

# The French Central Government accounting reform *2009: New achievements*

# Agenda

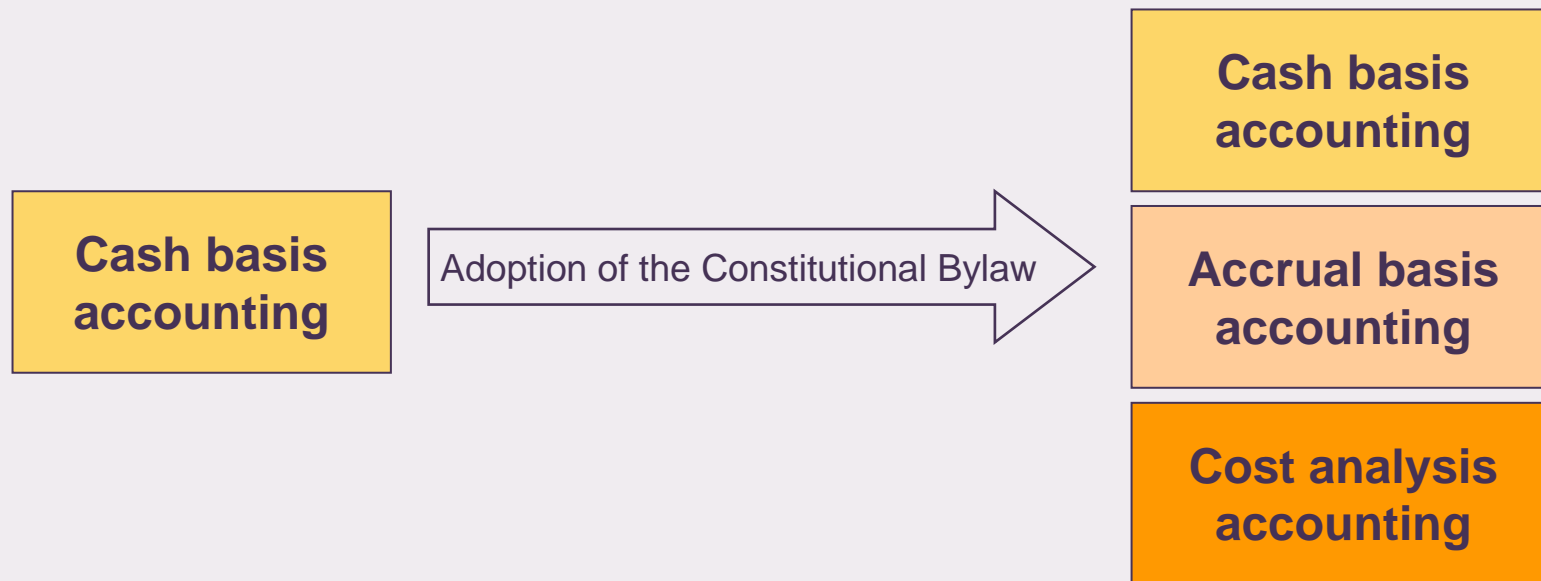
## Introduction

- 1. 2009 closing: improvements in accounting presentation**
- 2. Certification: decrease of qualifications**
- 3. New IT system: continual rollout and process reengineering**

## Introduction

### The successful challenge of French accounting reform

- 2001 **Constitutional Bylaw** enhances a new accounting system for France based on **accrual accounting** in order to make financial information **more transparent** for the Parliament and the public.
- One of the main changes implied by this reform was to create 3 different reporting and financial systems described below:



- This challenge has been overcome in less than 5 years. The 2009 financial statements received a qualified opinion, with 3 qualifications lower than 2008.

## Introduction

### **Establishment of the “Conseil de normalisation des comptes publics” as a Public Sector Accounting Standards Council and jurisdiction**

- In charge of setting the accounting standards of all entities with a non market activity
- An advisory board under the authority of the Minister for the Budget

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## Introduction

**1. 2009 closing: improvements in accounting presentation**

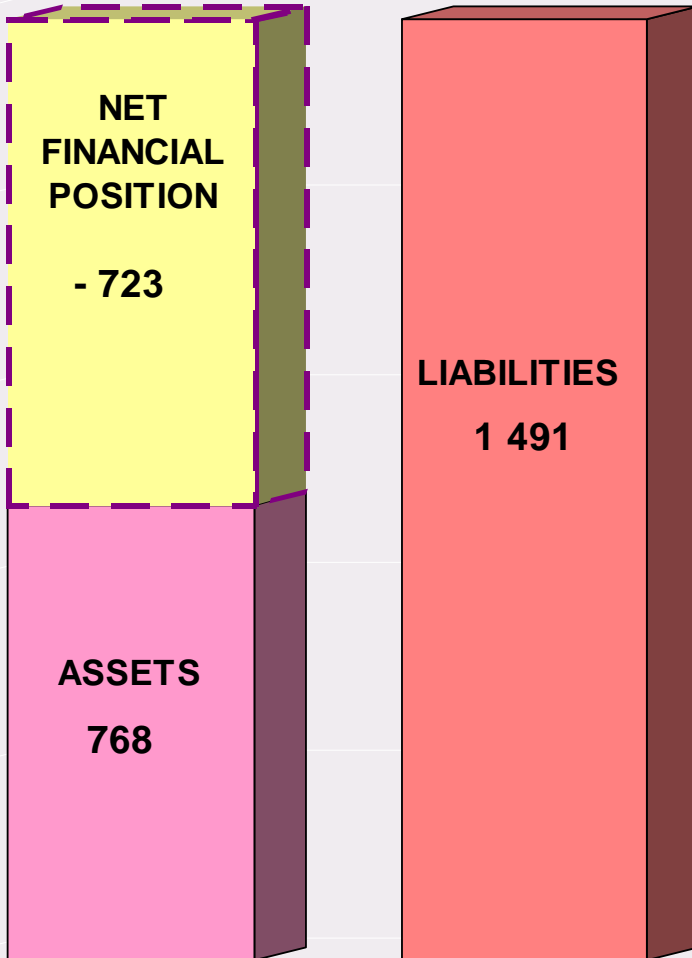
**2. Certification: decrease of qualifications**

**3. New IT system: continual rollout and process reengineering**

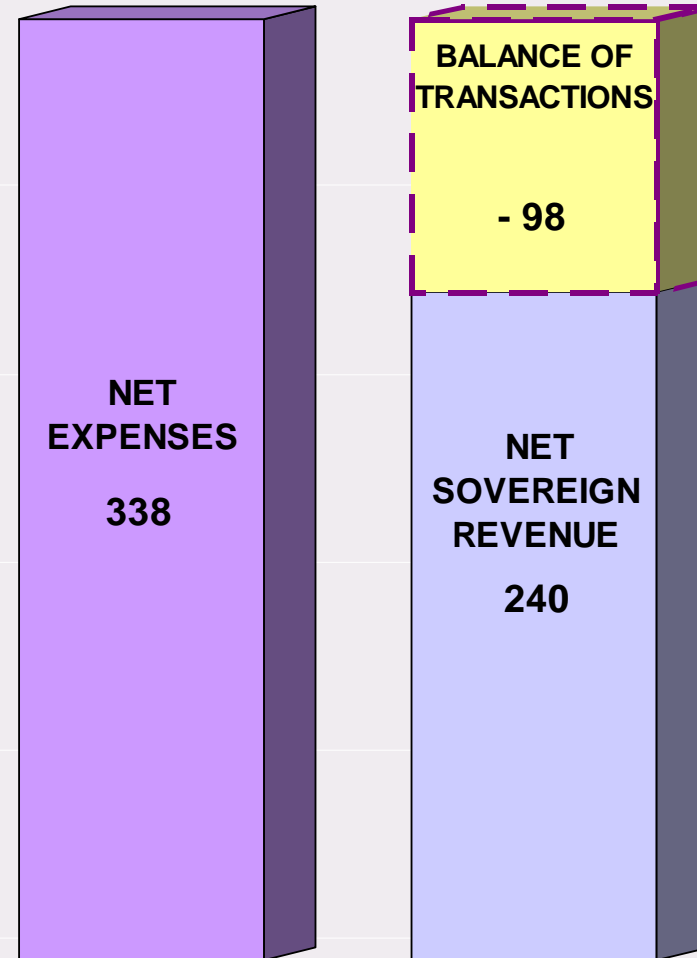
# 1. 2009 closing: improvements in accounting presentation

Billion  
EUR

## BALANCE SHEET



## INCOME STATEMENT

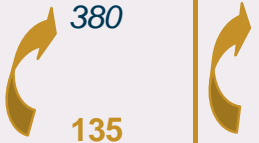


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# 1. 2009 closing: improvements in accounting presentation

## Balance sheet - Significant variations

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


  
**Now comparable**

# 1. 2009 closing: improvements in accounting presentation

- **Improvements in financial information (see next session)**
  - Lightening of the presentation of the general purpose financial statements so as to facilitate its reading
  - Improvements in the quality of the appendix of the account
  
- **Promotion of the interest of accrual based accounting for the operating managers in ministries**
  - Operating managers consider accrual based accounting as a constraint,
  - A questionnaire developed to understand their needs,
  - So as to help them to use information included in accounting in their decisions

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**2. Certification: decrease of qualifications**

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## 2. Certification: decrease of qualifications

**External audit: a proof of the improvement of the quality of accounts**

- **The Organic Law entrusts the Court of Accounts with a mission of certification of the regularity, of the sincerity and of the reliability of the Central Government's accounts**
- **Dedicated exchange and dialogue institutions:**
  - Technical committees in charge of examining specific issues,
  - Follow-up committees in charge of acknowledging the orientations.
- **Steady exchanges based on transparency and confidence**

**In 2009, the Court of accounts certified the Central Government general account with 9 qualifications, versus 12 in 2008.**

## 2. Certification: decrease of qualifications

In 2009, the Court of accounts certified the Central Government general account with 9 qualifications, versus 12 in 2008.

- **Withdrawal of 3 qualifications on:**
  - Cash accounts,
  - Other Central Government participations,
  - Public service concessions
  
- **Partial withdrawal of 2 qualifications on:**
  - Implementing partners: withdrawal of the part dedicated to the date of integration,
  - Other assets and liabilities end-of period reports: withdrawal of the part dedicated to non-affected assets and co-financed assets.

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## Introduction

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### 3. New IT system: continual rollout



- **A new ERP (Enterprise Resource Planning)**
  - Dedicated to financial, budgetary and accounting management
  - Based on S.A.P.
  - Shared by central and decentralized state employees
  - Improvement of audit trail
  
- **Implementation started in 2008**
  
- Since April 2009, the State **real estate** has been administrated through Chorus.

### 3. Process reengineering

#### Reengineering of financial information system of Government

- **Launching of the fast close project in June 2010**
- **First part of the project:**
  - Mapping the closing process and mainly the late entries
  - Trusting the new method on significant entries
- **The aim: implementing the new organization in 2012**

**Thank you very much for your attention.**



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