

Towards implementing European Public Sector Accounting Standards (EPSAS) for EU Member States - Public consultation on future EPSAS governance principles and structures

Identification of the respondent:

Name

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Country

The Netherlands

Type of respondent

Public Authority , national level

Questionnaire

1. Please state the main motivation of your interest in this public consultation.*

The Ministry of Finance of the Netherlands is a key player regarding public accounting standards in the Netherlands. The Ministry has co-responsibility for preparation of and sound EU decision making on EPSAS-plans, and a key responsibility for implementation of potential EPSAS in The Netherlands.

Key governance principles

2. Do you consider that the sets of principles described for the EPSAS governance structure and process as well as for the EPSAS standards are relevant?

In principle yes (see also answer to question 11)

3. Please provide any comments or proposals on the principles.

See answer to question 11

Governance oversight

4. Following the normal institutional organisation within the EU, the EPSAS governance would be subject to oversight by the Commission itself, and by the Council, the European Parliament and the European Court of Auditors. Do you consider that any further oversight function should be established?

Yes, the Economic and Financial Committee should be included as an additional oversight function. The European Court of Auditors has an independent audit function rather than an oversight function. It should be emphasized that the European Council and the European Parliament should be the bodies with responsibility in the EU for the development, including changes in, and introduction of EPSAS standards (for the total as for the individual EPSAS). Subsidiarity should play an important role in designing the institutional organization.

4a. Do you consider that the oversight role of the EPSAS Governance Advisory Board as outlined in the consultation paper would be appropriate for EPSAS?*

No, the role of the EPSAS Governance Advisory board should be primarily interpreted as an **advisory** role rather than an **oversight** role. Therefore, we don't agree that a task like providing annual reports on the implementation of key principles should be part of their role.

5. Please provide any comments or proposals on the oversight.

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Stakeholder involvement

6. Taking into account that stakeholders' views could be collected by open consultations during the standard setting process, do you consider that an organised, formal representation of EPSAS stakeholders should be established?

Yes, of course

6a. Do you consider that the role of the EPSAS Technical Advisory Group as outlined in the consultation paper would be appropriate for EPSAS?*

Yes

7. Please provide any comments or proposals on stakeholder involvement.

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8. If you think that both the EPSAS Governance Advisory Board and the EPSAS Technical Advisory Group would be appropriate for EPSAS, could their role and tasks be fulfilled by a single advisory group?

No, see answer to 8a.

8a. Please provide any comments or proposals on a single advisory group.

Governance on the one hand and technical aspects on the other are fundamentally different subjects – the former being process-oriented and the latter content-oriented. Correspondingly, the required competences for advising on these matters differ considerably.

Interpretation of the standards

9. Do you consider that an interpretation function should be foreseen for EPSAS?

Yes, but not in the first stage of EPSAS. In the first stage of EPSAS, the individual EPSAS should give the guidance needed / be clear enough for the users.

9a. Do you consider that this interpretation function should be kept separate from the standard setting function?

No, as both functions are from a conceptual point of view inseparable. Furthermore, the interpretation function should be closely connected to the standard setting function because the standard setters know best which accounting practice they intend to promote with the standard..

10. Please provide any comments or proposals on the interpretation?

As regards the interpretation of the EPSAS it is important that the member states play a key role justified by the European character of EPSAS.

11. Do you have any additional comments concerning the proposed EPSAS governance structure?

The governance structure should be explicitly based on and justified by a clear and focused demarcation of the objectives and scope of the EPSAS. In our opinion, for reasons of subsidiarity, national competences and proportionality between cost and benefits (as emphasized in the Ecofin conclusion of 15 November 2013), the objective of EPSAS should be restricted to the specific purpose of ensuring the production of reliable, comparable and timely fiscal data at the macro-level. Therefore, the project should be limited to the necessary improvements of the micro-accounting systems - in order to ensure comparable and coherent upstream accruals data (i.e. the primary accounting data for government entities) -, leaving the national financial reporting systems and the budgeting systems to the domain of the member states. The governance structure should be brought in line with this confined purpose. In line with the subject of article 3 of Directive 2011/85/EU, a future 'EPSAS' should rather be an **accounting** procedure (i.e., a standard on when and how to record which transactions and other relevant information in which way) than a **financial reporting** guideline, keeping deviations from ESA 2010 concepts as limited as possible. This would create cost-effective conditions for the future perspective - described in the EPSAS-report of May 2013 - of deriving the debt and deficit data directly from the micro accounting systems as much as possible. Since the national statistical offices are probably the main users of the financial micro-information provided by government entities, their interests should be substantially reflected in the composition and working procedures of the various EPSAS-boards and groups. Furthermore, regarding the development of (the individual) EPSAS it is important to start with the development of individual epsas which are most relevant for the government. Not the other way round: simply translating existing individual IPSAS in individual EPSAS. For example the for typical government activities such as taxes, social contributions and social protection as guidance is needed most.

As regards the governance of the EPSAS it is necessary that all the member states are represented in the foreseen boards given the importance of accounting systems for national governments.

Last, but not least, it should be mentioned that EPSAS should become available in all languages of the member states.

12. Here you can upload any files that you consider important to share with us in the context of this public consultation.

No files