

The French Central Government accounting reform *Improvement in transparency in 2009*

Introduction

- **2009: a year dominated by the crisis and State efforts to support economy**
 - Difficult economic conditions
 - Fall of €28.7 billion of net result, mainly due to the significant decline of revenue from corporate income tax, that fell by €20.5 billion
 - Rise in borrowing in response to economic crisis (+ €131 billion)

- **Needs to give clear and transparent information**

Agenda

1. Internal control

2. Better quality of financial information for more transparency

3. Improvement in financial reporting tools

1- Internal control

- **New improvements in internal control**
 - New risk monitoring tools: ministerial risk mapping, new reporting on accountancy quality
 - Set up of reference framework of internal control for public institutions
 - New internal control process at the ministry of Defense for the reliability of some transactions



Agenda

1. Internal control

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2- Better quality of financial information for more transparency

➤ **Transparency on the effects of financial crisis on the financial statements**

- General purpose financial statements: in the part talking about the main events of the year, there are 6 pages which deal with the actions and their consequences on the accounts
- The “4-pages”: the 1st page dedicated to the crisis and the State efforts to support economy

2- Better quality of financial information for more transparency

➤ 2009: comparability of the accounts now ensured

- Comparative year 2008 has been restated mainly with the first recognition of concessions

Balance sheet - Significant variations

| EUR billion | 31/12/2008 published | 31/12/2008 restated | 31/12/2009 | Change in value | Change in % |
|--|-------------------------|------------------------|--------------|--------------------|----------------|
| TOTAL ASSETS | 639 | 756 | 768 | 12 | + 2 % |
| <i>including:</i> | | | | | |
| <i>Intangible assets</i> | 36 | 36 | 34 | -2 | - 6 % |
| <i>Tangible assets</i> | 255 | 380 | 378 | -2 | 0 % |
| Included first recognition of concessions of services | 0 | 135 | 131 | | |
| <i>Financial assets</i> | 204 | 193 | 211 | 18 | + 9 % |
| TOTAL LIABILITIES | 1 325 | 1 373 | 1 491 | 118 | + 9 % |
| <i>including:</i> | | | | | |
| <i>Financial debt</i> | 1 044 | 1 044 | 1 175 | 131 | + 13 % |
| <i>Provisions</i> | 73 | 78 | 78 | 0 | 0 % |
| NET FINANCIAL POSITION | -686 | -617 | -723 | -106 | - 17 % |

Now comparable

- New explanations on **social benefits** (cash transfers to individuals) in the appendix of financial statements

Agenda

1. Internal control

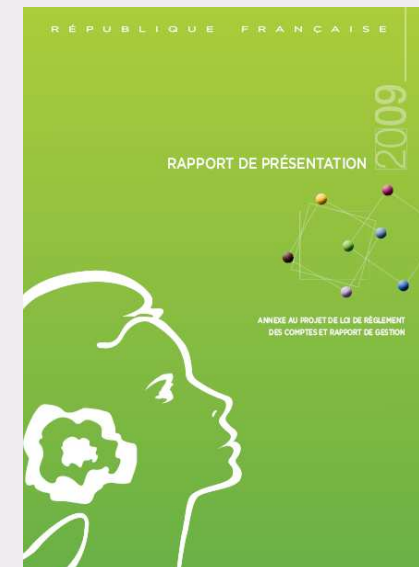
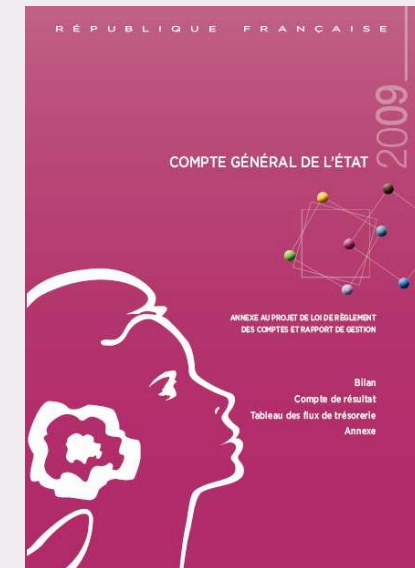
2. Better quality of financial information for more transparency

3. Improvement in financial reporting tools

3. Improvement in financial reporting tools

- **Lightening of the presentation of the general purpose financial statements (our « Compte Général de l'Etat ») so as to facilitate its reading**
 - Change in the presentation of cover given
 - Suppression of redundancy in explanations

- **The general purpose financial reports (our « Rapport de présentation ») has been made up with segment operating reporting on assets**



3. Improvement in financial reporting tools

- « 4-pages »:
 - From a descriptive point of view to an analytical presentation
 - This document is now available in English



Thank you very much for your attention.



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