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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the state of play of public accounting by the general government in the Union, taking into account the progress made since its 2013 assessment of the suitability of the International Public Sector Accounting Standards for the Member States

{SWD(2025) 396 final}

1. INTRODUCTION

This report responds to the requirement, laid down in Article 16(1)(a) of Council Directive 2011/85/EU[1] (the Budgetary Frameworks Directive), as amended by Council Directive (EU) 2024/1265[2], for the Commission to report by 31 December 2025 and every five years thereafter on the state of play of public accounting by the general government[3] in the Union, taking into account the progress made since its 2013 assessment of the suitability of the International Public Sector Accounting Standards (IPSAS) for the Member States.

In 2013, in response to the requirement in the initial Budgetary Frameworks Directive, the Commission published an assessment of the suitability of IPSAS for the Member States[4] (2013 IPSAS report), which concluded that there was a strong need for harmonised, accruals-based public sector accounting systems in the Member States and that IPSAS would make a suitable reference framework for developing European Public Sector Accounting Standards (EPSAS). The report also concluded that concerns with respect to governance and conceptual and technical matters of IPSAS would need to be addressed and proposed to proceed with the EPSAS initiative. As a result, since 2013, the Commission (Eurostat) has been working on that initiative.

The EPSAS initiative aims to provide harmonised accruals-based public sector accounting suited to EU needs. The main benefit would be the provision of a firmer basis for understanding the financial position and performance of public sector entities at all levels of government. This has the potential to improve evidence-based decision-making and accountability at EU, national and sub-national levels. In addition, it would further enhance the integration and efficiency of capital markets and the analysis of sustainability of public finances. It would also provide more efficient ways of producing statistics and controlling revisions and risks.

The EPSAS initiative builds on the premise of the significant benefits of harmonised accruals-based accounting while acknowledging that the costs of implementing such accounting are also likely to be significant. Accruals-based financial accounting systems are recognised as a 'gold standard' of accounting systems for both the private and the public sector. The benefits come from the fact that cash and mixed accounting systems do not provide complete financial information. Because cash and mixed accounting systems focus on capturing and reporting movements of cash, they miss several important elements underpinning economic developments and decisions, in particular comprehensive information on assets and liabilities, accrued expenses, revenue and recognition of assets during their entire useful life. Furthermore, significant additional benefits can be expected if governments go beyond what is necessary to comply with accrual accounting rules. The main driver for Member States having implemented accrual accounting reforms has been the need to build up management information systems that enable sound and well-informed decision-making.

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[1] Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States (OJ L 306, 23.11.2011, p. 41, ELI: http://data.europa.eu/eli/dir/2011/85/oj).

[2] Council Directive (EU) 2024/1265 of 29 April 2024 amending Directive 2011/85/EU on requirements for budgetary frameworks of the Member States (OJ L, 2024/1265, 30.4.2024, ELI: http://data.europa.eu/eli/dir/2024/1265/oj).

[3] 'Public accounting' in this report refers to public accounting by the general government sector.

[4] Report from the Commission to the Council and the European Parliament, Towards implementing harmonised public sector accounting standards in Member States. The suitability of IPSAS for the Member States (COM/2013/0114 final).

Taking due account of the benefits of EPSAS, which are relevant also to the deepening of the economic and monetary union, and of the concerns in some Member States, in 2015 the Commission (Eurostat) initially took a progressive and voluntary approach in order first to achieve increased fiscal transparency in the short to medium term and then to ensure comparability in the medium to long term:

- Phase 1: Increase fiscal transparency in the Member States in the short to medium term by promoting accruals accounting and, in parallel, develop the EPSAS framework (covering governance, accounting principles and standards);
- Phase 2: Address comparability within and between Member States by implementing EPSAS.

In 2019 and 2024, the Commission (Eurostat) issued EPSAS reports (staff working documents, or SWDs) outlining the progress made[5]. The current report is accompanied by an SWD providing further details.

2. THE COMMISSION'S WORK ON MODERNISING PUBLIC ACCOUNTING IN THE EU

In the last 10 years the Commission (Eurostat) has taken forward work on EPSAS in cooperation with Member State public accounting experts representing all levels of government, as well as with other key EU and global stakeholders. In Phase 1, the Commission's work on EPSAS includes systematic cooperation with stakeholders, technical work helping to prepare potential future EPSAS standards, work on the cost-benefit considerations of implementing public accrual accounting in the Member States and the provision of technical and financial support for such accounting in the Member States.

In September 2015, the Commission (Eurostat) set up the Working Group, later renamed the Expert Group, on European Public Sector Accounting Standards[6]. Its overall mission is to provide the Commission (Eurostat) with advice on and expertise in the preparation of harmonised European public sector accounting and general-purpose financial reporting standards on an accruals basis, for all levels of government.

Systematic communication on EPSAS has taken place with key stakeholders such as policymakers, governments, auditors, accountancy experts and academia. Beyond the Expert Group on EPSAS, the Commission (Eurostat) has contributed to public accounting projects and meetings of the Organisation for Economic Co-operation and Development (OECD), the IPSAS Board, the World Bank and the International Monetary Fund (IMF). Particular attention has been paid to communication with all levels of government in Member States, including state and local government representatives.

In terms of the technical work contributing to EPSAS, the issue of governance for future EPSAS was identified as a priority for follow-up after the conference held to discuss the development of EPSAS in Brussels in May 2013. The Commission (Eurostat) collected the views of a wide range of stakeholders in a public consultation[7] and later in a dedicated subgroup of the expert group. Taking into account the information collected, key EPSAS

[5] 2019 EPSAS report and 2024 EPSAS report.

[6] Expert Group on European Public Sector Accounting Standards (E02989), hereinafter referred to as the 'Expert Group on EPSAS'. It was called the 'Working Group on EPSAS' until spring 2021.

[7] Public consultation – Assessment of the suitability of the International Public Sector Accounting Standards for the Member States.

governance principles, objectives and users of General Purpose Financial Reports under EPSAS were laid down[8].

In order to improve fiscal transparency, as a first step, by encouraging public accrual accounting reforms in the Member States, the Commission (Eurostat) drew up guidance on first-time implementation (FTI) of accruals-based financial statements[9]. The FTI guidance is not meant to implement EPSAS as such, but rather to support improvements to fiscal transparency in the short to medium term while preparing the ground for EPSAS to be implemented at a later point in time.

The Commission (Eurostat), together with representatives of the Member States, prepared a draft conceptual framework (CF) for financial accounting and reporting under future EPSAS[10]. The EPSAS draft CF provides a set of concepts and definitions for the development, adoption and publication of EPSAS and offers guidance on the preparation and presentation of financial accounting information by sector entities under the EPSAS basis of accounting. The conceptual framework may also help users to interpret the financial information presented by public sector entities. A potential set of future EU financial accounting and reporting standards, in conjunction with the conceptual framework, would provide the necessary concepts and operational measures derived from those concepts for the financial statements to provide a true and fair view of the financial position, financial performance and cash flows of public sector reporting entities under the accruals basis of accounting.

A potential structure of future EPSAS standards has been developed. It covers the structure of the set of standards and the structure within future individual standards. The set covers eight accounting areas that could provisionally be divided into 13 potential EPSAS standards. Furthermore, the proposed structure within future individual EPSAS standards has been simplified, taking into account the accounting traditions in individual Member States.

From 2019 to 2021, a screening of IPSAS standards was performed[11]. The purpose of the screening reports was to assess the consistency of individual IPSAS standards with the EPSAS draft CF and the principle of the European public good, so as to provide information for the setting of future EPSAS standards. The analysis takes account of the IPSAS authoritative text, along with non-authoritative guidance where appropriate, to determine whether the criteria of the EPSAS draft framework are met.

Another source of information for the setting of potential future EPSAS standards is EPSAS issue papers containing technical analyses of public accounting topics. The issue papers[12] provide clarity on complex accounting issues, focusing on technical and practical implementation challenges. This work has also placed special emphasis on ‘EPSAS flexibility’, i.e. the possibility of reducing the reporting burden and complexity of the standards for smaller and less risky public entities. The EPSAS issue papers also support Member States in their accounting reforms by considering public accounting best practices from selected Member States and by helping to share them throughout the EU.

The European Commission’s own accounting systems, like those of several other international organisations, are accruals-based and inspired by IPSAS. Following the global

[8] Cell on principles underlying EPSAS governance – Final report to the working group of 7 April 2017.
[9] Guidance for the first time implementation of accrual accounting.
[10] Draft EPSAS conceptual framework (revised in February 2024).
[11] EPSAS screening reports on IPSAS.
[12] EPSAS issue papers covering topics relevant to public accounting.

trend and as a result of the cooperation between Member States facilitated by the Commission (Eurostat) under Phase 1 of the EPSAS project, extensive voluntary modernisation of public accounting systems across many Member States has taken place in the last decade.

The Commission (Eurostat) commissioned three studies of cost-benefit considerations for public accruals accounting reform. Two studies regularly updated the estimations of accounting maturity scores of governments and associated EPSAS implementation costs, which had initially been published in 2014 (see Section 3 below). In relation to the benefits of public accrual accounting in crisis situations, such as during COVID-19, the Commission (Eurostat) commissioned a paper that examined the link between public accounting and the wide range of important response measures put in place by many EU Member States[13].

Smart, sustainable and socially responsible reforms help increase the resilience of the economies and societies of the EU. The Commission has provided significant technical and financial support for Member States' government accounting reforms. As part of its technical support, the Commission (Eurostat) has facilitated the sharing of best practices and initiated discussions on innovative approaches to public accounting. It has discussed the benefits and challenges of accrual accounting reforms with government accounting experts and encouraged the sharing of experience and expertise between Member States. Member States have expressed particular interest in innovation related to accounting systems and the implementation of international standards. A number of Member States' public accounting reform projects have received EU financial support under Eurostat grants, the Technical Support Instrument (TSI) and the Recovery and Resilience Facility (RRF).

The work done under Phase 1 of the EPSAS project supports the Commission's efforts to strengthen administrative capacities in the Member States for greater impact. Despite a wide range of institutional set-ups and legal traditions, Member States' public administrations share a set of values and tasks and a common understanding of good administration, forming a European Administrative Space. Through the ComPAct[14], the Commission aims to enhance the European Administrative Space by promoting these principles and increasing its support for the administrative modernisation of the Member States. A common set of overarching principles for the quality of public administration has been established including 'sound and sustainable public finances, underpinned by integrated and comprehensive accruals-based public accounting systems'.

3. ACHIEVEMENTS AND PLANS OF MEMBER STATES IN DEVELOPING THEIR PUBLIC ACCOUNTING

In 2025 most Member States have already implemented accrual accounting in line with national standards across the general government sector or are in the process of doing so. In the absence of EPSAS, all reforming countries used or plan to use IPSAS as a basis for developing their own standards. Table 1 presents the Member States in three groups according to accounting maturity. Countries with an accounting maturity (an accrual accounting

[13] Government accounting, EPSAS and supporting the COVID-19 response.

[14] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Enhancing the European Administrative Space (ComPAct), COM(2023) 667 final of 25.10.2023.

progress score in relation to IPSAS) of 70% or more are deemed to apply accrual accounting[15].

[15] More specifically, countries with an accounting maturity of 70% or more are deemed to have in place integrated, comprehensive and nationally harmonised accrual financial accounting systems.

Table 1. Accounting maturity (AM) for the general government sector in 2025

High: AM ≥ 70%	Medium: 70% > AM ≥ 40%	Low: AM < 40%
Belgium, Bulgaria, Czechia, Denmark, Estonia, Ireland, Spain, France, Latvia, Lithuania, Austria, Slovakia, Finland and Sweden	Croatia, Luxembourg, Hungary, Netherlands, Poland, Portugal, Romania and Slovenia	Germany, Greece, Italy, Cyprus and Malta

Source: PwC 2025 study[16]

However, accounting maturity differed significantly between general government subsectors in many countries. In particular, local governments more often accounted on an accruals basis, whereas social security funds relied more on cash accounting. In 2025 EU average maturity scores for subsectors are as follows:

- central government: 66%
- state government: 68%
- local government: 73%
- social security funds: 59%.

IPSAS appear to be a common source of inspiration in domestic accounting standards for more than three quarters (21 out of 27) of Member States at central government level. More than half (14) of the Member States use IPSAS as a primary basis for developing their own government accounting standards. On the harmonisation of accounting policies in Member States, more than half (14) of the Member States apply broadly similar accounting principles to all general government subsectors.

Due to the expected benefits of public accruals accounting and the direction and support provided under the EPSAS initiative, the use of such accounting has increased significantly since the 2013 IPSAS report. The EU accounting maturity averages for the central government subsector have increased from 57% to 66% since that report. A similar trend has been observed in other general government subsectors. At subsector level, the greatest improvements (by more than 20 percentage points) were observed in Greece (local level), Spain (state level), Croatia (central and local level), Cyprus (central level), Latvia (local level and social security), Luxembourg (social security), and Austria (state and local level).

The Member States undertaking reforms acknowledge the benefits of public accrual accounting. Between 2014 and 2018, Eurostat co-financed 13 projects paving the way for or directly contributing to public sector accruals modernisation efforts in eight Member States[17]. With support for over 18 reforms across nine Member States, the Technical Support Instrument (TSI)[18] has supported, and continues to support, Member States' administrations in increasing capacity, implementing technical solutions and setting national IPSAS-compliant accounting standards in order to introduce and expand the use of accrual accounting. Support from the TSI has also facilitated more than 10 study visits to other Member States. Support has been provided to Ireland, Greece, Croatia, Italy, Cyprus, Luxembourg, Malta, Poland and Portugal. In Greece, Italy and Portugal the reforms are aligned with commitments made in their national recovery and resilience plans under the RRF. By also benefiting from the TSI,

[16] Updated accounting maturities of EU governments and EPSAS implementation cost, see table 3 on page 12. The figures for the general government sector are calculated as weighted averages of the subsectors' figures.

[17] Germany (Hesse), Spain (Cantabria), Italy, Cyprus, Hungary, Malta, Austria (Burgenland, Salzburg and Upper Austria) and Portugal.

[18] Initially the Structural Reform Support Programme (SRSP), followed by the Technical Support Instrument (TSI) from 2021.

Ireland has embarked on a public accounting reform focusing on central government, whereas Austria has completed its reform by implementing accruals-based accounting at state and local government levels. Some countries with already high accounting maturity, such as Lithuania, have further refined alignment of their public accounting with IPSAS.

Germany and the Netherlands currently have no plans to move towards accruals across their general government subsectors. In Germany, although there is no nationwide commitment to broad public accruals-based reform, individual improvements of the accounting system are being made at federal level (e.g. digitalisation of accounting processes and completion of an asset register). Two German federal states, Hessen and Hamburg, have in place advanced accruals-based public accounting systems. Furthermore, in 2025 accruals-based accounting is mandatory for local governments in 11 of the 13 area states of Germany (excluding Berlin, Bremen and Hamburg as these states do not have a municipal level). Implementation of accrual accounting also varies in the Netherlands, which continues with cash accounting for most of its central government entities, whereas its social security funds and most local governments use accrual accounting.

Introducing accrual accounting is a lengthy process, requiring a comprehensive approach, extensive capacity building and knowledge development across public administration. In Ireland, Greece, Italy and Luxembourg, successive multiannual TSI support has successfully delivered tangible outputs that contributed to the accounting reforms in these Member States. Experience has shown that progress also depends heavily on the commitment and availability of the participating public entities. Best practices from EU Member States show that full implementation takes several years, meaning that the benefits are not immediately visible.

By producing transparent and comparable accruals-based financial statements, governments will reflect the long-term impact of their decisions and can be held accountable for the good use of public funds to the citizens who democratically elect them and other stakeholders, such as fund providers. The benefits obtained from the accounting reforms in the Member States are difficult to quantify as they affect multiple areas, but significant additional benefits can be expected if governments go beyond what is necessary to comply with the accounting rules. Member States having implemented accrual accounting reforms have reported that the main driver for the reform was the need to build up management information systems that enable sound and well-informed decision-making. Implementing comprehensive high-quality accrual accounting practices is a necessary precondition for this. Robust accrual accounting data can be used to develop results-based management practices, cost accounting, asset management programmes and other key performance indicators that enable the costs of policies and programmes to be assessed and the outcomes to be evaluated against policy objectives.

The feedback received from governments on the benefits derived from these wider finance reforms is very positive. Governments having conducted an accounting modernisation project have, in a number of cases, also taken the opportunity to invest in modern IT/ERP[19] systems and streamline their internal processes, resulting in a positive impact on the efficiency – and hence the ongoing cost – of their operations.

There is growing (but not yet universal) acknowledgement of the need for accruals accounting for government within the EU and its Member States, although there is currently no harmonised approach. Accrual accounting reforms (often implemented as part of wider financial reform) are ongoing in Ireland, Greece, Croatia, Italy, Cyprus, Luxembourg, Poland, Portugal and also in two federal states in Germany, whereas the financial reporting process in

[19] Enterprise resource planning.

most Member States is continuously being improved. Countries continue to seek greater efficiency and automation of the financial reporting process and better information as an input for better decision-making and alignment with the development of IPSAS. According to the plans of the Member States, the EU average accounting maturity for the central government subsector is expected to further improve from 66% in 2025 to 78% in 2030. The most significant change is expected in Greece (+ 67 percentage points – p.p.), Malta (+ 60 p.p.), Italy (+ 50 p.p.), Cyprus (+ 48 p.p.) and Luxembourg (+ 45 p.p.), reflecting the accounting reforms that are currently under way.

Table 2. Planned accounting maturity for general government sector in 2030

High: AM ≥ 70%	Medium: 70% > AM ≥ 40%	Low: AM < 40%
Belgium, Bulgaria, Czechia, Denmark, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Malta, Austria, Portugal, Slovakia, Finland and Sweden	Croatia, Luxembourg, Hungary Netherlands, Poland, Romania and Slovenia	Germany

Source: PwC 2025 study

EU developments in recent years have been in line with the global trend. More than half (95 out of 169) of the jurisdictions included in an IFAC, CIPFA, IPSASB International Public Sector Financial Accountability Index: 2025 Status Report[20] declared that their public accounting will be accruals-based by 2030. The equivalent share in the 2024 Index was around one third (53 out of 169).

4. SUITABILITY OF IPSAS FOR THE MEMBER STATES AND THEIR POTENTIAL USE FOR EPSAS

This chapter assesses the suitability of IPSAS as a common public accounting framework in the EU[21] and their potential use for developing EPSAS.

The 2013 IPSAS report was based on a broad public consultation. 38.2% of its respondents agreed that IPSAS would be suitable as an accounting standard for the European Union, 30.9% partially agreed, while 27.9% disagreed[22]. The 2013 IPSAS report concluded that, while IPSAS would make a suitable reference framework for developing EPSAS, there were concerns about its governance and its conceptual and technical aspects. The concerns included practical limits to harmonisation, the completeness of the standards, the stability of the accounting framework and the insufficiency of resources for the governance framework.

Over the 12-year period since the 2013 IPSAS report, a new IPSAS governance structure, including strengthened independent oversight, has been put in place. In 2015 the Public

[20] International Public Sector Financial Accountability Index, 2025 status report, IFAC (International Federation of Accountants), CIPFA (Chartered Institute of Public Finance and Accountancy) and IPSASB (International Public Sector Accounting Standards Board), September 2025.

[21] This aspect is being stressed because there might be overlap between individual Member States' perceptions of the suitability of IPSAS for them nationally and the suitability of IPSAS if they formed the basis for a harmonised EPSAS approach.

[22] Public consultation – Assessment of the suitability of the International Public Sector Accounting Standards for the Member States.

Interest Committee (PIC) was set up to provide assurance that the IPSAS Board's standard-setting activities are based on the public interest. Furthermore, the Consultative Advisory Group (CAG), set up in 2016, provides a forum for the IPSAS Board to consult and receive advice from representatives of public sector organisations, or from individuals, who are interested in or affected by its work. Since they were set up, the PIC and the CAG have been integral to the IPSAS Board's governance and oversight processes and standard-setting activities. Two of the 18 IPSAS Board members are currently from EU Member States, with Eurostat and DG BUDG participating as observers. The Accounting Officer of the Commission is a CAG member.

During that 12-year period, IPSAS standards have undergone significant changes. The standards are now more comprehensive, having increased from 31 effective standards in 2013 to 40 standards in 2025, with the proportion of public sector-specific standards rising from 19% in 2013 to 30% in 2025. Standards dealing with specific public sector issues include IPSAS 42, *Social Benefits*; IPSAS 47, *Revenue*; and IPSAS 48, *Transfer Expenses*; but also IPSAS 19, *Provisions, Contingent Liabilities and Contingent Assets*. IPSAS now cover all the key issues that should be reflected in financial statements of public entities and are considered by stakeholders to be 'stable and complete'.

The screening of IPSAS standards (see Chapter 2) is another exercise reflecting the suitability of IPSAS for the EU. Overall, all the IPSAS standards screened have been found to be in line with the draft EPSAS CF and the principle of the European public good. The need for additional guidance has been highlighted in several accounting areas. In addition, the application of IPSAS among Member States was surveyed in 2024. The study highlights that while standards are quite comprehensive in a number of accounting areas, there are still gaps.

In 2024 Eurostat conducted a survey on the suitability of IPSAS for Member States and their potential use for developing EPSAS among the members of the EPSAS Expert Group. The three questions addressed the suitability of IPSAS as a reporting framework, the governance of that framework for the Member States and the suitability of IPSAS as a reference framework for developing EPSAS. While some concerns listed in the 2013 IPSAS report have remained, they have diminished over time, and the respondents' views indicate that the suitability of IPSAS as a reporting framework for Member States and the governance of that framework have in the meantime significantly improved. The vast majority of Member States highlighted the suitability of IPSAS standards and their governance model. The need to design a fiscal management model which will integrate ESA reporting and methodology and the related fiscal instruments with IPSAS/EPSAS reporting was highlighted. Other major concerns raised included the cost and complexity of implementation and the need for detailed guidance and differential reporting.

Table 3. Suitability of IPSAS for Member States and their potential use for developing EPSAS

	Yes	Partly	No
IPSAS are a suitable reporting framework for Member States	46%	42%	12%
IPSAS governance makes it suitable for Member States	27%	58%	15%
IPSAS are a suitable reference framework for developing EPSAS	66%	19%	15%

Source: 2024 survey on the suitability of IPSAS

Member States believed that IPSAS, as a reference framework, will enhance standardisation and comparability of public financial reporting in the EU. There was, however, concern about

the suitability of the option of using fair value as a basis for measurement in the public sector in some circumstances.

Member States acknowledged that while there is strong public sector expertise embedded in the governance system of IPSAS and a thorough, independent and transparent due process is in place, there was a desire for greater European involvement in the IPSAS governance system. There was also concern as to whether, from the point of view of democratic legitimacy, a board supported by a private body could be the standard setter for the EU.

Member States thought that using IPSAS as a reference framework for developing EPSAS would allow EPSAS to be implemented cost-effectively.

Member States had two different points of view on the suitability of IPSAS for EPSAS purposes. One perspective was that IPSAS would be suitable and that an endorsement mechanism – like the one in place for private sector accounting standards in the EU – would be sufficient. The other perspective focused on a separate EPSAS standard-setting process, albeit based on IPSAS, highlighting the need for robust technical capacity. Member States also highlighted the need for political support and noted that legislative changes would be necessary at Member State level.

5. WAY FORWARD FOR PUBLIC ACCOUNTING IN THE EU

Given the importance of robust and transparent public accounting systems and Member States' continued interest in contributing to EU-level discussions on public accounting, there is high demand to coordinate efforts to modernise national public accounting systems on the basis of national accruals-based standards.

The increased use of accruals-based public accounting in the EU during Phase 1 of the EPSAS project has generated significant momentum for reform and demonstrated the value of discussing public accounting developments and sharing best practices. This benefits both Member States already using accruals-based approaches and those working on accounting reforms, as they benefit from past experience. At the same time, it encourages the voluntary convergence of approaches across the EU.

Most (14) Member States have already implemented accrual accounting in line with national standards across the general government sector. Five are set to do so by 2030. Eight Member States do not plan to implement accrual accounting across their general government sector by 2030, with two of them not acknowledging the benefits of doing so. The work carried out under the Expert Group on EPSAS and the reform of the EU's economic governance framework has revealed a lack of consensus among Member States on making harmonised accruals-based public accounting compulsory in the EU.

Although some concerns set out in the 2013 IPSAS report still remain, they have diminished over time. The suitability of IPSAS as a reporting framework for Member States and the governance of that framework have significantly improved since the report. The other main concerns about IPSAS raised by some Member States are the cost and complexity of implementation and the need for detailed guidance.

In the light of the progress made, the EPSAS initiative will continue in Phase 1, focusing on encouraging and supporting national modernisation efforts to increase transparency in the general government sector. These activities will involve among others:

1) The Commission will provide technical support for the Member States' modernisation efforts, by identifying implementation challenges and developing common solutions,

promoting best practices and sharing experiences of public accounting between the Member States.

2) Public accrual accounting reforms will remain eligible for support under the Technical Support Instrument until 2027. Future EU financial and technical support will be decided on under the next EU budget[23].
3) There will be systematic communication with key stakeholders such as policymakers, governments, auditors, accountancy experts and academia. Cooperation will be maintained with the IPSAS Board and other international organisations such as the OECD, the World Bank and the IMF.
4) Convergence of approaches in EU Member States will be encouraged by following the EPSAS draft conceptual framework on a voluntary basis.
5) The next report on public accounting in the EU will be drawn up in 2029-2030, as required by the amended Budgetary Frameworks Directive.

These objectives are compatible with Commission policies, in particular on enhancing the European Administrative Space (ComPAct) and the objectives of the Budgetary Frameworks Directive.

[23] https://commission.europa.eu/strategy-and-policy/eu-budget/long-term-eu-budget/eu-budget-2028-2034_en.