ANNEX A

Overview of Accrual Accounting and Budgeting Practices in Individual Countries

Table A.1. **Accounting basis applied to budget approved by legislator**

As of March 2009

	Full accrual basis	Accrual basis, except no capitalisation or depreciation of assets	Cash basis, except certain transactions on accrual basis	Full cash basis
Australia	X			
Austria				X
Belgium				X
Canada		X[1]		
Czech Republic				X
Denmark			X[2]	
Finland		X		
France				X
Germany				X
Greece				X
Hungary				X
Iceland		X		
Ireland				X
Italy		X[3]		
Japan				X
Korea				X
Luxembourg				X
Mexico				X
Netherlands				X
Norway				X
New Zealand	X			
Poland				X
Portugal				X
Spain				X[4]
Sweden				X
Switzerland	X			
Turkey				X
United Kingdom	X			
United States			X[5]	

1. Canada – Refers to the Estimates, the means by which appropriations are approved by the legislature.
2. Denmark – Interest expenses and employee pensions treated on accrual basis.
3. Italy – Budget prepared on both "full cash basis" and "accrual basis, except no capitalisation or depreciation of assets".
4. Spain – Modified cash basis: the Public General Accounting System takes the economic and legal environment of the public sector into consideration, which determines that the economic revenues and expenses deriving from budget execution must be recorded when correlative budgetary rights and obligations, that is, when the administrative act is dictated.
5. United States – Interest expenses, certain employee pension plans, and local and guarantee programmes treated on accrual basis.

Source: OECD (2009), "An Overview of Accrual Accounting and Budgeting Practices in Individual Countries", OECD Working Party of Senior Budget Officials – 9th Annual OECD Public Sector Accrual Symposium, 2-3 March, Paris.

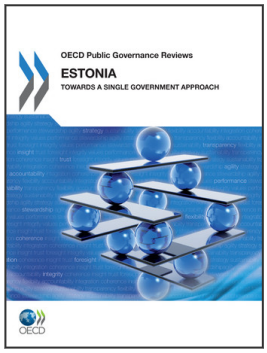
Table A.2. **Accounting basis applied to consolidated (whole-of-government) financial statements**

As of March 2009

	Full accrual basis	Accrual basis, except no capitalisation or depreciation of assets	Cash basis, except certain transactions on accrual basis	Full cash basis
Australia	X			
Austria				X
Belgium			X[1]	
Canada	X			
Czech Republic				X
Denmark			X[2]	
Finland	X			
France	X			
Germany				X
Greece	X			
Hungary				X
Iceland		X		
Ireland				X
Italy		X[3]		
Japan				X
Korea				X
Luxembourg				X
Mexico				X
Netherlands				X
Norway				X
New Zealand	X			
Poland			X[4]	
Portugal				X
Spain	X[5]			X
Sweden	X			
Switzerland	X			
Turkey	X			
United Kingdom	X			
United States	X			

1. Belgium – Interest expense treated on accrual basis.
2. Denmark – Interest expense and employee pensions treated on accrual basis.
3. Italy – Statements prepared on both "full accrual basis" and "accrual, except no capitalisation or depreciation of assets".
4. Poland – Employee pensions treated on accrual basis.
5. Spain – Consolidation is being established gradually. Transactions between entities within the economic entity, including transfers and revenues recognised, are eliminated in full.

Source: OECD (2009), "An Overview of Accrual Accounting and Budgeting Practices in Individual Countries", OECD Working Party of Senior Budget Officials – 9th Annual OECD Public Sector Accrual Symposium, 2-3 March, Paris.



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