAS governance: The GAB (optional)

- Provides an annual report to the EP and the Council on EPSAS standard setting procedure as regards the implementation of the key principles and process
- Provides advice on appropriate measures to facilitate the implementation of the key principles and due process
- Provides advice on how to communicate the standards to users and preparers
- Provides advice to the EPSAS Committee on the work programme
- The EPSAS GAB chair may also participate in the EPSAS Committee as an observer

## VI – EPSAS governance: The TAG (optional)

- Serves as a channel for advice from stakeholders (such as users, preparers, the accountancy and audit professions, statisticians and academia) on the technical specificities of EPSAS standards in order to achieve the policy objectives
- Ensures that user requirements as well as the response burden on information providers and producers are taken into account in developing EPSAS
- May nominate delegates from its members to participate in the EPSAS working groups and task forces as observers (rapporteurs)



## VII – Question: What does EPSAS mean for . . .

- IPSAS and international comparability?
- the budgetary sovereignty of parliaments and governments?
- cash accounting?
- public sector management?
- financial markets?

## VII – Question: Wouldn't EPSAS be . . .

- unnecessarily complex and a waste of money?
- lacking in legitimacy?
- just for the sake of statistics?
- biased as the public sector will be setting standards for the public sector?
- too Anglo-Saxon for the rest of Europe?
- just for sake of private interests?
- pointless as accruals did not help in certain cases?

## VII – Answer: What do we want?

Do we want:

- to take no action and continue with the situation as it is?
- some sort of harmonisation à-la-carte based on voluntary rules?
- comparability based on intergovernmental arrangements?
- to continue with lacking transparency and comparability?

## VII – Answer: What do we want?

Or,

- democratically legitimated
- accruals based accounting standards
- that ensure transparency, accountability and comparability
- and are binding and applicable to
- all public sector entities and for all EU MS
- based on strong governance
- and monitored and audited?

## Useful links

**Assessment Report, Staff Working Document and Inventory of MS accounting and auditing practices:**

[http://epp.eurostat.ec.europa.eu/portal/page/portal/government\\_finance\\_statistics/government\\_accounting](http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/government_accounting)

**Conference webpage:**

<http://epp.eurostat.ec.europa.eu/portal/page/portal/conferences/introduction/2013/epsas>

**Public Consultation on future EPSAS governance:**

[http://epp.eurostat.ec.europa.eu/portal/page/portal/public\\_consultations/consultations/epsas](http://epp.eurostat.ec.europa.eu/portal/page/portal/public_consultations/consultations/epsas)