



The Work of the Public Sector Accounting Standards Council for 2013 and 2014

The Council's work plan for 2013 onwards is expected to include the following themes:

All Public Entities

■ Conceptual Framework

These efforts are aimed at identifying the key elements of a conceptual framework that will be shared by all entities within the jurisdiction of the Council. This common base would later be completed, on an as needed basis, by elements specific to certain entities, which could be drafted by ad hoc working groups. In this way, the subject of government and Social Security pension commitments could be discussed, bearing in mind the discussion points on the Conceptual Framework for the Public Sector.

■ Transfers of assets

The goal is to publish an opinion defining accounting requirements for transfers of tangible assets between public-sector entities, as these transactions should be distinguished from acquisitions.

■ CO₂ Allowances

As part of international protocols concerning CO₂ emission rights, the Council should be consulted concerning the accounting treatment of these rights by greenhouse gas-emitting local authorities and public entities that purchase emission quotas. An assessment of the consequences of new protocols in government accounts should also be carried out.

Government

■ Standard 6 "Tangible Assets" of the Manual of Central Government Accounting Standards

Efforts consist in revising the accounting requirements of Standard 6 "Tangible Assets" of the Manual of Central Government Accounting Standards, in order to simplify and clarify them. Moreover, the connections between certain provisions in this Standard with those of Standard 8 "Inventories" and the new Standard 17 "Heritage Assets" will also be examined.

■ Standard 8 "Stocks" of the Manual of Central Government Accounting Standards

Revision of this standard could consist of eliminating the provisions having to do with application guidelines or, conversely, adding provisions to take government specificities into account, as the case may be.

Public Establishments

■ Intangible and tangible assets jointly controlled by several entities

In the public sector, transactions carried out by several establishments may lead to the joint acquisition of assets. These acquisitions create difficulties in terms of recognition in cases where control over these assets cannot be attributed to one or the other of the entities. Current public-sector standards do not provide a satisfactory answer to these situations. The Council examined this issue, echoing the concern expressed by the Public Finances General Directorate (DGFIP) in one of its referrals concerning the recognition and measurement of assets in the accounts of public establishments.

■ **Manual of Public Establishment Accounting Standards**

The Council is continuing its preparations of a Manual of Public Establishment Accounting Standards. In 2013, it will focus its efforts on³ :

> Standard 2 “Expenses”, Standard 12 “Non-Financial Liabilities” and Standard 13 “Commitments to be disclosed in the Notes to the Financial Statements”

> Standard 3 “Sovereign Revenues”

> Standard 9 “Current Receivables”

> Standard 10 “Central Government Cash Position Components” and Standard 11 “Financial Debts and Derivative Financial Instruments”.

■ **Instructions relative to subsidies received and multi-year transactions in national public establishments**

The Council also contributed efforts as part of a referral by the DGFIP concerning two draft instructions, one on subsidies received, and the other on multi-year transactions in national public establishments. Work on subsidies is nearing completion, and will be complemented by efforts on multi-year transactions, particularly in the context of the implementation of programmes related to France’s Invest for the Future programme.

Local Authorities and Local Public Establishments

■ **Accounting and budgetary framework for the local public sector**

The Council would like to hold discussions on the integration of general accounting and local public sector budgetary accounting, and on the possibilities for improving the clarity of their financial statements.

■ **Intangible and tangible assets jointly controlled by several entities**

The Council will examine the possibility of extending the provisions of its opinion on jointly controlled assets to local authorities and local public establishments. Up to now these provisions only concerned national public establishments.

■ **Subsidies Received**

The Council proposes to explore the possibility of transposing to entities within the scope of the Local Authorities and Local Public Establishments Committee the provisions of a current instruction for national public establishments on the accounting treatment of subsidies received. In particular this instruction specifies the triggering event with respect to the existence of any conditions governing the granting of the subsidy.

Social Security Organisations

■ **Nature and scope of the obligations of Social Security organisations with respect to the granting of multi-year agreements**

The Council wishes to have a legal analysis to clarify the normative framework in which Social Security organisations operate. Such an analysis should also provide insight into the nature and scope of the legal obligations of Social Security organisations with regard to insured persons, particularly with respect to multi-year agreements, in order to be able to define the associated accounting treatment.

Subsequently, this analysis should lead to the definition of objectives and principles that should form the basis of accounting by Social Security organisations with a view to drafting a conceptual framework for accounting standards for Social Security organisations.

(3) The standard numbering scheme proposed is that used in the Manual of Central Government Accounting Standards, and can be amended where necessary.



■ IRCANTEC accounting standards (Supplementary Pension Institution for Non-established Government and Public Authority Civil Servants)

A draft order including provisions relative to the chart of accounts of IRCANTEC was submitted to the Council for its opinion in the final quarter of 2012. The draft order calls for the application by IRCANTEC of the Single Chart of Accounts for Social Security Organisations (PCUOSS), adapted to the activities of the supplementary pension scheme. This chart of accounts is already used by AGIRC-ARRCO.

■ Recognition of recovery transactions

Following the observation of disparities in the accounting methods used for recovery transactions, the Social Security Directorate plans to refer a draft order to the Council in the first half of 2013. The order would involve specifying these methods in the Single Chart of Accounts for Social Security Organisations. The primary goal of the draft would be to supplement and clarify recognition rules concerning recovery transactions. It will concern both general regime recovery organisations, for which recovery is the main activity, as well as organisations that manage compulsory social security schemes, which recover the levees that constitute the scheme's resources as well as the resources allocated by law to other organisations.

International Accounting Standards

■ IPSAS Board Consultations

The IPSAS Board will continue to work on drawing up the Conceptual Framework for Public Entities. The Council will reply to two exposure drafts relating to elements and recognition in financial statements and the measurement of assets and liabilities of public-sector entities.

The Council will also reply to a consultation relating to gaps between the IPSAS and the IMF's Government Finance Statistics.

In addition, working with the Superior Order of Chartered Accountants (CSOEC) and the National Company of Auditors, the Council will continue the project, which began in 2012, of translating the 32 IPSAS standards.

■ European discussions, following the work carried out by Eurostat pursuant to the European Directive of 8 November 2011 on requirements for budgetary frameworks of the Member States

The Council will take part in discussions on accounting standards applicable in the European Union. As part of this, it intends to play a role in any initiative that will promote the emergence of appropriate European accounting standards.