



# Accrual Budget & Financial Management

Email Bulletin No 16 April 2004

## This Issue..

- Output Methodology Review
- Review of the Classification of Administered Payments
- Review of BMS Users Training Needs
- Overhead Distribution Working Group
- Education Program
- Best Practice Reporting

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

As the key milestones of Phase 4 of the ABFM Project near completion, it is timely to recognise that financial reform is an ongoing process, which will not cease with the completion of the project.

With that in mind, planning for the implementation of recommendations from the Output Methodology Review has commenced, and will be advanced in conjunction with the legislative review of the Financial Management and Audit Act.

The planning process provides the opportunity to consider the broad strategic direction of the Budget process and resource management, which is pivotal in continuing to achieve a sound fiscal outcome for Tasmania.

Finally, with the 2004-05 Budget development process in full swing, I would like to acknowledge the good efforts of all those involved, and particularly the co-operation of agencies.

**Mario Abela**  
Director, Budget Management



## Reclassification of Administered Payments

The reclassification of Administered Payments has been completed, providing consistency with Treasurer's Instruction 704, *Definition of Administered and Controlled*, and increasing the comparability of information contained within agency financial statements and the Budget Papers.

Treasury thanks Agency staff for their involvement and on-going co operation during 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).



## Staffing Changes

We would like to welcome Amanda Wilson to the Project Team as a Senior Budget Analyst, following the departure of Matthew Holloway.

In addition, Graham Murray has joined the Team on a fixed term basis to review and document our business processes.

---

*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 the accrual Budgeting framework for the Tasmanian General Government Sector.*

## Best Practice Reporting

The Best Practice Reporting issues paper was endorsed by the ABFM Steering Committee on 26 March 2004. The Committee has requested that the paper be circulated to Agencies for information.

The paper considers national and international trends in reporting practices and proposes a number of enhancements which would increase the comparability and transparency of the information presented in the Budget Papers.

A Project Plan will be developed to assist in the implementation of the proposed enhancements over both the short and long-term.

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).



## Post-Implementation Review – Phase 3

The external Review of Phase 3 of the ABFM Project has been completed and the final report circulated to Agencies for comment.

As noted previously, there is significant overlap between projects currently being undertaken within the Budget Management Branch and the recommendations flowing from the Review. Overall, the Review has confirmed that the major Phase 3 outcomes have been achieved, with the majority of recommendations being addressed through existing projects.

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).



## Outputs Methodology Review

The Outputs Methodology Review report was endorsed by the Treasurer on 16 December 2003.

Implementing the recommendations of the Review will form the basis of the next phase of financial reforms.

Of the recommendations, a number have been implemented for the 2004-05 Budget including the reclassification of administered and controlled items.

Treasury has commenced the planning for the development and implementation of the remaining recommendations and will work closely with agencies during this 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).



## Review of BMS User Training Needs

During May 2004, it is proposed that an analysis of the training needs of Budget Management System users will be undertaken. The review will complement the existing training programs offered, and aid in the ongoing development of future training programs aimed at assisting users in

gaining a greater technical understanding of BMS.

It is proposed that an external consultant will be contracted to undertake the review, with both Agency and internal users providing input.

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 for those agencies that were undergoing restructures.

Following consultation with an inter-agency Working Group, a final report has been produced containing broad restructure principles. The report will be available for distribution to agencies in late April 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

The Working Group, consisting of representatives from each agency, reconvened in March 2004.

It was agreed that in light of the Strategic Review of BMFRS currently being undertaken, that further enhancements to BFMRS to

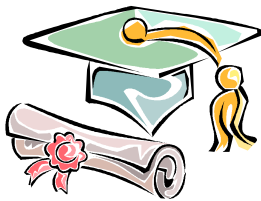
accommodate a suggested corporate services overhead “output” would not be feasible.

The Group identified the extent of complexities involved in the allocation of overheads, including inconsistencies between allocation methods, costs of compliance versus resourcing and transparency.

A paper is being prepared and will be circulated in mid-April 2004, summarising the views of the Working Group and presenting recommendations.

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)



## Education Program

An inter-agency Education and Training Working Group convened by Treasury is developing an Education and Training Program to improve financial management within Tasmanian agencies. The program is based upon the findings of the Financial Management Survey undertaken late in 2002.

A consortium headed by Major Training Services Pty Ltd is developing the detailed financial management education and training program. Five modules are currently being developed:

- Introduction to the Budgeting and Accountability Framework;
- Financial Fundamentals;
- Understanding and Developing Your Budget;
- Monitoring Your Budget; and
- Accounting and Financial Processes.

Workshops aimed at the various target groups will be presented throughout Tasmania from mid-2004 onward.

To review the Program on-line, follow the links to *Financial Management Reform* and *Training and Education* at the Department of Treasury and Finance website at [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au).

For more information on the Financial Management Education and Training Program, contact Debbie Sadler on 6233 3729 or by email on [debbie.sadler@treasury.tas.gov.au](mailto:debbie.sadler@treasury.tas.gov.au).



## BMS Training

The BMFRS Unit offered training sessions to Agency and Treasury staff during February 2004.

The training was well attended and covered the technical aspects and business rules of BMS, enabling users to become familiar with the application of the Phase 4 enhancements.

Initial feedback has shown that users found the sessions to be beneficial.

For further information concerning enhancements to BMFRS, system reports, or to provide feedback on the training sessions, please contact Brett Hall on 6233 2292 or by Email: [brett.hall@treasury.tas.gov.au](mailto:brett.hall@treasury.tas.gov.au).



## Documentation of Business Processes

The review and documentation of business processes for the development of the Budget is progressing well with Graham Murray having been appointed on a fixed-term basis to complete the tasks.

A process mapping exercise is currently being undertaken to identify and document Budget development processes. From this, current practices will be reviewed, providing the opportunity to optimise the effectiveness and efficiency of processes.

The project is due to be completed by 30 June 2004.

For further information, please contact Graham Murray on 6233 3862 or by e-mail:

[graham.murray@treasury.tas.gov.au](mailto:graham.murray@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.