

## OCDE - March 2012

# *Making financial statements more useful to end-user ; the French view*



# Framework

- **Constitutional Bylaw on budget acts of 1st. Aug. 2001 : accrual based central government accounts**
- **started 2006**
- **the Direction générale des finances publiques is the producer of the accounts**
- **and the Court of Audits is in charge of certifying them**
- **lawfulness and faithfulness of all public accounts in Constitution (2008) ; certification extended to universities (2007) and hospitals (2009)**
- **public accounting standards set by CNOCP**

# French financial statements

- **accounts and the Court's opinion due to Parliament together with the budget review bill (loi de règlement) before 1st June**
- **balance sheet, income statement and 200 pages appendix**
- **2010 key figures : net assets € 891 billion, net liabilities € 1647 billion, net accounting result € - 112 billion (vs budgetary result: € - 149 billion)**
- **improved reliability : 12 qualifications in 2008, 9 in 2009, 7 in 2010**

## Internal use : the performance issue

- **accounts as a performance and governance tool : linkage with budgetary process, internal control, structured audit in all government departments**
- **increased coverage means increased transparency and better command of public policies, eg :**
  - valuation of concession services**
  - real estate property**
  - subsidies to public entities for service expenses**
  - provisions (tax litigation, risks, other liabilities)**
- **fostering a larger internal use by offering abstracts per department**

## External use : the scope issue

External users are Parliament, public bodies other than the State, EU, the general public, financial markets. Their expectations must be met through :

- comparability in time > 3 years
- sufficient detail of the Appendix, esp. for what is off balance sheet (eg., public pensions, in French standards)
- complete vision on debt and, more generally, the appropriate connection with the accounts of other public bodies
- spotless traceability of inputs into national accounts and fiscal statistics for EU purposes

... The consolidation and the sustainability issues

*for further information : <http://www.performance-publique.budget.gouv.fr/ressources-documentaires/documentation-en-anglais>*