

## *Foreword*

Financial reporting is one of the foundations of good fiscal management.

Against a backdrop of increased citizen demand, more open government, limited public spending capacity, and increasing efforts to achieve greater efficiency in delivering public services, high-quality financial reports are essential to ensure that governments make fiscal decisions based on up-to-date information and an accurate understanding of their financial position, and are the mechanism through which legislatures, auditors, and the public at large hold governments accountable for their financial performance.

Accordingly, the OECD - in collaboration with the International Federation of Accountants (IFAC) and Accountability. Now. Initiative - undertook a survey of selected financial reporting practices of OECD countries.

The *Survey* was sent to Ministries of Finance and equivalent bodies of all 34 OECD countries: Australia (AUS), Austria (AUT), Belgium (BEL), Canada (CAN), Chile (CHL), the Czech Republic (CZE), Denmark (DNK), Estonia (EST), Finland (FIN), France (FRA), Germany (DEU), Greece (GRC), Hungary (HUN), Iceland (ISL), Ireland (IRL), Israel (ISR), Italy (ITA), Japan (JPN), Korea (KOR), Luxembourg (LUX), Mexico (MEX), the Netherlands (NLD), New Zealand (NZL), Norway (NOR), Poland (POL), Portugal (PRT), the Slovak Republic (SVK), Slovenia (SVN), Spain (ESP), Sweden (SWE), Switzerland (CHE), Turkey (TUR), the United Kingdom (GBR), and the United States of America (USA). Answers from all 34 Ministries of Finance were collected from November 2015 to June 2016.

The Survey's results show that most OECD countries have reformed and modernised their financial reporting practices over the last decades.

Around three-quarters of OECD countries have adopted accrual accounting for their year-end financial reports as key priority. This means that governments' financial reporting is more comprehensive, with not only cash movements in and out of the government treasury reported to the public, but a range of other financial operations, as well as inventories of government' assets and liabilities.

Audit techniques and accounting standard setting mechanisms have also evolved significantly in the wake of accounting reforms. The adoption of accrual accounting often means that government publishes audited accounts, prepared in compliance with well-defined accounting standards.

The coverage of the accounts has also been extended by some countries.

While it is notable that governments still sought to improve the usefulness and understandability of their financial reports, a majority of OECD countries express satisfaction that greater transparency and accountability of their financial operations have been achieved following their accounting reforms.

## *Acknowledgements*

This book is the result of the work undertaken for two decades by the OECD Financial Management Network and draws on surveys undertaken by the OECD since 2003 on accruals practices of its member countries. It is the product of sustained efforts of OECD countries' delegates for sharing insights on their accrual reform experiences.

This study was co-ordinated by Delphine Moretti from the OECD Budgeting and Public Expenditures Division, under the supervision of Jón Blöndal, together with Vincent Tophoff, Lead, Accountability. Now. Initiative of the International Federation of Accountants (IFAC).

Abdul Khan produced a detailed analysis of the survey's results.

Individual country profiles benefited from useful comments from Finance Ministries' officials.

This project also benefited from the active participation in meetings of delegates from the OECD Senior Budget Officials (SBO) Network.

Bonifacio Agapin, Hélène Leconte-Lucas and Lyora Raab are warmly thanked for providing invaluable assistance in the organisation of the meetings and workshops of the OECD Financial Management Network and editorial support.



**From:**

## **Accrual Practices and Reform Experiences in OECD Countries**

**Access the complete publication at:**

<https://doi.org/10.1787/9789264270572-en>

### **Please cite this chapter as:**

OECD/International Federation of Accountants (2017), “Foreword and Acknowledgements”, in *Accrual Practices and Reform Experiences in OECD Countries*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264270572-1-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).