



2016 OECD SURVEY OF ACCRUAL ACCOUNTING AND BUDGETING PRACTICES

OBJECTIVES and OVERVIEW OF THE SURVEY

Survey Background and Objectives

The 2016 OECD Survey aims at updating results from previous Surveys of member countries' accounting and selected budgeting practices at the core national government level, and to inquire on the accounting and budgeting treatment of some specific transactions, consolidation practices, and some features of standard setting frameworks.

In addition, as many member countries have implemented or engaged in accruals reforms, this survey aims at gaining a better understanding of the design of these reforms, implementation challenges, and associated benefits.

Structure of Questionnaire

Part I - Overview of financial reports

Part II - Overview of the budget

Part III – Accounting treatment of specific transactions, assets and liabilities

Part IV – Legal framework, Accounting standards setting, and Audit

Part V – Accrual implementation, challenges and benefits

Part VI – Weblinks

Glossary

Accrual Basis: Countries are classified in this category when (i) transactions are budgeted or recognized in the financial reports at the time at which the underlying economic event occurs, regardless of when the related cash is received or paid, and (ii) assets and liabilities are budgeted or reported in a balance sheet, irrespective of exceptions regarding the reporting or measurement method of some specific assets and liabilities.

Cash Basis: Countries are classified in this category when transactions are budgeted or recognized in the financial reports only when the associated cash is received or paid, irrespective of their reporting of commitments.

Cash Transitioning to Accrual: Countries are classified in this category when some transactions are budgeted or

recognized in the financial reports using cash basis, and some transactions are budgeted or recognized under accrual basis. Countries that recognize all transactions on accrual basis except for tax revenue should be classified under the Accrual Basis category.

Consolidation: For the purposes of this questionnaire, consolidation means presenting the assets, liabilities, net assets/equity, revenue, expenses and/or cash flows of public sector entities as if they were a single entity. Consolidation also implies elimination of all transactions and balances between entities that are being consolidated.

Parliamentary appropriation: authorization by an act of parliament to permit government entities to incur obligations, and to pay for them from the treasury. It represents the prescribed limit on spending within a specified period.

Control: The requirement for consolidation can be based on the approach of "control". Under this approach, a controlling entity should consolidate all the entities it controls, with the notion of "control" being defined in accounting standards. For example, IPSAS 35: Consolidated Financial Statements defines "control" in detail, the overall principle being that an entity controls another entity when it is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature and amount of those benefits through its power over the other entity.

Core National Government (or "Budgetary Central Government"): it is composed of all central government entities that are fully covered by the central government budget, and typically includes ministries, departments, parliament, courts of law, central government boards, and commissions. It may also include some central government agencies.

Financial report: for the purpose of this survey, financial report is government's key year-end accountability document. It is typically financial statements and/or a budget execution statement.

How to complete

The survey is composed of five sections.

1. Overview of financial reports
2. Overview of budget
3. Accounting Treatment of Specific Transactions, Assets and Liabilities
4. Accounting Standards Setting Framework
5. Accruals Reform(s) implementation, challenges and benefits

All countries should answer sections 1 to 5.

Answering questions is mandatory. If you don't have information for one question, or this question is not relevant in your country, please indicate and move to the next question.

In case you cannot complete the survey in one take or would like to share the responsibility of responding with other officials, please use the "Next" button at the bottom of each page which will automatically save your answers

for the given page. You or other officials can then come back to the partially completed survey at a later time before the deadline.

Once you have completed the survey, click on the "Finish" button which will save and submit your answers.

Currently, the recommended browser for using Checkbox is Google Chrome. Using this browser to work on the survey minimizes the risk of losing data or encountering technical difficulties.

Deadline

11th December 2015.



Contact information

To be filled by the person responsible for the questionnaire

***Country:**

***Name:**

***Institution:**

***E-mail:**

***Telephone:**

OECD contact

If you have any queries about the content of this questionnaire, please contact:

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1. Overview of financial reports

***On which basis are the annual financial reports prepared for core national government?**

Check all that apply.

- Cash Cash transitioning to accruals Accruals

***Does your country have separate cash and accruals basis financial reports?**

- Yes
 No

***Please, explain the different requirements cash and accruals based financial reports are expected to meet.**

***Regarding the *cash* basis, please, specify the elements reported in the annual financial report.**

Check all that apply.

- Cash balances at bank
 Cash receipts
 Cash payments
 Commitments
 Debt
 Guarantees
 Other, please specify:

***Regarding the *cash transitioning to accruals* basis, please, specify the elements reported in the annual financial report.**

Check all that apply.

- Cash balances at bank

- Cash receipts
- Cash payments
- Accrued expenses
- Accrued revenue
- Commitments
- Debt
- Guarantees
- Other, please specify:

***Regarding the *accruals* basis, please, specify the content of the annual financial reports.**

Check all that apply.

- Financial liabilities
- Non-financial liabilities
- Financial assets
- Non-financial assets
- Accrued expenses
- Accrued revenue
- Depreciation
- Provisions
- Losses arising from revaluation of assets and liabilities
- Contingent liabilities
- Other, please specify:

***Please, specify which statements are presented in the financial report.**

Check all that apply.

- A balance sheet (or statement of financial position)
- A statement of financial performance (or income statement)
- A statement of cash flows
- A statement of changes in net assets
- A statement of comparison of budget and actual amounts (or budget execution statement)
- Disclosures (or notes to the financial statement)
- Management comments on the financial situation (or management report)
- Other, please specify:

***Does the government publish a consolidated financial report?**

- Yes
- No

***Please, describe which public entities are covered in the consolidated financial report.**

Check all that apply.

- Ministries and other government's departments
- Public Agencies, Independent Boards and Commissions
- Social Security Fund(s)
- Local and Regional Government
- State Owned Enterprises
- Other, please specify:

***Please, specify the criterion for inclusion of public entities for the purposes of consolidation.**

- Law or regulation
- Accounting standard based on the *Control* approach
- Accounting standard based on an approach other than *Control*
- Other, please specify:

***Please, briefly describe the consolidation process.**

- Entities establish their financial reports using a harmonized chart of accounts and similar accounting principles and standards.
- Entities establish their financial reports using a separate chart of accounts and/or accounting principles and standards, and prepare a consolidation package at year-end.
- Other, please specify:

***Please, briefly describe the consolidation IT system.**

- Consolidation under a dedicated IT system, such as an Integrated Financial Management Information System (IFMIS)
- Other, e.g. manual consolidation using Excel, please specify:

***Does an independent institution provide an opinion on whether the financial reports give a true and fair view in accordance with the applicable international auditing standards?**

- Yes
- No

***Please, describe in more detail the opinion of the independent institution with regard to the financial reports.**

Please, provide here any other comment on financial reports.

2. Overview of the budget

***On which basis is the budget prepared for core national government?**

(Please, check all that apply.)

- Cash Cash transitioning to accruals Accruals

***Regarding the *cash* basis, please specify the content of the budget.**

Check all that apply.

- Cash balances at bank
- Cash receipts
- Cash payments
- Commitments
- Debt
- Guarantees
- Other, please specify:

***Regarding the *cash transitioning to accruals* basis, please, specify the content of the budget.**

Check all that apply.

- Cash balances at bank
- Cash receipts
- Cash payments
- Accrued expenses
- Accrued revenue
- Commitments
- Debt
- Guarantees
- Other, please specify:

***Regarding the *accruals* basis, please, specify the content of the budget.**

Check all that apply.

- Financial liabilities

- Non-financial liabilities
- Financial assets
- Non-financial assets
- Accrued expenses
- Accrued revenue
- Depreciation
- Provisions
- Losses arising from revaluation of assets and liabilities
- Contingent liabilities
- Other, please specify:

***Please, describe the coverage of parliamentary appropriations.**

Check all that apply.

- Commitments
- Current expenses
- Capital expenses
- Debt
- Other accrual elements (e.g. pension liabilities), please specify:

***Does the government prepare a consolidated budget?**

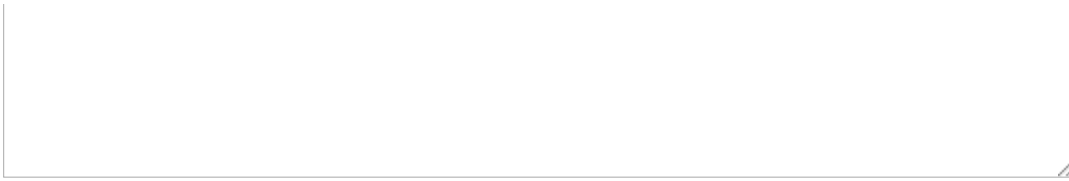
- Yes
- No

***Which public entities are covered by the consolidated budget?**

Check all that apply.

- Ministries and other government's departments
- Public Agencies, Boards, Commissions
- Social Security Fund(s)
- Local and Regional Government
- State Owned Enterprises
- Other, please specify:

Please, provide here any other comment on the budget.



3. Accounting treatment of specific transactions, assets and liabilities

***For the financial reports and budget (if applicable), please, indicate whether the following elements are reported in the financial reports?**

	Reporting method			
	Balance sheet	Disclosure	Not reported	N/A
Tax receivables	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Natural resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Land Buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Infrastructure assets, excluding PPPs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PPP assets and liabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Heritage assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Defence assets and inventories	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Derivatives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Civil and Military Service Pensions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

For the assets that are reported in the balance sheet or in disclosures, please, indicate their measurement method.

	Measurement method				In case of other, please specify:
	Historical cost	Market value	Replacement cost	Other	
Land and buildings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Infrastructure assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Heritage assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Defence assets and inventories	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Natural resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Tax receivables	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

Please, provide here any other comment on the accounting treatment of specific transactions, assets and liabilities.



4. Legal framework, Accounting standards setting and Audit

***Please state where the requirements applying to budget and financial report's preparation are set.**

Check all that apply.

- Law
- Regulation
- Ministry of Finance's circular
- Other, please specify:

***Please describe what the requirements applying to accounting standards setting are set.**

Check all that apply.

- Law
- Regulation
- Ministry of Finance's circular
- Other, please specify:

***Regarding the core national government standards applicable for financial reports, what is the standard setting authority?**

- Parliament (standards or rules enacted by law)
- Ministry of Finance (MoF)
- MoF in consultation with an Advisory Board
- Independent national standard-setting board
- Other, please specify:

***Which standards are applied in preparing the financial reports?**

- National standards based on IPSAS
- National standards based on IFRS
- National standards
- Other, please describe the applied standards:

***Comments:**

Please, describe any major differences with IPSAS or IFRS.

***Did the latest financial statements receive an unqualified or qualified, or disclaimer audit opinion?**

- Unqualified
- Qualified
- Disclaimer or Adverse
- Other, please specify:

***Please, describe the grounds for the qualified or disclaimer audit opinion received by the financial report.**

Check all that apply.

- Issues with lack of/or weakness of internal control
- Issues with intra-group eliminations
- Issues with boundaries of government's financial reports
- Issues with general quality and consistency of the accounting data
- Issues with reliability of inventory and valuation of fixed assets
- Other, please specify:

Please, provide here any other comment on the accounting standards setting framework.

5. Accruals implementation, challenges and benefits

***Please, describe the status of adoption/transition to accruals.**

- Not contemplated
- Planned
- Ongoing
- Completed
- Other, please specify:

***Comments:**

Please, describe why accruals implementation is not considered appropriate.

***Comments:**

Please, describe the overall motivation for the reform and design principles, such as scope (budget and/or financial reports), coverage in terms of entities, estimated cost, and planned implementation period.

***Comments:**

Please, describe the overall motivation for the reform and design principles, such as scope (budget and/or financial reports), coverage in terms of entities, estimated cost, starting date and planned end date.

***Comments:**

Please, describe the overall motivation for the reform and design principles, such as scope (budget and/or financial reports), coverage in terms of entities, estimated cost, and starting and ending dates.

***Please, identify the main sponsors of the reform.**

A) Which are the main sponsors? Check all that apply.

- Parliament
- Government
- MoF
- Civil Society
- Other, please specify:

***Which are the leading entities responsible for reform(s) preparation, monitoring and implementation? Check all that apply.**

- Budget Office
- Treasury
- Inter-ministerial
- Other, please specify:

***Please, identify and rate challenges at the preparation phase. How were or are these challenges overcome?**

Check all that apply. For challenges rated high or moderate, describe how they were/are overcome.

	Rating				If rating is high/moderate, describe how challenges were/are overcome
	High	Moderate	Low	N/A	
Adapting existing laws and regulations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Establishing a representative reform team	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Establishing a mechanism for setting accounting standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Developing the design and functional requirements for the necessary systems for the MoF and other ministries, departments and agencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

Deciding whether to rely on locally developed software or commercial off the shelf software for the MoF and other ministries, departments and agencies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Developing comprehensive guidance and manuals, including accounting policies and procedures on most complex topics	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Identifying and evaluating assets and liabilities as part of the opening balance sheet, in particular: infrastructure and heritage assets, defence assets, mineral resources, inventories, PPP assets and liabilities, civil and military service pension liabilities, debt, etc.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Developing and delivering training programmes in due time within and outside the MoF	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="text" value="Other, please specify:"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

***Please, identify and rate challenges at the implementation phase. How were or are these challenges overcome?**

Check all that apply. For challenges rated high or moderate, describe how there were/are overcome.

	Rating				If rating is high/moderate, describe how challenges were/are overcome
	High	Moderate	Low	N/A	
Estimating, monitoring and controlling the costs of reform	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Managing the transition period	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Adapting existing IT systems and/or implementing new IT solutions/modules within and outside the MoF	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Designing quality control procedures and checking data quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Preparing financial statements within the agreed timeframe	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Preparing the consolidated financial statements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Preparing for audit requirements and addressing audit qualifications	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
<input type="text" value="Other, please specify:"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>



***Please, identify expected benefits of the reform(s) and rate the actual results achieved.**

Please check all that apply. For those partially or not achieved, comment on what else needs to be done in order to achieve them fully.

	Rating					If reforms are partially or not achieved, describe what else needs to be done
	Fully achieved	Partially achieved	Not achieved	Ongoing	Not expected	
Enhancing accountability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Increasing transparency towards public at large	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Increasing political and public awareness about the state of public finances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Better information on full costs of operations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Efficiency of the administration's business processes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
More informed decisions on asset and liability management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Producing meaningful figures/financial analysis for cabinet and/or parliament and/or citizens	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>
Other, please specify: <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

***Please state if and how accrual information is used for macro-fiscal forecasts preparation, evaluation of policies and programs in general, and assessment of efficiency in particular.**

***Please, state any recent innovations with regards to financial reporting (e.g. availability of financial reports to the public, definition and analysis of a number of financial ratios, publication of a management report, etc.).**

Please, provide here any other comment on Accruals reform(s).

A large, empty rectangular box with a thin black border, intended for the respondent to provide any other comments on accruals reforms. The box is currently blank.

6. Weblinks

Please, provide a web-link to the most recently published financial report.

Please provide a web-link to the most recently published budget.

Please provide a web-link to the most recently published audit report.



Thank you for taking the survey. Your answers have been automatically transferred to OECD. Modifications and complementary information can be done by reopening the survey and filling in until 11th December 2015.

Message Format:

Html

From Email Address:

delphine.moretti@oecd.org

To Email Address:

bonifacio.agapin@oecd.org

Bcc:

delphine.moretti@oecd.org

Subject:

2016 OECD Survey of Accrual Accounting and Budgeting Practices

Body:

Dear Sir or Madam,

Thank you very much for having submitted your answers to the 2016 OECD Survey on Accrual Accounting and Budgeting Practices.

A copy of your responses is included in the e-mail below.

Please feel free to contact Delphine Moretti (delphine.moretti@oecd.org) should you have any additional questions.

Best regards,

Delphine Moretti

Budgeting and Public Expenditures Division

Public Governance and Territorial Development Directorate

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