

# Consolidation of SOEs – practical aspects

Bernhard Schatz

11.11.2025



**CFRR** >>  
Centre for Financial  
Reporting Reform




**PULSAR** 

Public Sector Accounting and Reporting Program

PULSAR Program is co-funded by:

 Federal Ministry  
Republic of Austria  
Finance

 Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
State Secretariat for Economic Affairs SECO

Official Use  
Only

# How do you climb a mountain? One step at a time

## Which (Political) Processes and Communications need to happen for Consolidated Financial Statements?



### Map the Terrain

Assess the gaps in the current system and identify action points, assess why certain actions were not taken, a lack of action is an indicator

- Which types of SOEs are there, what are their characteristics? What does this mean for the governance setup?
- Which of them have strong or less ties with core government activities? What is their impact on your fiscal strategy?
- What PFM Challenges are associated with the mandate of the SOEs?



### Plan the Route

Define priorities, such as an internally published report, or a published report not fully in line with IPSAS (e.g. NZ

- Phased legislation (multiyear) for SOE consolidation, who will be first and why? Who will be second, who will be exempt? (make use of IPSAS standards and materiality)
- Where is the generated information needed and when (budgetary cycle, cabinet decision making)?
- Which policies will be supported by the new governance setup (financial strategy, service delivery, etc.)?

Adapted from: Good Practice Template to Public Sector Accounting Reform Roadmap

# How do you climb a mountain? One step at a time

Which (Political) Processes and Communications need to happen for Consolidated Financial Statements?



## Anticipate Bad Weather



Identify friction points, such as the reason for a lack of action (lack of personnel or financial resources, power, etc.)

- For those who struggle (Government entities, SOEs, etc.) what resources will be available for help?
- Can those who are capable help other (community of practice, shared services, etc.)
- Where is harmonization crucial, where is flexibility possible?

## Don't Walk Alone



Find synergies and overlapping interests with other stakeholders (disjointed data may impact decision quality of certain stakeholders)

- Who will profit from the new governance and accountability (Parliament, regional and international bodies, investors and donors)?
- What are they capable and willing to bring to the table (knowledge, funding, power)?

# How do you climb a mountain? One step at a time

Which (Political) Processes and Communications need to happen for Consolidated Financial Statements?



## The more you walk, the easier it gets

Qualifications, IT-infrastructure or a national CoE require time to establish, there is potential for an implementation period with reduced requirements

- The biggest effort lies in the first attempt of consolidation (pareto rule)
- The biggest gains come from the first effort (paret rule)
- In 3-5 years consolidation can go from a challenging project to a “business as usual” process



## Enjoy the View

Utilize Quick Wins to motivate and draft reports to start the discussion regarding quality and merit of consolidation

- Develop a communication strategy early on about the “change in view” after consolidation
- Point out the new learnings and benefits, explain difficulties and challenges

Adapted from: Good Practice Template to Public Sector Accounting Reform Roadmap

# Conclusion: One cannot not communicate, better start the climb



You cannot not communicate. Every behavior is a kind of communication. Because behavior does not have a counterpart (there is no anti-behavior), it is not possible not to communicate.

**Paul Watzlawick**  
Austrian Psychologist and author

**Consolidation is a fiscal strategy project as much as it is a technical project!**



**Fragmented data** creates **misleading/disjointed narratives**



Proactive **Consolidation** helps to **guide decisions** and own the narrative



Control of the story **improves trust, clarity** and **fiscal policy**

# Thank you!




Public Sector Accounting and Reporting Program

---

PULSAR Program is co-funded by:

 Federal Ministry  
Republic of Austria  
Finance

 Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
State Secretariat for Economic Affairs SECO

---

Official Use  
Only