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**Conseil de normalisation
des comptes publics**

La Présidente

Paris, April 13, 2026

Mr Ross Smith
Program and technical director
International Public Sector Accounting Standards
Board
International Federation of Accountants
70 York Street, Suite 710
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Ontario M5J 1S9 CANADA

Re: Response to the IPSASB Work Program Consultation

Dear Mr Smith,

The French Public Sector Accounting Standards Council (CNOCP) welcomes the opportunity to comment on the IPSASB Work Program Consultation.

With respect to financial reporting, we fully support the stability period and would recommend focusing on post-implementation reviews (PIR), rather than on developing new standards. In that sense, we provide in SMC 2 a description and an assessment against the prioritisation criteria for four topics that we believe should be prioritised for PIR.

With respect to sustainability reporting, we would advocate prioritising the projects on developing authoritative guidance based on RPG 1 and 3, that would then form a good basis for the elaboration of public sector specific guidance for General Sustainability-related Disclosures.

We present detailed responses to the Specific Matters for Comments in the appendix.

Yours sincerely,

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APPENDIX

Specific Matter for Comment 1

Which financial reporting projects should the IPSASB prioritize? For each financial reporting project you suggest, please clearly explain the project scope and your reasoning, using the IPSASB's project prioritization criteria, to support its priority. Respondents are encouraged to use the format in the Optional Template illustrated in the Instructions for Respondents for each project suggested.

A stable accounting standard platform is what users need for now in order to implement the latest IPSASB developments in financial reporting. Therefore, we believe that the IPSASB should focus on facilitating the application of the current standards. This is why we would recommend that the IPSASB should prioritise PIR projects (see SMC 2 below).

However, the topic of consolidation/aggregation described below in SMC 2 as a PIR project could also be considered a standalone financial reporting project. The decision would depend on whether the Board would envisage introducing new principles or just providing guidance that would complement IPSAS 35 with conditions for the possible relevant regroupings of public sector entities with no control relationship.

Specific Matter for Comment 2

Which IPSAS Standards do you think are the highest priority for the IPSASB to undertake a post implementation review? For each post implementation review you suggest, please clearly explain the issues with the existing IPSAS Standard and your priority reasoning using the IPSASB's project prioritization criteria. Respondents are encouraged to use the format in the Optional Template illustrated in the Instructions for Respondents for each PIR suggested.

Consolidation/aggregation
<p>Project description</p> <p>We believe that the concept of control as defined in IPSAS 35, <i>Consolidated Financial Statements</i>, is a fundamental core concept for consolidating controlled entities. However, there are instances in the public sector where there is no control relationship, still entities (including controlled entities) should be regrouped for transparency and strong public financial management purposes.</p> <p>A revision of IPSAS 35 could acknowledge that while control and consolidation remain the basis for regrouping entities, in some instances, jurisdictions may allow wider regroupings to meet specific information needs. Guidance could be provided to:</p> <ul style="list-style-type: none">• expose the characteristics that entities to be regrouped should meet (for instance, existence of a contract between entities that sets the relationship);• require that operations between entities within the regroupings should be eliminated.

Real life examples where the scope of entities that should be regrouped and presented as one economic entity should be larger than just controlled entities are as follows:

- Because of statutory requirements or because they signed an agreement, entities share:
 - key decision-making personnel, but none of such key personnel from one entity controls the other entity, or
 - the same competencies and provide the same services to different groups of beneficiaries or in different geographical areas
- Other accounting systems use regroupings to present coherent economic set of units: the GFSM 2014 provides a relevant illustration of such instances where entities in the public sector are regrouped, even where there is no control relationship.

In both instances, there is a need to add guidance to IPSAS 35 to allow for the regrouping of entities that share a relationship beyond the concept of control. In the specific example of regrouping requirements from the GFSM 2014, we would like to emphasise the significant benefits in terms of quality of the statistical data used for macroeconomic management, accountability and decision-making that can be gained from using a single integrated financial information system to generate both IPSAS Standards-based consolidated/aggregated financial statements and GFSM 2014 reports.

Therefore, we would suggest the IPSASB should address this issue as part of a Post-Implementation Review of IPSAS 35. As noted in SMC 1, this topic could also be a standalone financial reporting project.

Prioritization Criteria	Analysis
Prevalence	High – Due to the absence of shareholders in most public sector entities, the issue is widespread globally in the public sector.
Consequences	High – Relevant regrouping of entities may provide useful information that would not be provided absent the regrouping. This is critical for transparency, accountability and decision-making purposes.
Urgency	High – As more and more jurisdictions adopt or adapt the suite of IPSAS standards, it is now urgent to address the issue, especially at a time where public finances are tight. There is also a need to provide high quality data to feed the statistical data used for macroeconomic management.
Feasibility	High – Allowing regrouping of public sector entities in a manner that best reflects the organisation of jurisdictions’ public sector is not a complex technical issue from a standard-setting viewpoint. Implementation might require some transition period for IT systems to be ready to provide the relevant data.

Tax expenditures

Project description

IPSAS 47.4 defines tax expenditures as preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

IPSAS 47.51-55 distinguish expenses paid through the tax system and tax expenditures and consider tax expenditures as forgone revenue that should not gross up taxation revenue. However, there is no requirement to disclose the amount of tax expenditures that therefore remains unknown to users of financial statements.

In many jurisdictions, the amount of tax expenditures is highly material compared to GDP, and even more so in recent years since public finances grew tighter. In some instances, tax expenditure amounts may be highly volatile depending on the underlying context. Providing information in that area would help understand variations in tax revenue.

We would then encourage the IPSASB to take on its agenda a Post-Implementation Review project on IPSAS 47 to:

- Add implementation guidance as to how to differentiate expenses paid through the tax system and tax expenditures to provide clarity on how to account for each, and
- Require the disclosure of information on tax expenditures.

Prioritization Criteria	Analysis
Prevalence	High – In many jurisdictions, the yearly estimated amount of forgone revenue is material compared to GDP. For instance per the following link https://gted.taxexpenditures.org/country-profile/france/ : 80 billion Euros in France, 34 billion Euros in Germany, 207 billion GBP in the UK.
Consequences	Medium – The treatment of tax expenditures raises a public interest concern because of the potential lack of transparency in the provision of tax concessions, which impairs the accountability of governments.
Urgency	Medium – current public finances are tight in many jurisdictions and providing high quality information that can be audited is critical for decision-making purposes and for transparency in the public interest.
Feasibility	High – The IPSASB can draw from IPSAS 47, Revenue, and more specifically paragraphs 51 to 55, and from its Conceptual Framework. It can also use the work of the Federal Accounting Standards Advisory Board (FASAB) on tax expenditures and the International Monetary Fund (IMF) Manual of Fiscal Transparency to develop guidance in this area.

Segment reporting

Project description

In France, segment reporting requirements for the public sector derive from IPSAS 18. Public sector entities, and mainly the Central government, express concerns about the complexity of the requirements and face challenges when it comes to applying those requirements. Complexity arises mainly in the allocation of long-term assets and tax revenue to operating segments. We understand that such challenges were also mentioned by other jurisdictions in Europe.

Therefore, we would recommend that the IPSASB should take the issue onto its agenda of Post-Implementation Reviews. More specifically, it could be useful to refer to IFRS 8 that provides guidance 1/ to determine operating segments based on the structure of the organisation and 2/ on how information is reported to management: the amounts disclosed are mainly based on the information presented to management. This is generally known as the approach "through the eyes of management". Further guidance on what "through the eyes of management" means specifically in the public sector would also be of great help. Some constituents also point out the relationship with the consolidation/aggregation topic, which may reinforce the need to prioritise those projects.

Prioritization Criteria	Analysis
Prevalence	Medium – At least within Europe. Some constituents are of the view that sustainability reporting will emphasise the need to report on operating segments, namely when they relate to sustainability policy programs
Consequences	Low – Because of the prominence of budget information in the public sector, information is provided elsewhere, though most often not on an accrual-basis.
Urgency	Low – not an emerging issue as it has been on the list of potential projects for a while now.
Feasibility	Medium – IPSAS 18 is currently based on IAS 14 and hasn't been updated for the publication of IFRS 8 that requires that information should be provided as seen "through the eyes of management."

Financial instruments	
<p>Project description</p> <p>IPSAS 41 is a complex and dense standard and it is sometimes difficult to find the relevant requirements to the simple transactions on financial instruments that are allowed in the public sector. Indeed, it is rarely allowed in the public sector to speculate due to the very nature of the tax payers' funds entrusted to the public sector entities.</p> <p>Therefore, for practicability purposes, we would suggest the IPSASB should perform a Post-Implementation Review of IPSAS 41 that would first present in the standard the most common situations and major issues, keeping in mind that in the public sector, financial instruments do not encompass the same level of complexity as in the financial sector.</p>	
Prioritization Criteria	Analysis
Prevalence	Medium – The issue is widespread amongst public sector entities as they rarely face complex transactions involving financial instruments.
Consequences	Low – The main consequence is of how well the standard is applied and how entities are able to comply with the requirements. It may be more of an audit issue than a standard-setting one.
Urgency	Low – The issue has not recently emerged or gained prominence.
Feasibility	High – The issue relates to the presentation of the standards rather than to its content and restructuring should be straightforward.

Specific Matter for Comment 3

Which sustainability reporting projects should the IPSASB prioritize? For each sustainability reporting project you suggest, please clearly explain the project scope and your reasoning, using the IPSASB's project prioritization criteria, to support its priority. Respondents are encouraged to use the format in the Optional Template illustrated in the Instructions for Respondents for each project suggested.

We agree with the rationale provided in the Potential projects list for the following projects:

- Developing Authoritative Guidance based on RPG 1, *Reporting on the Long-term Sustainability of an Entity's Finances*
- Developing Authoritative Guidance based on RPG 3, *Reporting Service Performance Information*
- General Sustainability-related Disclosures

However, unlike the ranking proposed by staff, we would rather prioritise the projects on developing authoritative guidance based on RPG 1 and 3 because feasibility for those projects is high and above all, they would provide a sound basis to then elaborate public sector specific guidance for General Sustainability-related Disclosures.