

Accrual-based accounting system planned

The Centre is “determined” to switching over to superior accrual-based accounting system from the present cash-based system of accounting, Union Finance Minister P. Chidambaram has said. He has asked the states to follow suit.

The proposed system would capture the asset creation and large hidden liabilities like pay and pension, he said while inaugurating a workshop on accounting systems organised in New Delhi recently. The 12th Finance Commission had suggested such a shift in accounting practice. Accrual-based accounting would give a complete picture of government accounts and was compatible with the proposed linking of outlays with measurable outcomes.

The Finance Ministry will soon commission feasibility studies for the introduction of accrual accounting in certain Central Government departments. This initiative will be undertaken through selected pilot projects in two Union Ministries and formed as part of a World Bank-assisted project for modernising the Controller General of Accounts (CGA) organisation. There are three main components in this project: development of a modern, multi-dimensional system of accounting classification; a feasibility study for introducing accrual-based accounting through selected pilot projects; and development of advanced internal controls and internal audit systems for Government departments. The pilot projects are likely to be undertaken in certain specified areas coming under the Health Ministry and the Urban Development Ministry.

(ExpressIndia.com/Sify)

CAs may be roped in for Excise Audits

Practicing Chartered Accountants may soon get more professional opportunities coming their way, with the Finance Ministry looking to leverage their expertise for excise duty reviews or audits.

Faced with a sluggish growth in excise duty revenues so far in the current fiscal, the Finance Ministry is keen to put in place a strong audit system to curb the leakage or evasion of excise duty. The revenue department has begun consultations with ICAI to figure out as to how the Institute’s members could take a lead role in the audit/review system being mulled over by the Finance Ministry.

(The Chartered Accountant World)

IFAC seeks proposals for ISA Guide for SMEs

The International Federation of Accountants (IFAC) has sought proposals for the development of an explanatory guide on implementing International Standards on Auditing (ISAs) for audits of small-and medium-sized entities (SMEs). The purpose of this guide is to help auditors around the world understand, comply with, and apply ISAs when conducting SME audits. “We envisage the guide being of particular benefit to the profession in developing nations,” says IFAC Chief Executive Ian Ball. The specifications for the Request for Proposal are available on IFAC’s SMP Permanent Task Force homepage. The deadline for submission is 12:00 pm (EST), November 18, 2005.

(www.ifac.org)

Malaysia to adopt French Tourism Accounting System

Tourism Malaysia has confirmed it will adopt the “tourism satellite account system” based on the French model by the next accounting year. “It will be the first country in Southeast Asia to adopt the model,” Malaysian Tourism Minister, Dr. Leo Toyad. The system, involving sophisticated computer software, will be implemented jointly with the help of the French government and the European Union Commission, which will fund half the project cost. The country’s Statistics Department will be responsible for collecting and maintaining the tourism satellite account.

The accounting system will track how much each component of the tourism industry contributes to the country’s tourism earnings.

(TravelVideo.TV)

2006 World Congress of Accountants

The 17th World Congress of Accountants will be held in Istanbul, Turkey on November 13-17, 2006. The Congress, organised around the theme “Generating Economic Growth and Stability Worldwide,” will feature plenary sessions and workshops led by internationally recognised speakers from the public and private sectors. For more information and to register to attend, please visit the Congress’ website: <http://www.wcoa2006istanbul.org.tr>.

(www.ifac.org)

Microsoft launches into SME accounting

The Microsoft has launched Microsoft Office Small Business Accounting 2006 and Microsoft Office Small Business Management 2006. The former is a stand-alone package that offers the accounting functions that a small business requires, while the latter offers is a ‘suite’ including Small Business Accounting, plus the 2003 versions of Outlook (with Business Contact Manager Update), Word, Excel, PowerPoint, Publisher and Access. Nearly 4,800 US small businesses participated in the beta testing of Small Business Accounting. According to Microsoft, customers and accountants have requested 50,000 trial copies.

(ITBranschen.com)