

# **PEMPAL Treasury Community of Practice**

## **Thematic Working Group on Consolidation**

### **Headings for Guidance Note - DRAFT**

1. Objectives of guidance note
  - a. The need for consolidated information
    - i. Budgetary
    - ii. Financial reporting
    - iii. Transparency and accountability
    - iv. Audit
  - b. Guide should provide:
    - i. Practical guidance
    - ii. Compliance with statistical and accounting standards
    - iii. Enabling enhanced governance
2. The framework of standards governing consolidation
  - a. The various standards
    - i. UN SNA
    - ii. IMF GFS
    - iii. European ESA
    - iv. IPSAS
    - v. National requirements
  - b. Similarities and differences between requirements of various standards
3. Consolidation issues
  - a. Consolidation entity
    - i. Differences between statistical and IPSAS approach
    - ii. Sub-entities
    - iii. Hierarchy of consolidation
    - iv. Concept of different consolidation entities for different purposes
  - b. Consistency between budget and accounting consolidation
  - c. Types of flows and stocks to be consolidated
  - d. Technical issues

- i. Consistent accounting policies
    - ii. Consistent year end
  - e. Various exceptions
    - i. Investment entities (sovereign investment funds)
    - ii. Temporarily owned entities
    - iii. Partial, divided or joint ownership or control of entities
    - iv. Valuation of entities not consolidated
- 4. Logistic issues of consolidation
  - a. Aggregation process
  - b. Elimination of intra-entity transactions
    - i. Chart of accounts
    - ii. Use of technology - FMIS
- 5. Publication of consolidated information
  - a. Requirements and need for publication of consolidated information
  - b. Consolidated budget information
  - c. Consolidated financial reports
    - i. Whole of government
    - ii. Sub-entities