

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



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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

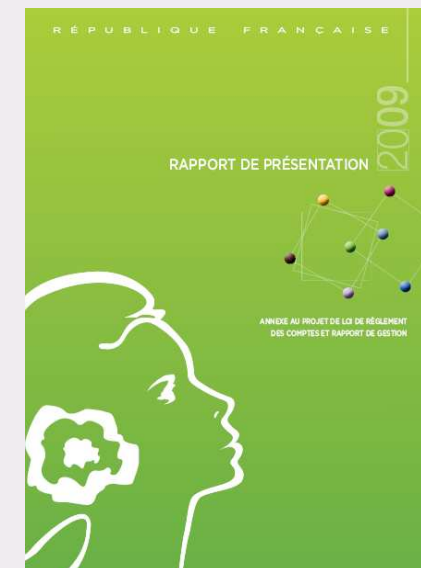
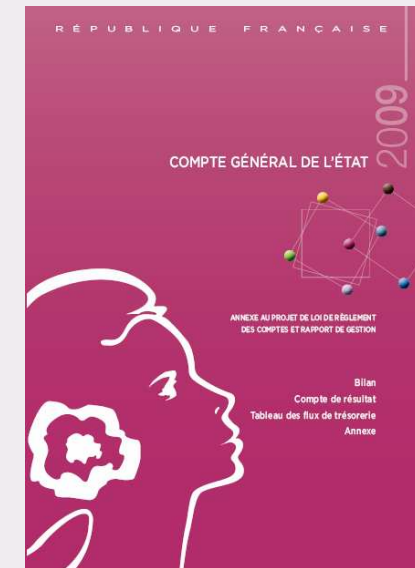
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3. Improvement in financial reporting tools

- **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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