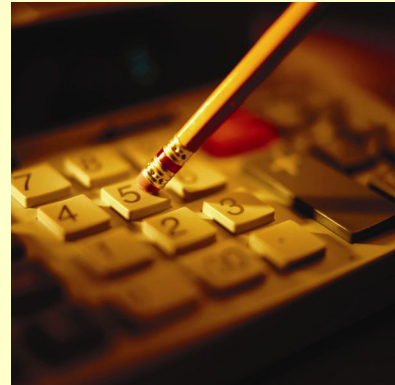


## Milestones to Accrual Accounting in the Public Sector

Since the launching of the accrual accounting project on the 5<sup>th</sup> April 2004, the project team has been working continuously to meet the various milestones that were set for the successful transition from cash to accrual accounting. The question may be asked, "What are these milestones?"



In a cash based accounting system, the emphasis is on the management of cash and expenditure; there is no official reporting on governments non-financial assets and liabilities. Receivables and accounts payable are not fully recorded in a formal manner and the rules and regulations are not written to accommodate the provision of bad debt or depreciation.

The absence of some of these basic accounting practices in the government accounting system is a good indication of the distance that must be covered in order to implement an accrual system in all Ministries and Departments at the same time.

The "milestones" can at times seem time-consuming and precarious, but there is always the understanding that the race will be won.

Following are some of the major milestones:

- Reviewing and adopting current public sector accounting standards.

- The designing of a new chart of accounts to meet the new standards for reporting.
- The adoption of a new budgeting and appropriation system.
- The recording and valuation of government assets.
- The changing of legislation for the new requirements of the accrual system.
- Assessing the training needs in accrual accounting throughout the public sector and implementing a programme to address these needs.

Reaching these milestones will be challenging.

What is so reassuring, is the knowledge that within the public sector there are persons who are competent to manage and overcome the challenges in achieving these milestones.

Currently, these persons are working within workgroups which were designed to allow persons with the necessary expertise to work in specific areas.

The results from the various workgroups so far are very encouraging and have shown that, persons have approached the task with much dedication and commitment. They have already submitted recommendations for the following Activities:

- The strategy and method for the valuation of properties owned by government. This includes the valuation of vacant lands , land and

buildings, all vehicles, the infrastructure which included roads, highways and systems.

- The design of a new chart of accounts to reflect the new dimension which represents an accrual system, with the inclusion of receivables , the provision of bad debts and depreciation.
- Government's reporting requirements and the reclassification of the existing accounts.
- A training programme that allows finance managers within Ministries and Departments to become fully involved in the change management process and technical training of all accounting officers.
- A detailed training plan that includes the training of officers at various levels and acts as the basis for further specialised training.
- A Draft of the new Act to replace the current Financial Administration and Audit Act .

The approach to these challenges have given us the assurance that the milestones will be accomplished.

### **Project Team Profile**

Project Manager: Mrs. Heather Thompson

Mrs. Thompson is responsible for the management and reporting of all activities under the accrual accounting project, she is also the project's representative on the legislation working group.

Assistant Project Manager : Ms. Jennifer Bryant

Ms. Bryant supports the project manager in the management of the project with specific responsibility for the management of the communication strategy, she is also the project's representative on the training and chart of accounts working group.

Mr. Trevor Forde: Senior Systems Analyst

Mr. Forde provides advice to the project team on issues of an IT nature which directly affect the implementation and maintenance of the new system, he also assists in various aspects in the development of the training strategy.

Mr. Wolwyn Clarke : Senior Accountant

Mr. Clarke assists with the documentation of the current system and the implementation of the solution design for the new system, he is also involved in the planning of workshops and is the project's representative on the capital assets working group.

Ms. Andrea Mayers: Senior Accountant

Ms. Mayers assists with the documentation of the current system and the implementation of the solution design for the new system, she is also involved in the planning of workshops and is the project's representative on the revenue working group.



From L-R **TOP**: Wolwyn Clarke (Senior Accountant), Jennifer Bryant (Assistant Project Manager) and Trevor Forde (Senior Systems Analyst)

From L-R **SITTING**: Heather Thompson (Project Manager) and Andrea Mayers (Senior Accountant)

## **IN-HOUSE TRAINING LAUNCHED**

Training is an intricate part in the transition process. If the system is to be successfully implemented, apart from the technical aspect of the training, the users must also have the opportunity to be involved in the planning process.

Our training programme was therefore designed to involve financial managers from the various Ministries and Departments, for them to assess the department's training needs and help to develop and implement a training programme that would meet the requirements of that particular department. The departments were placed in specific groups to encourage greater interaction among departments.

Meeting held for departments in group four to develop an in-house training strategy.



Ms. Eureka Hoyte (fourth from right) Coordinator of the group outlining the strategy for the in-house training programme to representatives from the

Ministry of Housing, Ministry of Labour, Auditor General's Department, Registration Department, Police Department and the National Library Services.  
(Left is Jennifer Bryant Assistant Project Manager Accrual Accounting Project)