



Algemene Rekenkamer

The NCA promoting and supporting accounting reform – *three examples*

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1986

- Operation 'Accounting Reform': getting the financial management basics right
- Reason: unacceptable (7 year!) delay in financial accountability
- Building blocks
 - internal control infrastructure (including 'double lock' on the budget)
 - comprehensive/understandable/ timely financial information on all stages of the budget cycle
 - certifying internal audit for every ministry



1986 (2)

- SAI-role:
 - Co-creator sense of urgency through audit findings
 - Contributing to defining building blocks
 - Systematically monitoring progress against targets set by Minister of Finance
- Evaluation:
 - operation was succesful (sustainable sound financial management, firm basis for effective and efficient financial audit by NCA)
 - SAI-role was effective – doing the right things at the right time (intense parliamentary attention, willingness of ministry of Finance)



1999

- From Policy Budgeting to Policy Accountability: putting performance information into the picture
- Reason: parliament unhappy with financial information overload/performance information 'underload'
- Building blocks
 - Redesign of structure of budgets and annual reports (3 'What' -questions)
 - Impulse to performance measurement and evaluation
 - Broader scope of internal audit work



1999 (2)

- SAI-role:
 - Contributing to the new design of budgets/reports
 - Systematically monitoring progress against targets set by Minister of Finance
 - Supporting ministries to work with the new system
- Evaluation:
 - operation quite succesful (performance aspect will stay)
 - continuous search for right quantity and quality of information (confinement to 'Accountable Budgeting')
 - SAI-role generally effective , but sometimes too much focused on technics rather than on performance stories



20..?

- Central-government wide introduction of accrual accounting
- Announced around 2000, but left again
- Evaluation of pilot in 2007: 'costs outweigh benefits'
- NCA keeps on advocating accruals, ministry of Finance keeps saying 'no' (no strong sentiments in Parliament)
- EPSAS-plan brings new dynamics and dimensions to the debate: 'micro for macro', relevance of (uniform) accrual accounting for generating reliable, efficient and comparable statistical information on EMU-balance and debt/fiscal surveillance
- Needed: powerful but proportionate, convincing and consistent, focused (2011/95) European approach, proactive attitude in Member States (e.g.: national harmonization)
- NCA will intensify dialogue with Ministry of Finance



Conclusion



*There's accrual music in the accounting air,
but...*

It takes three to tango