

USERS, USE, USEFULNESS AND USER NEEDS: THE CHALLENGES FACED BY PUBLIC SECTOR FINANCIAL MANAGEMENT

EGPA PS XII SPRING WORKSHOP ROSTOCK, 2018

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Our program:

18 papers

**Keynote
speech:
Dennis
Hilgers**

**Discussion
Panel: Yuri
Biondi,
Torsten
Domroes,
Francesca
Manes
Rossi**

**Social
Program:
Barbecue+
networking
evening
(ship and
dinner)**



The topics of the workshop:

- The users and the usefulness of financial statements and budgetary reporting**
- The differences between public sector accounting and private sector entities**
- Creative accounting and the use of financial instruments by governments**
- Alternative reporting formats to present the information**
- Teaching Public Sector Accounting**

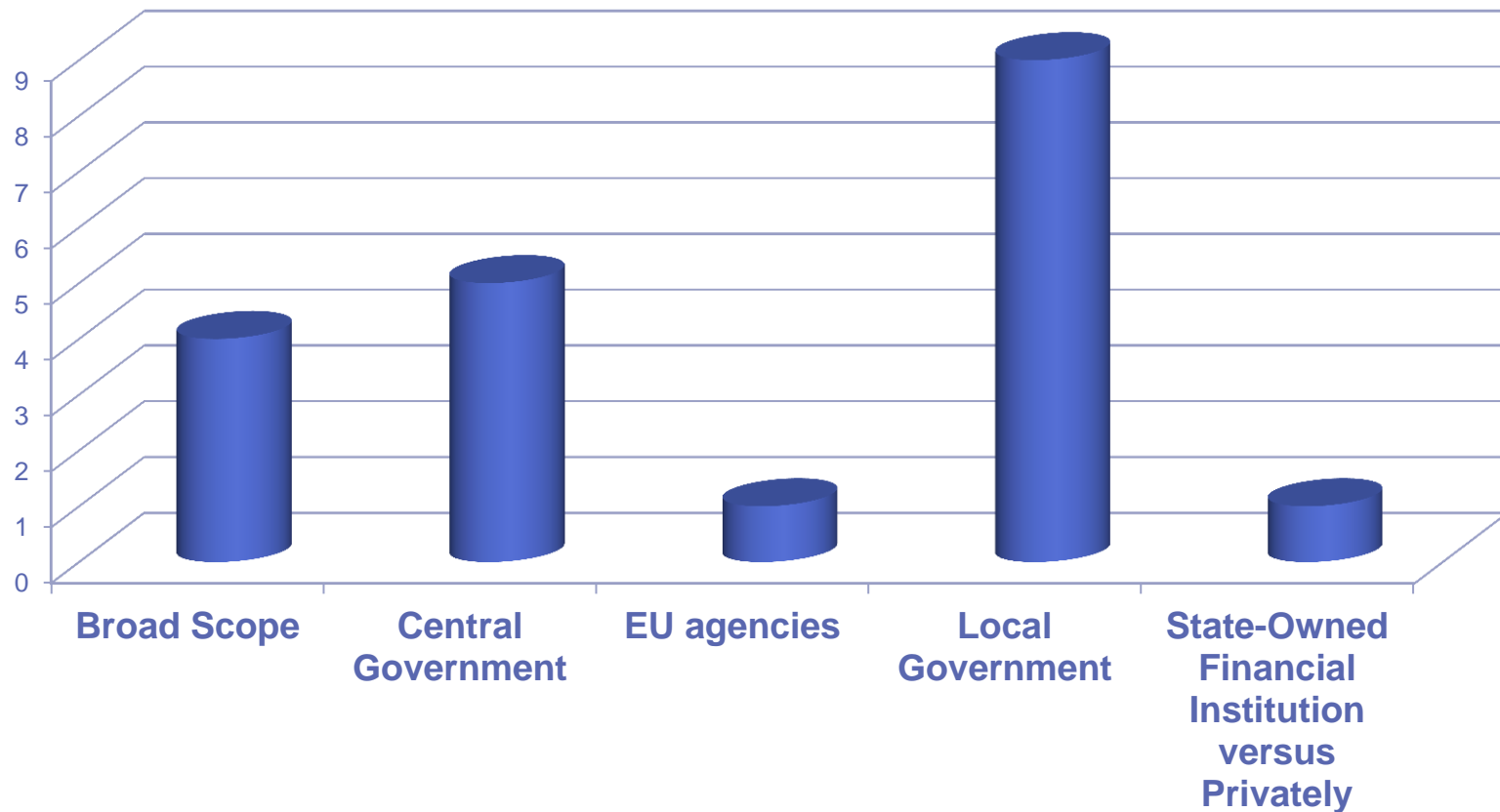


The topics of the workshop:

Creative accounting	2
Differences public-private entities	1+1
EPSAS	1
Financial instruments	2
Financial management of assets	1
Financial sustainability	1
GFS-GA	1
Integrated + Popular reporting	1+2
Teaching PSA	1
Users and usefulness	8

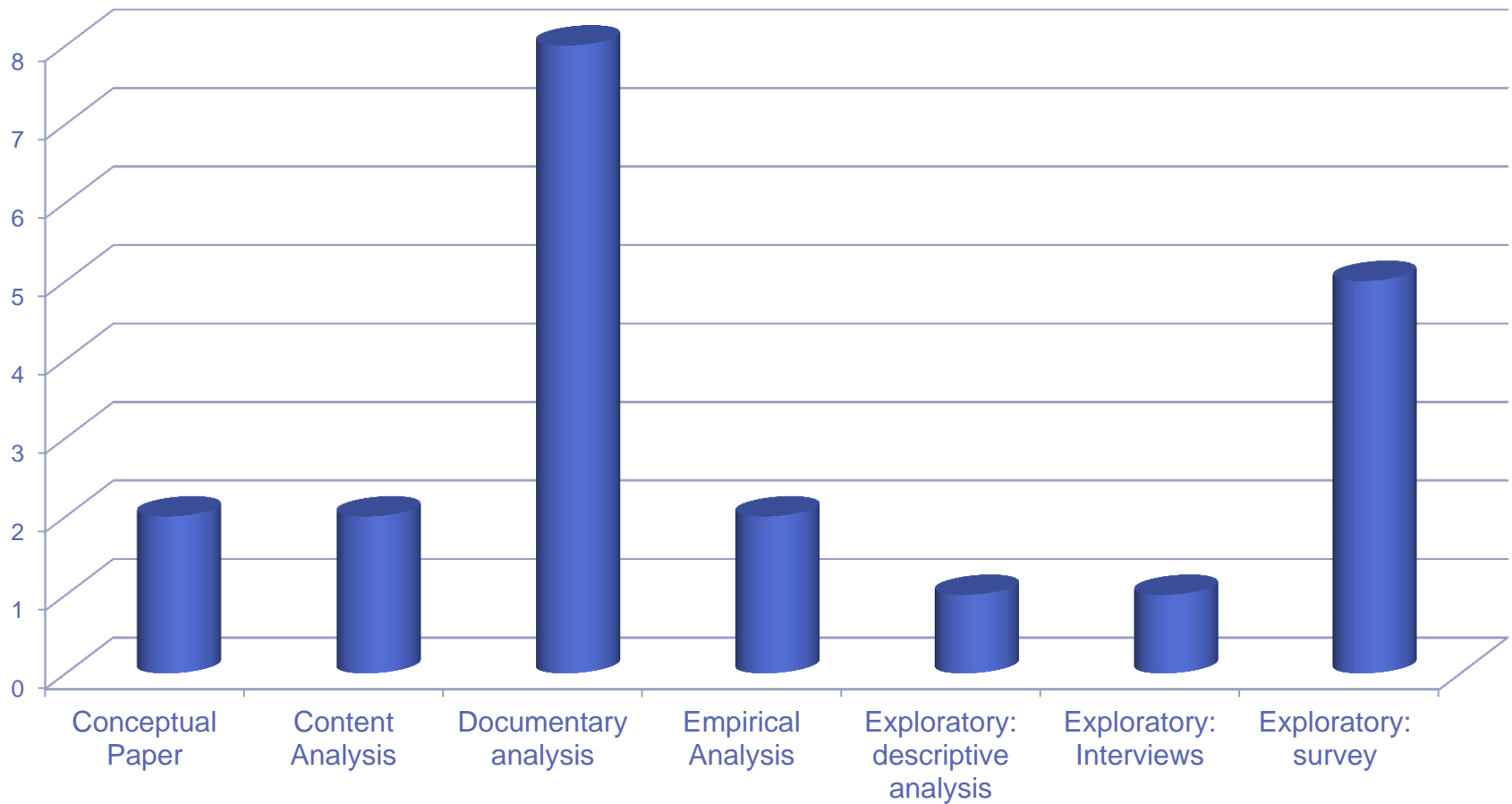


Type of organizations:





The methods used:





What type of users have been discussed:

Type of users	N. P
Local Councilors	1
Members of parliament	2
Broad scope	1
Internal and external user	3

- Who is interested in IPSASB Public consultation?**



What type of information has been discussed:

Type of information	N. P
Budgetary and Financial Reporting	3
Budget reporting	1
Financial reporting	2
Heritage assets	1
Consolidated Statements	1



For what countries?

Country	N. P
Germany and Finland	1
Portugal	1
Czech Republic	1
Germany	1
EU	1
International level	1
Spain and Portugal	1

What about the other countries?



What has not been discussed?

- The harmonization and comparability of governmental accounting**
- The EPSAS project: users and usefulness**
- Management Accounting: who produce and uses it?**
- Citizens?**
- The use of performance reporting and performance indicators**



Some conclusions from the papers

- Local councilors do not use the information**
- Members of the parliament are not able to read and use the information**
- Only a part of the information the deputies use for their decision making is budgetary reporting**
- EU agencies: IPSAS based financial reporting is not used to a great extent. There is a certain decoupling within the EU agencies' organization connected to IPSAS based financial reporting**



Some conclusions from the papers

- The main use is accountability and the main users are SAI and oversight organizations**
- Papers about creative accounting provide evidence that LGs engage in earnings management and earnings management is also affected by the electoral cycle, especially in the case of Greek municipalities. **Can we trust in financial reporting?****
- In the USA, municipalities are using Popular Annual Financial Reports**



Who are interested in IPSASB PC?

- Academics and Other Public Interest represent the half of participants in PC (just 6 Ministries of Finance and 5 SAI)**
- Officers will do what laws and standards require but they are not active in the debate**
- We have an important responsibility, to certain extent the evolution and paradigms of financial and non financial reporting**



Corollary

- Are we going on in the correct way?
- Should we re-start and consider again where we are and what should we do?



The differences between Public and Private Sector Entities

- Our users are different to the users of a business, so we need different information. **Have we failed with this?****
- There are some major conceptual differences between government financial statistics (GFS) and public sector accounting. How can we conciliated both systems?**



What implications have this?

Financial Reporting: We have to find the model that fits better the characteristics of government entities

Financial information is not enough: This needs to be completed with non financial information: sustainability reporting, popular reporting and integrated popular reporting.



Our future compromise:

- Proposals for changes and modification in the current model: EPSAS are a good opportunity**
- Propose alternative formats for presenting reporting**
- Include in the discussion different entities: universities, social and health entities**
- To test all this: for users, oversight and supreme audit institutions, resource providers, politicians, parliament members, managers, citizens,**



How can we do it?

- Theoretical framework and theories**
- Case studies**
- Experiments**
- Surveys**
- Empirical Studies**



Where can we discuss all this?

EGPA Conference 2018, 5-7 September Lausanne

<https://www.egpa-conference2018.org>

EGPA spring Workshop: to be announced



2018 EGPA Conference

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https://www.egpa-conference2018.org Buscar

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HOME CALL-FOR-PAPERS SUBMISSION/REGISTRATION PROGRAMME PRACTICAL DETAILS

2018 EGPA CONFERENCE

LAUSANNE, 5-7 SEPTEMBER 2018
PRECEDED BY 2018 EGPA PHD SYMPOSIUM
- LAUSANNE, 3-4 SEPTEMBER 2018
AND BY EPPA I FINAL CONFERENCE -
LAUSANNE, 4-5 SEPTEMBER 2018

12:24
02/05/2018



Next Spring workshop

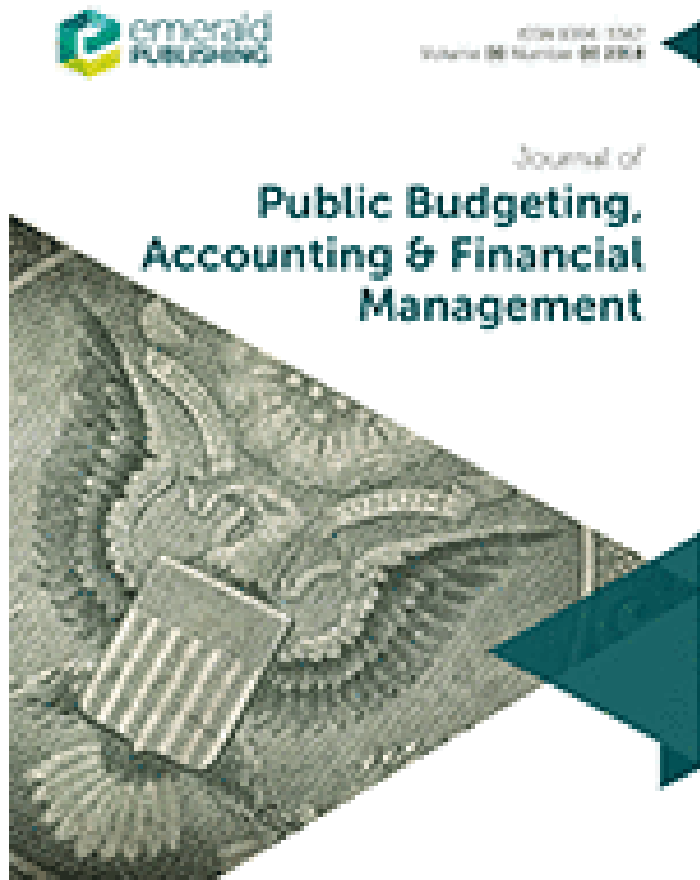
- **First week of May 2019**
- **We will inform by email and CFP**



Where can we publish all this?

- Palgrave Mc Millan Public Financial Management Series
- **New book** "New Trends in Public Sector Reporting: Integrated Reporting and Beyond"
- **Special issue** "users, uses and usefulness of financial reporting in Journal of Public Budgeting, Accounting and Financial Management"

Special issue



- Call for Papers will be circularized
- **Possible deadline:**
31 of October



Thanks Ellen, Peter and all the team!

Thanks to all for joining us!

