



# Session 2

## Fiscal transparency and public accounting

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*Towards implementing EPSAS – 29-30 May 2013, Brussels*

# Fiscal transparency...

*...is more than just good accounting.*

- *It's the transparency of how fiscal policy is conducted through*
  - numerical fiscal rules
  - a medium-term budgetary framework
  - the transparency of the budgetary process
  - transparency of the macro-fiscal forecast
- *It's the scrutiny of an independent fiscal institution*
- *It's the revelation of fiscal risks*

# The progress made so far

- *Council Directive 2011/85/EU on requirements for national budgetary frameworks*
  - Reliable and timely **data reporting** and public **accounting**
  - Prudence in **forecasting** (IFI)
  - **Transparent and comprehensive** budgetary framework (numerical fiscal rules, MTBF, sub-sector coordination)
- *TSCG and 2-pack*
  - Budgetary rules monitored by independent institutions
  - Draft budgetary plans with a common budgetary timeline and an independent macro-economic forecast

# Public sector accounting...

*...is the 'fabric' of fiscal governance.*

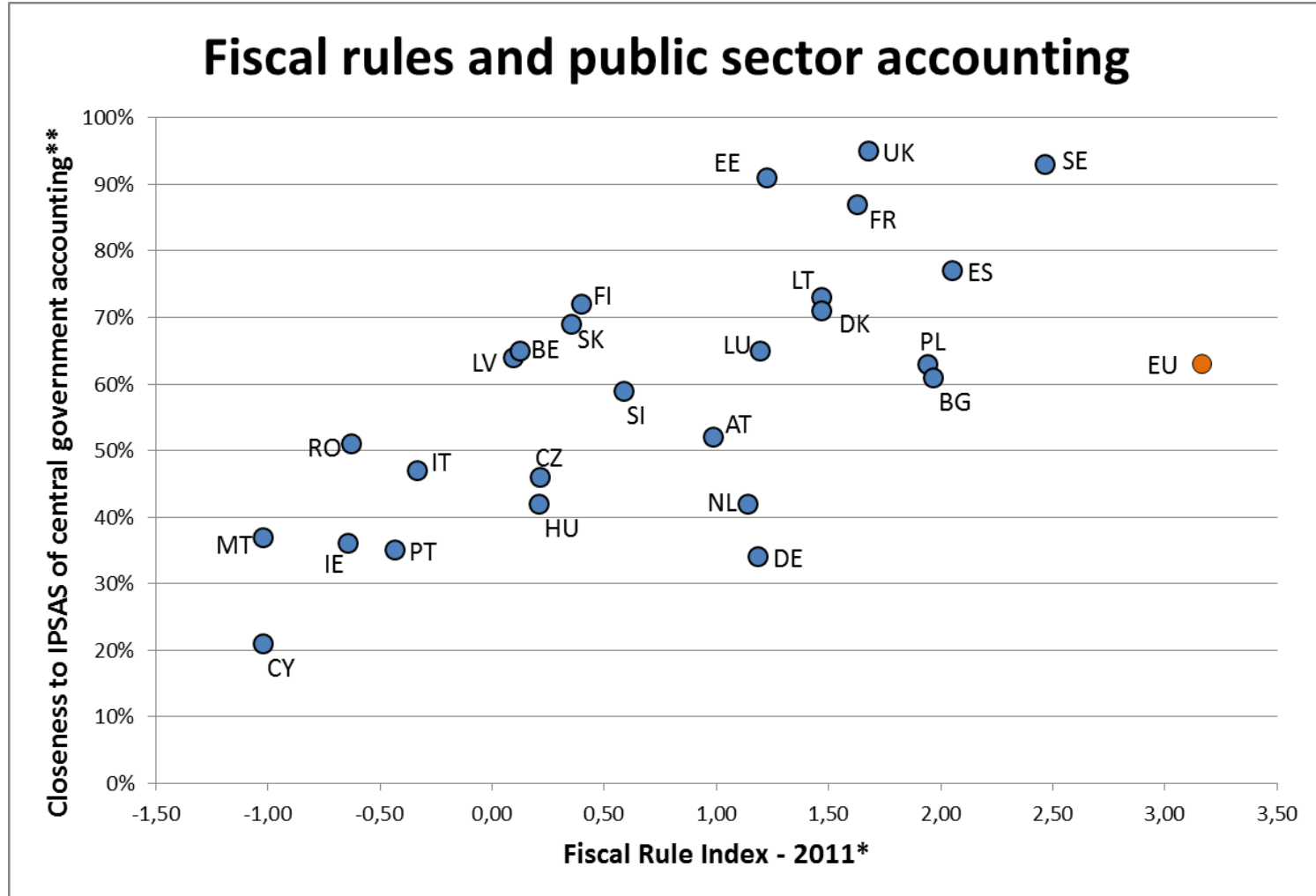
- *Council Directive recognises this*
  - Article 3(1) on public accounting

"...Member States shall have in place public accounting systems comprehensively and consistently covering all sub-sectors of general government and containing the information needed to generate accrual data with a view to preparing data based on the ESA 95 standard."
  - Stronger reporting requirements: data 'straight' from the public accounting systems + reconciliation with ESA figures
- *Harmonised public sector accounting would continue where the Directive left off*



European  
Commission

## Fiscal rules and public sector accounting



\* From the DG ECFIN's fiscal governance database

\*\* From Eurostat's Staff Working Document (SWD(2013) 57 final) on 'The suitability of IPSAS for Member States'