



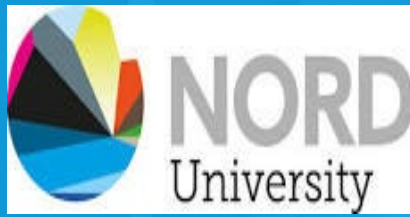
EduCoP Session 1: Integrating aggregation and ultimate consolidation topics into academic curricula and professional training programs

Master of Science in Accounting & Auditing for a Sustainable Business Management at HKR & Master in Finance at ECA

12 November 2025

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Public Sector Accounting and Reporting Program

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consolidation topics into academic master programs



2

Master of Science in Accounting and Auditing for Sustainable Business Management - 60 credits

Deepen your expertise in accounting and auditing and take an active role in building a more sustainable society. The Master of Science in Accounting and Auditing for Sustainable Business Management equips you with advanced skills in international accounting and sustainability reporting – expertise that is in high demand worldwide.

Master of Science in Accounting and Auditing for Sustainable Business Management - 60 credits

Programme information ^

Level: Second Cycle

Programme code: SAAC2

Degree: Degree of Master (60 credits)

Entry requirements: Bachelor of Science with the equivalence of 180 credits including at least 90 credits in business administration. At least 15 credits must be in intermediate accounting, management accounting, corporate governance, auditing and at least 15

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Master of Science in Accounting and Auditing for Sustainable Business Management – 60 credits



Career opportunities

The programme provides you with advanced skills in international accounting principles and sustainability reporting – competencies that are highly sought after in the job market and that open up a wide range of career opportunities. Upon graduation, you will be a valuable asset to organisations in both the public and private sectors worldwide, well-prepared for roles such as:

- **Sustainability Consultant**
- **Audit Specialist**
- **Accounting Consultant**
- **CFO (Chief Financial Officer)**

If you wish to explore the field of accounting and auditing further, the programme provides a strong foundation for academic research. You will be well-prepared to pursue a research career and contribute to the advancement of knowledge in international accounting, auditing, and sustainability practices.

Accounting and Auditing's role in driving sustainable transformation



1. Ensuring transparency and accountability in sustainability efforts

- Accounting and auditing professionals play a critical role in establishing credible frameworks for measuring and reporting environmental, social, and governance (ESG) metrics.
- By ensuring accuracy and compliance, they build trust with stakeholders and demonstrate a company's commitment to sustainable practices.

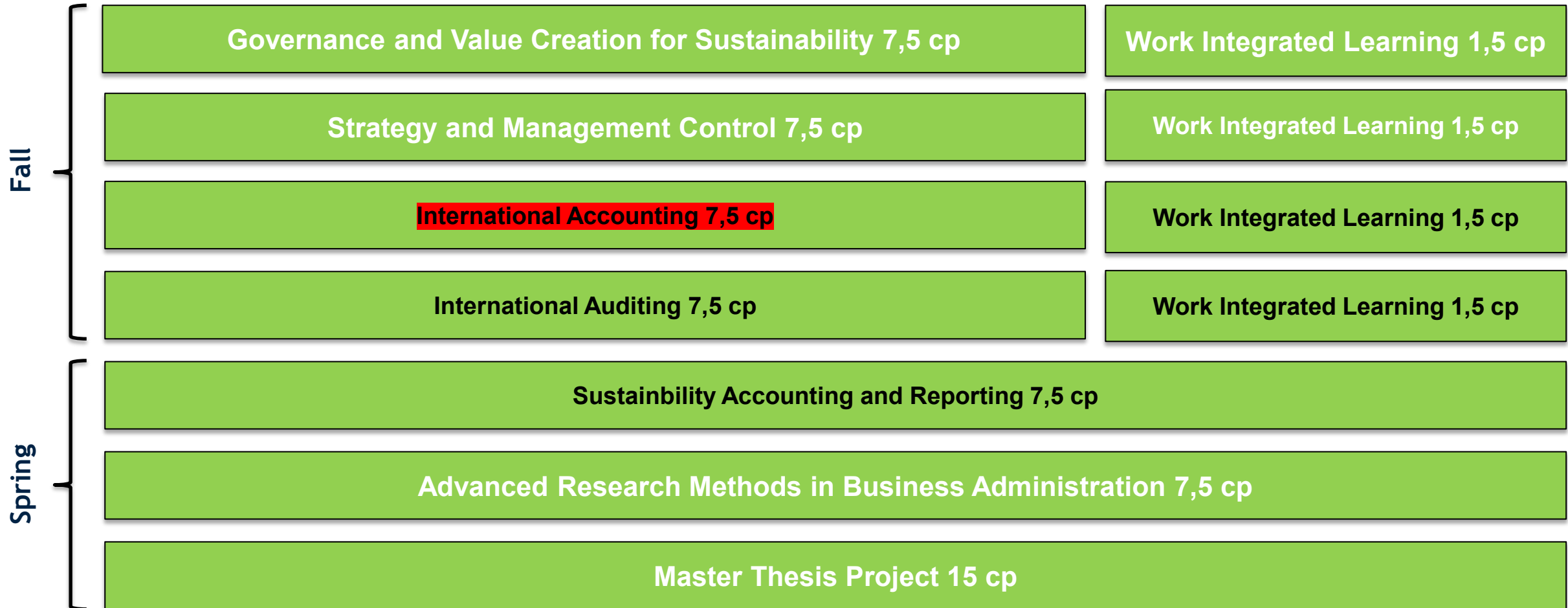
2. Guiding decision-making with sustainable financial insights

- Accountants provide data-driven insights on the financial implications of sustainability initiatives, enabling organizations.
- Help companies make informed decisions about resource allocation, carbon reduction strategies, and long-term investments in green technologies.

3. Driving compliance with evolving regulatory standards

- Auditing professionals ensure organizations meet sustainability-focused regulations and global reporting standards.
- Help companies stay ahead of evolving benchmarks, safeguarding reputations and enhancing market positioning.

Accounting Master Program Structure



International Accounting – 6 credits



6

Module 1 – Private Sector Accounting

1. International financial reporting standards: A theoretical introduction
2. Global convergence and divergence of IFRS and case introduction
3. IFRS- Assets
4. IFRS-Leasing and financial instrument
5. IFRS -Revenue, taxation and employee benefits
6. IFRS Financial Statements presentation
7. Consolidation IFRS-Income statement
8. Consolidation IFRS-Balance sheet

Module 2 – Public Sector Accounting

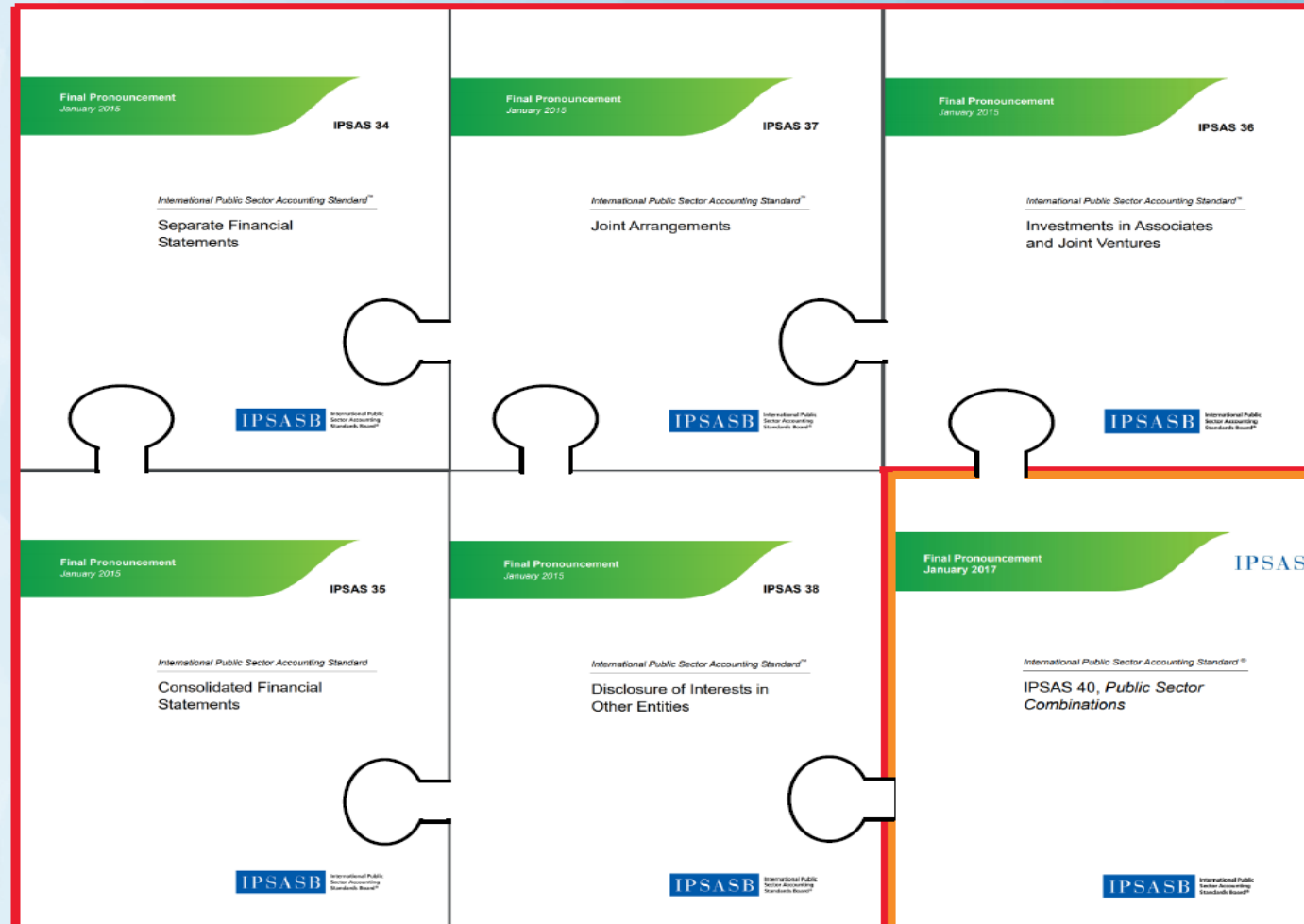
1. Public Sector Accounting: A theoretical introduction
2. IPSASB: Mission, Governance and Due Process
3. IPSAS: Overview, Disclosure and Measurement
4. And overview of the IPSAS literature
5. IPSAS approach to consolidation
6. Whole of Government Accounting
7. Ten years of consolidated accounts in the UK
8. The first EU experience (Estonia)
9. National reactions to IPSAS in European Union countries and emerging economies

IPSASB approach to consolidation: standards



7

Accounting for Interests in Other Entities



Accounting for Combinations with Other Entities

Consolidation approaches in OECD countries



Table 2. Consolidation practice in OECD countries

Country	Accounting standard	CFS since:	Perspective of consolidation
Group 1			
Australia	AASB (IFRS)	1997	Control
Canada	PSAB	2003	Control, GFS
Chile	Decreto Ley N°1.263 Oficio CGR	1975	GFS
Denmark	National Act	2005	Budgetary, GFS
Estonia	IPSAS	2004	Control
Israel	IPSAS	2003	Organisational, control
New Zealand	NZ GAAP (based on IFRS, IPSAS from 2014)	1991	Control
Slovakia	IPSAS	2009	Organisational, control
Spain	IPSAS	2010	Organisational, legal
Sweden	Swedish GAAP	1997	Organisational, legal
Switzerland	Neues Rechnungsmodell des Bundes (based on IPSAS)	2009	Organisational, legal
UK	UK GAAP	2010	GFS, control
USA	FASAB	2007	Budgetary, control

(continued)

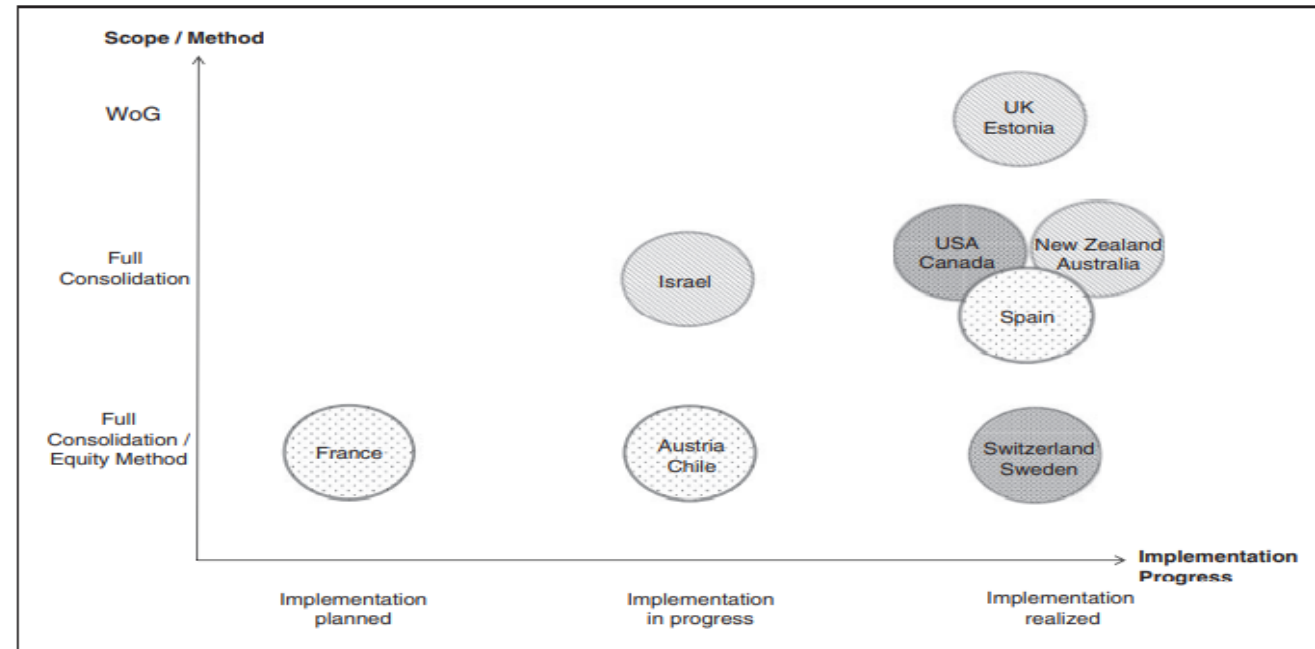


Figure 2. Consolidation methods and implementation process

Consolidation in the public sector: methods and approaches in Organisation for Economic Co-operation and Development countries

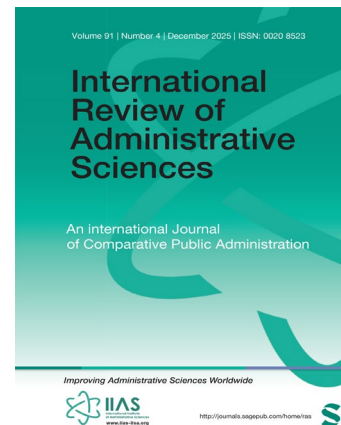
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Government consolidation practices



Figure 4: Government consolidation practices compared (Estonia, Slovakia and the UK)

	<i>Estonia</i>	<i>Slovakia</i>	<i>UK</i>
<i>Level of consolidation</i>	<ul style="list-style-type: none"> -WGA covering the whole public sector. -WGA covering the GGS. -Central government. -Local governments. 	<ul style="list-style-type: none"> -WGA covering the whole public sector. -Central government. -Local governments. 	<ul style="list-style-type: none"> -WGA covering the general government sector. -Central government. -Local governments.
<i>Legal basis for consolidation requirements</i>	-National law.	-National law.	-National law.
<i>Scope of consolidation</i>	<ul style="list-style-type: none"> -Based on control. Disaggregated information about GGS and public corporations is given as per IPSAS 22. -No scope exclusion for SLREs. 	<ul style="list-style-type: none"> -Based on control. -No scope exclusion for SLREs. -An entity is excluded only if no longer a going concern or expected to be sold within one year. 	<ul style="list-style-type: none"> -Based on control, except for the exclusion of public banks. -Small entities below a certain threshold are not consolidated at central government and WGA level.
<i>Consolidation rules</i>	-IPSAS	-IPSAS	-IFRS (as adapted for the public sector)
<i>Use of consolidated financial statements</i>	<ul style="list-style-type: none"> -State financial statements (i.e. WGA) closely looked at and compared to budget fulfilment reports. -Used in long-term fiscal decisions, in PFM reforms, to derive ESA 2010 reporting. 	<ul style="list-style-type: none"> -Analysis of government net worth, complementary to budget analysis. -Improvements to accounting policies and procedures thanks to audit. 	<ul style="list-style-type: none"> -WGA and central government accounts reviewed by Parliament and complement review of fiscal risks. -Possible public scrutiny at the local and central level.

UK Whole of Government Accounts



Whole of Government Accounts year ended 31 March 2024

Chapter 4 Financial Statements

Statement of Revenue and Expenditure

For the year ended 31 March 2024

	Note	2023-24 £bn	2022-23 £bn
Taxation revenue	4	(888.8)	(857.7)
Other revenue	5	(131.1)	(116.8)
Total public services revenue		(1,019.9)	(974.5)
Social security benefits	6	311.4	276.1
Staff costs	7	240.5	306.7
Purchase of goods and services	8	263.7	254.3
Grants and subsidies	9	104.1	122.4
Depreciation and impairment	10	64.2	52.8
Interest costs on government borrowing	11	63.4	85.1
Increase/(decrease) in provisions	23	29.0	36.2
Total expenditure on public services		1,076.3	1,133.6
Net expenditure on public services		56.4	159.1
Financing costs of long-term liabilities, including discounting	11	82.9	(141.9)
Revaluation of financial assets and liabilities		7.3	(31.8)
Net (income)/expenditure for the year		146.6	(14.6)

Statement of Financial Position

As at 31 March 2024

	Note	2023-24 £bn	2022-23 £bn
Non-current assets			
Property, plant and equipment	12	1,539.1	1,435.3
Right of use assets	13	28.0	28.8
Investment properties	14	14.3	14.2
Intangible assets	15	52.1	47.9
Trade and other receivables	16	21.4	22.7
Other financial assets	17	470.0	505.1
		2,124.9	2,054.0
Current assets			
Inventories	18	13.2	13.2
Trade and other receivables	16	217.7	210.2
Other financial assets	17	237.6	216.0
Cash and cash equivalents	19	39.5	43.9
Gold holdings	34	17.5	16.0
Assets held for sale		0.9	1.0
		526.4	500.3
Total assets		2,651.3	2,554.3
Current liabilities			
Trade and other payables	20	(175.0)	(168.6)
Government borrowings	21	(407.0)	(371.9)
Other financial liabilities	22	(868.5)	(948.0)
Provisions	23	(22.2)	(29.8)
		(1,472.7)	(1,518.3)
Non-current liabilities			
Trade and other payables	20	(53.3)	(47.7)
Government borrowings	21	(1,613.0)	(1,382.1)
Other financial liabilities	22	(333.6)	(303.2)
Provisions	23	(240.0)	(277.1)
Net public sector pension liability	25	(1,311.9)	(1,415.0)



Public Money & Management

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New development: Ten years of consolidated accounts in the United Kingdom public sector—taking stock

Elaine Stewart & Ciaran Connolly

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RAHANDUSMINISTERIUM

THE REPUBLIC OF ESTONIA CONSOLIDATED ANNUAL REPORT OF THE STATE FOR 2022

2 Consolidated and unconsolidated annual accounts of the state

2.1 Balance sheet

In millions of euros

	Consolidated			Unconsolidated			Note
	31.12.2022	31.12.2021	31.12.2020	31.12.2022	31.12.2021	31.12.2020	
Assets							
Current assets							
Cash	2,496.4	2,503.2	2,300.7	1,415.1	1,658.9	1,573.9	a2
Financial investments	1,609.1	461.6	645.5	1,598.1	448.3	644.0	a3
Tax, state fee and fine receivables	1,387.5	1,248.8	1,125.4	1,454.2	1,322.1	1,169.7	a4
Other claims and prepayments	1,676.8	1,294.7	1,097.8	1,034.0	1,228.5	775.9	a5
Derivatives	199.8	160.2	31.8	0.0	0.0	0.0	a18
Inventories	714.4	367.4	319.9	40.0	33.3	47.0	a7
Intangible current assets	444.1	208.6	85.3	0.0	0.0	0.0	a12
Biological assets	62.2	41.1	31.3	3.1	1.8	1.3	a14
Total current assets	8,590.3	6,285.6	5,637.7	5,544.5	4,692.9	4,211.8	
Non-current assets							
Ownership interest in foundations	0.0	0.0	0.0	430.8	441.7	442.9	a8
Ownership interest in subsidiaries and affiliated associates	89.4	67.5	60.4	4,490.0	4,169.9	3,881.8	a9
Financial investments	480.0	319.8	316.6	453.0	301.8	298.6	a3
Other claims and prepayments	941.4	925.1	867.1	1,193.2	1,089.2	1,533.3	a5
Derivatives	496.5	187.6	23.7	0.0	0.0	0.0	a18
Investment property	83.2	85.3	84.3	37.0	37.1	37.4	a10
Property, plant and equipment	10,803.2	10,318.1	9,885.4	3,471.5	3,334.0	3,082.9	a11
Intangible assets	333.2	305.9	279.8	180.3	150.4	125.6	a12
Biological assets	2,170.3	930.7	758.9	27.7	16.5	12.0	a14
Total non-current assets	15,397.2	13,140.0	12,276.2	10,283.5	9,540.6	9,414.5	
Total assets	23,987.5	19,425.6	17,913.9	15,828.0	14,233.5	13,626.3	

2 Consolidated and unconsolidated annual accounts of the state

2.1 Balance sheet

In millions of euros

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	31.12.2022	31.12.2021	31.12.2020	31.12.2022	31.12.2021	31.12.2020	
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Current assets							
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Financial investments	1,609.1	461.6	645.5	1,598.1	448.3	644.0	a3
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Total assets	23,987.5	19,425.6	17,913.9	15,828.0	14,233.5	13,626.3	

The enabling role of institutional entrepreneurs in the adoption of IPSAS within a transitional economy: The case of Estonia

Daniela Argento, Peeter Peda, Giuseppe Grossi 

First published: 15 January 2018 | <https://doi.org/10.1002/pad.1819> | Citations: 31



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Summary

In the light of neoinstitutional theory and by adopting case study research methodology, this article explains the adoption of International Public Sector Accounting Standards for modernizing public sector accounting in Estonia. This article reveals that the smooth—yet gradual—adoption of International Public Sector Accounting Standards-compliant accounting systems was enabled by the involvement of powerful actors (i.e., institutional entrepreneurs) with foreign and/or business backgrounds. In addition, the change in public sector accounting in Estonia was facilitated by the developments in its international positioning, characterized by the transition from a Soviet communist to a market economy and subsequent European Union membership and by the absence of past accounting practices, which could potentially hinder the change.

KEYWORDS

accounting change, Estonia, institutional entrepreneur, institutional logics, IPSAS, isomorphism

Integrating aggregation and ultimate consolidation topics into professional training programs

MASTER'S PROGRAMME IN PUBLIC FINANCE

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Module 1: The European budgetary context | set-up and implementation (30 hours)

Module 2: Management control and reporting (51 hours)

Module 3: Public sector finances and accounting (39 hours)

Module 4: Presentation of the Master thesis project (30 hours)

Consolidated annual accounts of the European Union

#EUBUDGET

FINANCIAL YEAR
2024

2024 INTEGRATED FINANCIAL AND ACCOUNTABILITY REPORTING

Annual accounts of the European Union 2024

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Annual accounts of the European Union 2024

BALANCE SHEET

	Note	EUR million	
		31.12.2024	31.12.2023
NON-CURRENT ASSETS			
Intangible assets	2.1	1 095	976
Property, plant and equipment	2.2	13 713	13 399
Investments accounted for using the equity method	2.3	1 446	1 365
Financial assets	2.4	308 961	274 283
Pre-financing	2.5	40 861	41 417
Exchange receivables and non-exchange recoverables	2.6	13 272	16 083
		379 347	347 524
CURRENT ASSETS			
Financial assets	2.4	19 377	11 088
Pre-financing	2.5	38 058	50 257
Exchange receivables and non-exchange recoverables	2.6	18 465	19 116
Inventories	2.7	85	78
Cash and cash equivalents	2.8	63 163	39 616
		139 148	120 156
TOTAL ASSETS		518 495	467 679
NON-CURRENT LIABILITIES			
Pension and other employee benefits	2.9	(93 096)	(90 808)
Provisions	2.10	(2 280)	(2 102)
Financial liabilities	2.11	(539 575)	(430 771)
		(634 951)	(523 682)
CURRENT LIABILITIES			
Provisions	2.10	(7 536)	(1 233)
Financial liabilities	2.11	(62 328)	(27 613)
Payables	2.12	(55 414)	(50 516)
Accrued charges and deferred income	2.13	(67 091)	(76 805)
		(192 368)	(156 166)
TOTAL LIABILITIES		(827 319)	(679 848)
NET ASSETS		(308 824)	(212 169)
Reserves	2.14	986	1 052
Amounts to be called from Member States*	2.15	(309 810)	(213 221)
NET ASSETS		(308 824)	(212 169)

* The European Parliament adopted a budget on 27 November 2024 which provides for the payment of the EU's short-term liabilities from own resources to be collected by, or called up from, the Member States in the following year. Additionally, under Article 83 of the Staff Regulations (Regulation (EEC, Euratom, ECSC) No 259/68 (O) L 56, 4.3.1968, p.1) of 29 February 1968 as amended), the Member States shall jointly guarantee the liability for pensions.

Annual accounts of the European Union 2024

STATEMENT OF FINANCIAL PERFORMANCE

	Note	EUR million	
		2024	2023
REVENUE			
Revenue from non-exchange transactions			
GNI resources	3.1	95 037	101 287
Traditional own resources	3.2	20 587	19 840
VAT resources	3.3	24 547	22 526
Plastics own resources	3.4	8 227	7 225
Fines	3.5	4 039	1 748
Recovery of expenses	3.6	957	803
UK Withdrawal Agreement	3.7	-	681
Other	3.8	10 673	8 800
		164 068	162 909
Revenue from exchange transactions			
Financial revenue	3.9	9 005	6 983
Other	3.10	2 592	1 963
		11 597	8 946
Total Revenue		175 665	171 855
EXPENSES			
Implemented by Member States	3.11		
European Agricultural Guarantee Fund		(40 267)	(40 716)
European Agricultural Fund for Rural Development and other rural development instruments		(14 779)	(14 605)
European Regional Development Fund and Cohesion Fund		(28 833)	(52 429)
European Social Fund		(18 037)	(17 665)
Other		(3 854)	(4 251)
Implemented by the Commission, executive agencies and trust funds	3.12	(98 971)	(61 888)
Implemented by other EU agencies and bodies	3.13	(4 388)	(4 226)
Implemented by third countries and international organisations	3.13	(6 639)	(6 090)
Implemented by other entities	3.13	(5 599)	(4 902)
Staff and pension costs	3.14	(14 966)	(14 023)
Finance costs	3.15	(27 226)	(14 355)
UK Withdrawal Agreement	3.7	(315)	-
Other expenses	3.16	(8 999)	(8 142)
		(272 873)	(243 292)
Total Expenses		(272 873)	(243 292)
ECONOMIC RESULT OF THE YEAR		(97 208)	(71 437)

Annual accounts of the European Union 2024

STATEMENT OF CHANGES IN NET ASSETS

	EUR million		
	Amounts to be called from Member States Accumulated surplus/(deficit)	Other reserves	Net assets
BALANCE AS AT 31.12.2022	(132 637)	1 312	(131 325)
Remeasurements in employee benefits liabilities	(6 877)	-	(6 877)
Other	249	(260)	(11)
2022 budget result credited to Member States	(2 519)	-	(2 519)
Economic result of the year	(71 437)	-	(71 437)
BALANCE AS AT 31.12.2023	(213 221)	1 052	(212 169)
Remeasurements in employee benefits liabilities	1 159	-	1 159
Other	94	(66)	27
2023 budget result credited to Member States	(633)	-	(633)
Economic result of the year	(97 208)	-	(97 208)
BALANCE AS AT 31.12.2024	(309 810)	986	(308 824)

Annual accounts of the European Union 2024

CASHFLOW STATEMENT

	EUR million	
	2024	2023
Economic result of the year	(97 208)	(71 437)
Operating activities		
Amortisation	191	181
Depreciation	1 194	1 203
(Reversal of) impairment losses on investments	-	-
(Increase)/decrease in loans	(36 703)	(42 522)
(Increase)/decrease in pre-financing	12 756	8 821
(Increase)/decrease in exchange receivables and non-exchange recoverables	3 463	13 000
(Increase)/decrease in inventories	(7)	3
Increase/(decrease) in pension and other employee benefits	2 288	10 192
Increase/(decrease) in provisions	6 481	564
Increase/(decrease) in financial liabilities (other than under the unified funding approach)	(1 382)	(3 516)
Increase/(decrease) in payables	4 898	(4 825)
Increase/(decrease) in accrued charges and deferred income	(9 714)	(9 359)
Prior year budgetary surplus taken as non-cash revenue	(633)	(2 519)
Remeasurements in employee benefits liabilities (non-cash movement not included in statement of financial performance)	1 159	(6 877)
Other non-cash movements	27	(11)
Investing activities		
(Increase)/decrease in intangible assets and property, plant and equipment	(1 817)	(1 938)
(Increase)/decrease in investments accounted for using the equity method	(80)	(52)
(Increase)/decrease in non-derivative financial assets at fair value through surplus or deficit	(6 246)	(7 329)
(Increase)/decrease in derivative financial assets at fair value through surplus or deficit	(19)	(107)
Financing activities		
Increase/(decrease) in borrowings under the unified funding approach	144 900	109 600
NET CASHFLOW	23 547	(6 928)
Net increase/(decrease) in cash and cash equivalents	23 547	(6 928)
Cash and cash equivalents at the beginning of the year	39 616	46 544
Cash and cash equivalents at year-end	63 163	39 616

9. SCOPE OF CONSOLIDATION

A. CONTROLLED ENTITIES (54)

1. Institutions and consultative bodies (11)

Council of the European Union	European Data Protection Supervisor
Court of Justice of the European Union	European Economic and Social Committee
European Commission	European External Action Service
European Committee of the Regions	European Ombudsman
European Council	European Parliament
European Court of Auditors	

2. EU Agencies AND Other Bodies (41)

2.1. Executive Agencies (6)

European Climate, Infrastructure and Environment Executive Agency (CINEA)	European Innovation Council and SMEs Executive Agency (EISMEA)
European Education and Culture Executive Agency (EACEA)	European Research Council Executive Agency (ERCEA)
European Health and Digital Executive Agency (HaDEA)	European Research Executive Agency (REA)

2.2. Decentralised Agencies and Other Bodies (35)

Agency for Support for the Body of European Regulators for Electronic Communications (BEREC Office)	European Public Prosecutor's Office (EPPO)
Community Plant Variety Office (CPVO)	European Securities and Markets Authority (ESMA)
European Agency for Safety and Health at Work (EU-OSHA)	European Training Foundation (ETF)
European Banking Authority (EBA)	European Union Agency for Asylum (EUAA)
European Border and Coast Guard Agency (FRONTEX)	European Union Agency for Criminal Justice Cooperation (Eurojust)
European Centre for Disease Prevention and Control (ECDC)	European Union Agency for Cybersecurity (ENISA)
European Centre for the Development of Vocational Training (CEDEFOP)	European Union Agency for Fundamental Rights (FRA)
European Chemicals Agency (ECHA)	European Union Agency for Law Enforcement Cooperation (EUROPOL)
European Environment Agency (EEA)	European Union Agency for Law Enforcement Training (CEPOL)
European Fisheries Control Agency (EFCA)	European Union Agency for Railways (ERA)
European Food Safety Authority (EFSA)	European Union Agency for the Cooperation of Energy Regulators (ACER)
European Foundation for the Improvement of Living and Working Conditions (Eurofound)	European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)
European Institute for Gender Equality (EIGE)	European Union Agency for the Space Programme (EUSPA)
European Insurance and Occupational Pensions Authority (EIOPA)	European Union Aviation Safety Agency (EASA)
European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion for Energy)	European Union Drugs Agency (EUDA)
European Labour Authority (ELA)	European Union Intellectual Property Office (EUIPO)
European Maritime Safety Agency (EMSA)	Translation Centre for the Bodies of the European Union (CdT)
European Medicines Agency (EMA)	

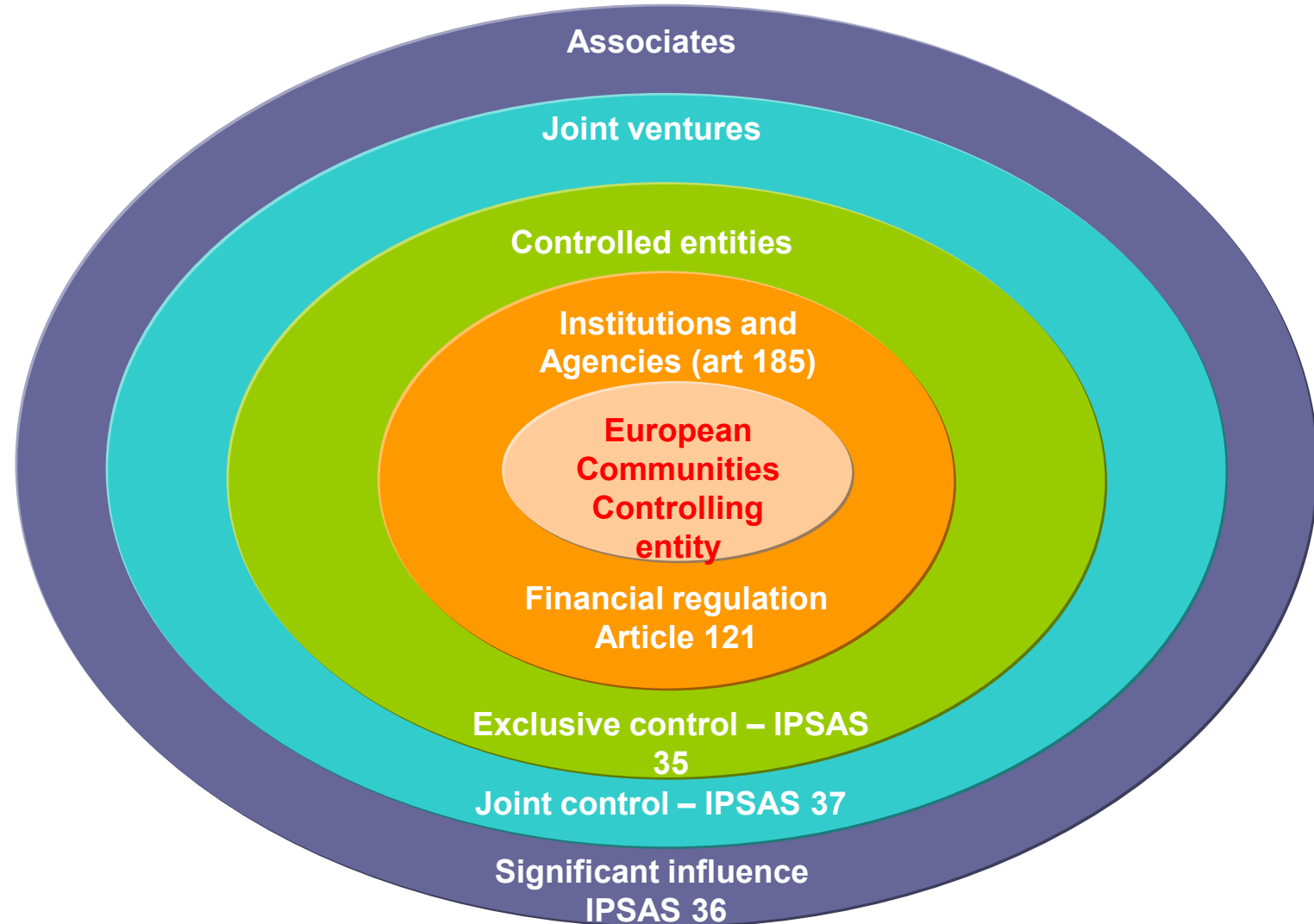
3. Other controlled entities (2)

European Coal and Steel Community in Liquidation (ECSC i.L.)	European Institute of Innovation and Technology (EIT)
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B. ASSOCIATES (1)

European Investment Fund (EIF)

The Global Consolidation of the EU



The consolidation process



First phase

In the first phase in which the consolidated financial statement (CFS) was compiled (until 2004), the area of consolidation included only the EU institutions and the bodies set up by the EU and having legal personality, which actually receive grants charged to the budget. EC followed the criterion of a single budget in order to define the area of consolidation: **“The criterion used to define the scope of consolidation is basically that of the single budget, that of the European Union. The current definition of the scope of consolidation does not comply with international standards”** (EC, 2003)

Second Phase: The adoption of IPSAS to consolidation:

Later on (2005), it was globally consolidated to include also Entities that are under exclusive control, significant influence and the joint control. The limits of the IPSAS approach to consolidation:

“The main limit is that the criteria for consolidation are more or less the same as in IFRS and they do not fit to the EU environment. Control criteria in our context are not always shares held or seats on boards, but are for example: discharge given by the European Parliament/Council, financing through the EU general budget and audit by the ECA”.

The usefulness

All consolidation procedures require a harmonization of the financial statements of each controlled entities or associates or joint ventures, that should be compiled using uniform accounting policies

“In view of the increasing numbers of EU entities and the ongoing externalization of the Commission's activities, aggregated information is considered as useful and interesting for the different stakeholders and users of the EU annual accounts (European Parliament, European Court of Auditors, EU member states, citizens, media, universities, etc.)”



G. GROSSI AND M. SOVERCHIA

**European Commission Adoption of IPSAS
to Reform Financial Reporting**

Thank you
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