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Lead topic: E.g. Government Accounting	Sub-topic: Government Accounting Developments	Contact: Breda Rafter Ext: 5862
Government Accounting – General Briefing and Developments		
<ul style="list-style-type: none">• Role of Government Accounting Section DPER is to develop and advise on policy for accounting, financial management, internal audit and risk management for the central Government Departments and Offices.		
<i>Government Accounting Developments – forthcoming</i>		
<ul style="list-style-type: none">• Code of Practice for the Governance of State Bodies 2009 (Revision forthcoming)• Risk Management Guidance for Government Departments and Offices 2004 (Revision forthcoming)• Appropriation Account Circular/Guidance Manual for the Preparation of the Appropriation Accounts 2015 (forthcoming in 2015)• Transfer of Functions Circular (forthcoming in 2015)		
<i>Government Accounting Developments – Completed</i>		
<ul style="list-style-type: none">• Audit Committee Guidance for Government Departments and Offices - <i>(Sept 2014)</i> <i>Purpose to provide clarity on the role of the Audit Committees and to promote best practice in relation to Audit Committees of Government Departments and Offices.</i>• Internal Audit Standards for Central Government Sector - <i>(Nov 2012)</i> <i>Purpose adoption of the International Standards for the Professional Practice of Internal Auditing to apply across Government Departments and Offices. Currently being implemented across the Civil Service</i>• Circular 13/2014 - <i>Management and Accountability for Grants from Exchequer Funds</i><ul style="list-style-type: none">○ New updated requirements for the management of grant funding provided from public money.○ The Circular outlines the public financial management principles, procedures, and additional reporting requirements to be followed in the management of grant funding provided from public money as well as the reclassification of grants and grants-in-aid.○ The overall principle is that there should be transparency and accountability in the management of public money, in line with economy, efficiency and effectiveness.○ The provisions of the Circular apply to the movement of funds from a Vote to an outside body, and to any/all onward movements of that funding.○ The objective is to ensure that all Exchequer funds, regardless of the method of distribution, are accounted for and properly managed.		

Accrual Accounting

- In line with the Programme for Government commitment, DPER is examining the move to accrual accounting for Government Departments and Offices, taking account of
 - wider reform agenda in particular the Financial Management Shared Services (FMSS);
 - recommendations from the IMF Fiscal Transparency Report; and
 - developments at EU level concerning future implementation of harmonised accounting standards.
- The move to accrual accounting for government departments and offices will be progressed in context of developments on FMSS project and in line with developments of accounting standards at EU level.
- Accrual accounting is already the norm for most of the public sector with the exception of central government and the Educational Training Boards (ETBs).
- In addition, the notes to the Appropriation Accounts of government departments and offices already contain certain accruals information including a balance sheet and an operating cost statement.

Code of Practice for the Governance of State Bodies 2009 (Upcoming)

- A revised and updated Code of Practice for the Governance of State Bodies is at an advanced stage and is due to be published shortly.
- The consultation process has taken longer than expected due to the large number of observations and comments were received from Government Departments and State Bodies.
- Purpose of the update is to take account of developments and consultations including:
 - Transfer of responsibility for the Code of Practice to the Department of Public Expenditure and Reform;
 - Developments concerning the supervisory and monitoring regime between Government Departments and bodies under their aegis;
 - Changes in reporting requirements and guidelines to be observed by Boards of State Bodies in matters of internal governance;
 - New arrangements for the appointment of Board Members to State Bodies;
 - Recommendations of the Comptroller and Auditor General in his Special Report on the Effectiveness of Audit Committees in State Bodies.

- The updated Code of Practice takes account of the C&AG recommendations regarding embedding requirements concerning the selection of audit committee members, identification of conflicts of interest, performance assessment and measuring audit committee effectiveness.
- In accordance with the recommendations of the C&AG a questionnaire/checklist will be included for use, on a self-assessment basis, by audit committees in State bodies to determine their level of compliance with good practice principles.
- Other changes include:
 - Strengthening Board leadership and strategic aims of the State body;
 - Alignment of statement of strategy with parent Department's statement of strategy;
 - Chairpersons responsibilities including promoting a culture of openness and debate within the Board;
 - Statement of how the Board operates included in the annual report; and
 - Publishing Codes of Business Conduct and enhanced oversight arrangements by parent Departments.

Internal Audit Standards

- One of the key elements of good governance is an independent and objective internal audit service working to Internal Audit Standards.
- DPER adopted and is implementing the Institute of Internal Auditors International Standards for Professional Practice of Internal Auditing (IIA Standards) for the central government sector.
- The adoption of the IIA Standards brings with it requirements to audit and improve governance processes across all government departments and vote holders.
- DPER is working with a Heads of Internal Audit Forum (HIAF) to develop training opportunities for the staff working in internal audit units to support the implementation of the IIA Standards across the Civil Service.

Audit Committee Guidance

- DPER has in consultation with Accounting Officers, Audit Committee members and Heads of Internal Audit Units, developed audit committee guidance to provide clarity on the role of the Audit Committee in government departments and offices.
- The *Audit Committee Guidance* was launched on the DPER website in September 2014 and circulated to Audit Committee Chairs and Accounting Officers of government departments and offices.

- The Guidance is intended to be generic, and should be used as a tool to help inform the work of the Audit Committee. It will be reviewed within two years of publication
- Audit Committees are an important part of the governance framework in departments and offices.
- The functions of audit committees are key in providing assurance to Accounting Officers regarding the adequacy and effectiveness of departmental internal control systems and procedures.
- In the context of their internal audit arrangements, each Department /Office is required to have a formally-constituted Audit Committee.
- Each Audit Committee is required to:
 - operate under a written charter
 - Have significant external representation (at least 2 members), including representatives from the private sector with appropriate expertise.
 - The chairperson of the Committee should come from outside the Department or Office.
 - Prepare an annual report to the Accounting Officer reviewing its operations.
 - Invite the Comptroller and Auditor General, or his nominee, to meet the Committee at least once a year.