



# Accrual Budget & Financial Management

Email Bulletin No 15 December 2003

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Department of Treasury  
and Finance  
GPO Box 147  
Hobart TAS 7001

### ACCRUAL BUDGET & FINANCIAL MANAGEMENT INTERNET SITE:

<http://www.treasury.tas.gov.au>

### ACCRUAL BUDGET CONTACTS:

**Mario Abela**  
Director, Budget Management Branch  
Ph: (03) 6233 3767

**Craig Jeffery**  
Director, Government Finance and Accounting Branch  
Ph: (03) 6233 3638

**Ian Pitchford**  
Project Manager, Accrual Budget and Financial Management Project  
Ph: (03) 6233 4572  
Email: [ian.pitchford@treasury.tas.gov.au](mailto:ian.pitchford@treasury.tas.gov.au)

### BULLETIN DISTRIBUTION:

Please contact Sarah Goodwin on (03) 6233 2255 or by Email: [sarah.goodwin@treasury.tas.gov.au](mailto:sarah.goodwin@treasury.tas.gov.au) to update the Bulletin distribution list.

## Note from the Director Budget Management

Thank you for the warm welcome I have received from everyone during my first weeks in the position of Director, Budget Management Branch.

Phase 4 of the ABFM Project is now well underway, with significant progress being made toward the Project Outputs for 2003-04.

Since the previous edition of the Bulletin a number of key milestones have been achieved including:

- the completion of an external post implementation review of Phase 3 of the Project;
- the completion of enhancements to BMFRS;
- planning for the Half Yearly Report;
- progressing the reclassification of administered Grants and Subsidies; and
- the engagement of a consultant to develop the first five modules of the Financial Management Education and Training Program.

I wish everyone an enjoyable and safe Christmas period and I look forward to working with you during what will be a busy period in the new year.

**Mario Abela**  
Director, Budget Management



## Outcome Realisation Plan – Phase 4

The ABFM Project Phase 4 Outcome Realisation Plan was endorsed by the Steering Committee at its meeting on 17 December 2003.

The Outcome for the Project remains unchanged for Phase 4 as a more effective Budget and Financial Management Framework for managing public finances through:

- improved management of the Budget by including accrual Budget targets in the Government's Fiscal Strategy;
- improved consistency of Budget information presented with other jurisdictions, the focus of rating agencies and other financial commentators;
- increased management of all sources of funds in the Budget;
- increased focus on accrual information;
- an improved link between agency Budget information and agency financial statements (on an accrual basis) and the Government's accrual Budget presentation; and
- an increased understanding of the accrual Budget.

The Outcome Realisation Plan, and the Post Implementation Review Report (see Page 2), note that most of the Outcomes of the Project have been achieved. However, further education processes are required to improve stakeholder understanding and use of accrual information.

The Phase 4 Outcome Realisation Plan is available on [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au) at 'Accrual Budget Implementation'.

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*The ABFM Email Bulletin is a publication designed to provide agency budget and finance officers, and those involved with corporate and strategic government planning, with information on the implementation of an accrual Budgeting framework for the Tasmanian General Government Sector.*

## Review of the Classification of Administered Payments

Treasury is currently working with agencies to review the classification of Administered Payments with a view to obtaining consistency with Treasurer's Instruction 704, *Definition of Administered and Controlled*. The reclassifications will also improve the comparability of information contained within agency financial statements and Budget Paper information.

Treasury has met with staff of the Auditor-General and a number of agencies, and will establish classification principles and an implementation strategy and timeframe after the completion of these meetings.

Agencies will be advised in the new year of the outcomes of the present discussions and the next steps in the reclassification process.

For further information, please contact Ian Pitchford on 6233 4572 or by Email: [ian.pitchford@treasury.tas.gov.au](mailto:ian.pitchford@treasury.tas.gov.au).



## Post-Implementation Review – Phase 3

The external Review of Phase 3 of the ABFM Project has been completed and the final report endorsed by the Steering Committee at its meeting on 17 December 2003.

The Review has provided valuable feedback from a cross-section of stakeholders involved and affected by the Phase 3 changes to the presentation of the State Budget.

Overall, the Review has confirmed that the major project outcomes have been

achieved, whilst highlighting areas where improvements can be made.

Significant work has been undertaken on projects such as the Financial Management Education and Training Program, Implementation of the new Financial Reporting Framework and implementation of recommendations from the Output Methodology Review, which are acknowledged in the report as addressing deficiencies identified in Phase 3.

Again, we would like to thank agency representatives for their assistance in providing feedback to the consultant, Prologic Pty Ltd.

The report will be distributed to agencies in early January 2004.

For further information, please contact Sarah Goodwin on 6233 2255 or by Email: [sarah.goodwin@treasury.tas.gov.au](mailto:sarah.goodwin@treasury.tas.gov.au).



## Agency Restructure Guidelines

During the consultation phase of the 2003-04 Post Budget Review, a number of agencies indicated that Treasury needed to clearly outline its requirements of those agencies that were undergoing restructures.

An inter-agency Working Group was established in October 2003 to review the agency restructure that resulted in the creation of the Department of Tourism, Parks, Heritage and the Arts to fully document the agency restructure process and to develop guidelines for agencies when undertaking restructures.

The final report of the Review is nearing completion and will be distributed to agencies for comment in January 2004.

For further information, please contact Ian Pitchford on 6233 4572 or by Email: [ian.pitchford@treasury.tas.gov.au](mailto:ian.pitchford@treasury.tas.gov.au).



## Overhead Distribution Working Group

A Working Group of representatives of all agencies has been established to consider the method of distribution of corporate services overheads across Outputs and to put in place measures to improve the costing of Outputs by agencies.

The main area of concern for most agencies is the manual effort required to create variations to maintain BMS in line with the agency finance system estimates of Output expenditure. Most agencies support the introduction of a corporate services overhead 'Output' within BMS, which could be distributed across Outputs at relevant reporting milestones.

The Working Group will reconvene in January 2004. A Report detailing options for dealing with the issue will be prepared by 31 March 2004.

For further information, please contact Ian Pitchford on 6233 4572 or by Email: [ian.pitchford@treasury.tas.gov.au](mailto:ian.pitchford@treasury.tas.gov.au).

## Education Program

MTS Pty Ltd was appointed in December 2003 to develop the first five Modules of the Financial Management Education and Training Program for use by Tasmanian Government Agencies. MTS Pty Ltd is currently working on Modules 1 and 3 which comprise:

- Introduction to Budgeting and Accountability Framework; and
- Using Reports to Monitor Your Budget.

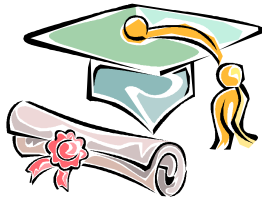
The Modules will be developed in consultation with the various target

audience groups as well as the inter-agency Education and Training Working Group and appropriate agency representatives.

Modules 1 and 3 will be finalised during January 2004. Work on Modules 2, 4 and 5 will commence in February 2004.

For further information, please contact Debbie Sadler on 6233 3729 or by Email:

[debbie.sadler@treasury.tas.gov.au](mailto:debbie.sadler@treasury.tas.gov.au)



As advised previously, BMS is currently locked to allow the development of the revised 2003-04 Budget for inclusion in the Half Yearly Report. All functions other than enquiries will be unavailable to agencies until 15 January 2004.

Treasury looks forward to agency feedback on the enhanced BMFRS.

For further information concerning enhancements to BMFRS, system reports, or rollout of the new software, please contact, for BMS, Brett Hall on 6233 2292 or by Email: [brett.hall@treasury.tas.gov.au](mailto:brett.hall@treasury.tas.gov.au), or for PARS, Jacqui Wilson on 6233 2430 or by Email:

[jacqui.wilson@treasury.tas.gov.au](mailto:jacqui.wilson@treasury.tas.gov.au).

## BMFRS Enhancements

Phase 4 enhancements to BMFRS, including functions identified in the BMFRS Post Implementation Review, have been completed. A rollout to agencies of the new software has been undertaken over the past few weeks.

Phase 4 enhancements include:

- a “copy to spreadsheet” function in the variations grid menu. Users are now able to copy and paste an individual row, or the entire contents of the grid, from and to Microsoft Excel;
- functionality enabling users to view the transaction types that comprise reporting groups; and
- enhanced accrual enquiry capabilities to include wildcard searches for a range or list of values. Initial user feedback within Treasury indicates that this is a powerful and useful enquiry tool.

