



IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING REFORM IN SENEGAL

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SUMMARY OF THE PRESENTATION

- I. THE BACKDROP OF THE GOVERNMENTAL ACCOUNTING REFORM IN SENEGAL**
- II. AN INSTITUTIONAL FRAMEWORK FOR THE PURPOSE OF GOVERNMENTAL ACCOUNTING REFORM IMPLEMENTATION**
- III. A GRADUAL APPROACH**
- IV. SOME KEYS TO SUCCESS**

BACKDROP OF THE GOVERNMENTAL ACCOUNTING REFORM IN SENEGAL



UEMOA (West-African Economic and Monetary Union) established in 1994

Harmonization of budgetary regulations and policies

○ UEMOA Treaty from January 14th 1994:

Purpose of the Treaty:

- To consolidate the competitiveness of Member States' business and financial activities;
- To ensure the convergence of Member State performances and policies;
- To establish a common market;
- To harmonize Member State regulations.

○ UEMOA Treaty:

- Harmonize Member State regulations.
 - Since 1997-1998, by means of five community directives common rules in terms of budgeting, accounting and statistics started to be adopted.
 - 2004: An assessment of the implementation of the directives lead to the finding that they needed to be reformed
 - 2009: adoption of six new directives laying down a consistent public financial management framework within UEMOA.

WHAT IS THE PURPOSE OF THIS REFORM?

A reform initiated mainly

- with a will to modernize, aiming to incorporate new standards and best international practices;
- Leading to the adoption of new budgetary and accounting rules:
 - transition from a cash-based budget to a performance-based budget;
 - establishment of an accrual-basis financial accounting;
 - a new framework for the analysis of budgetary policies by the adoption of IMF's GFSM 2001 rules

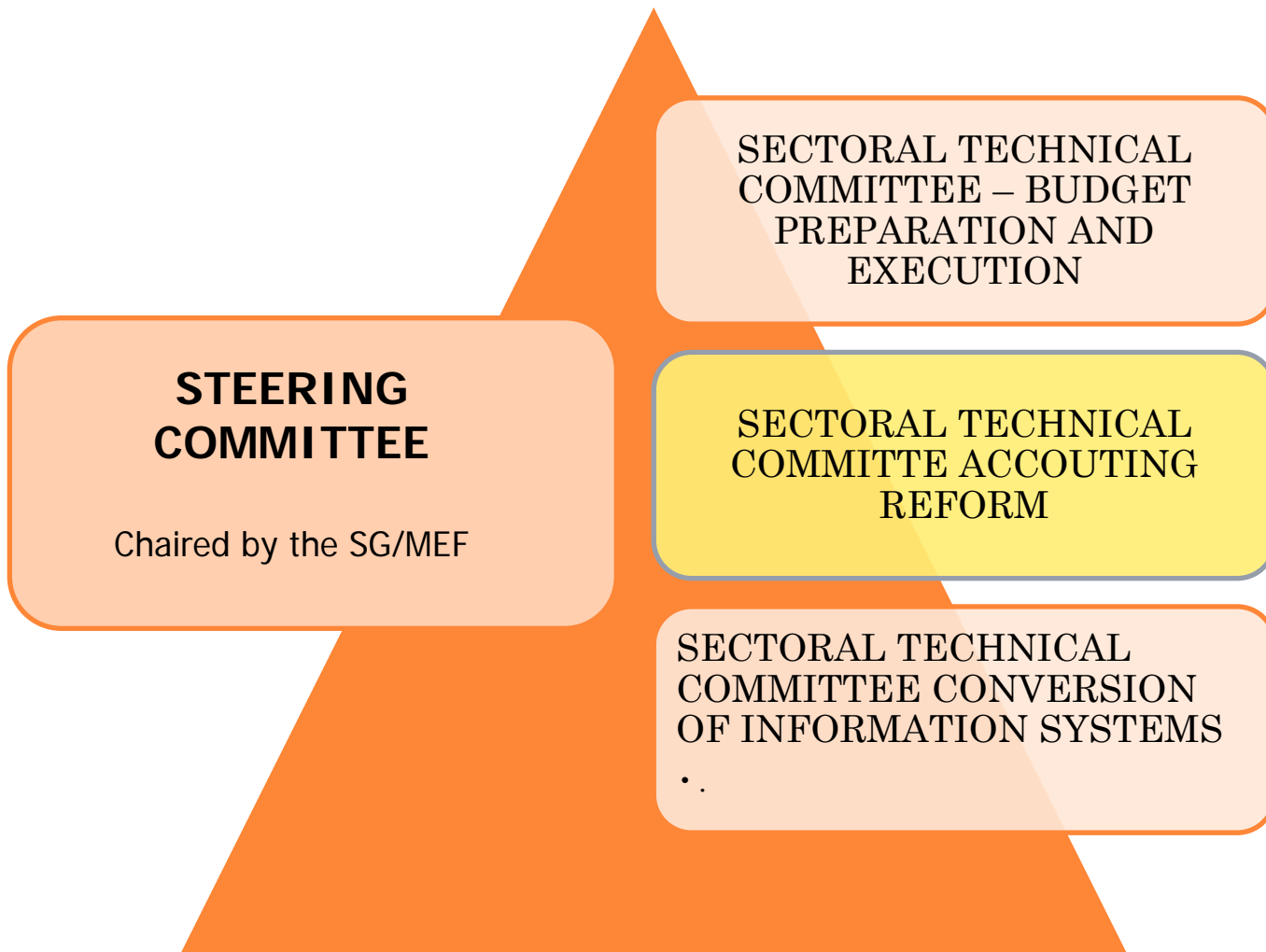


- **TRANPOSED DIRECTIVES**
 - Decree ° 2012-92 establishing the Government Chart of Accounts;

“Article 2: General (financial) governmental accounting aims at providing a precise and true knowledge of the State’s assets and liabilities and of transactions performed by the State in consideration of the rights and duties entrusted upon it ”.

- **THE IMPLEMENTATION CHALLENGE**

I – AN INSTITUTIONAL FRAMEWORK FOR IMPLEMENTATION PURPOSES

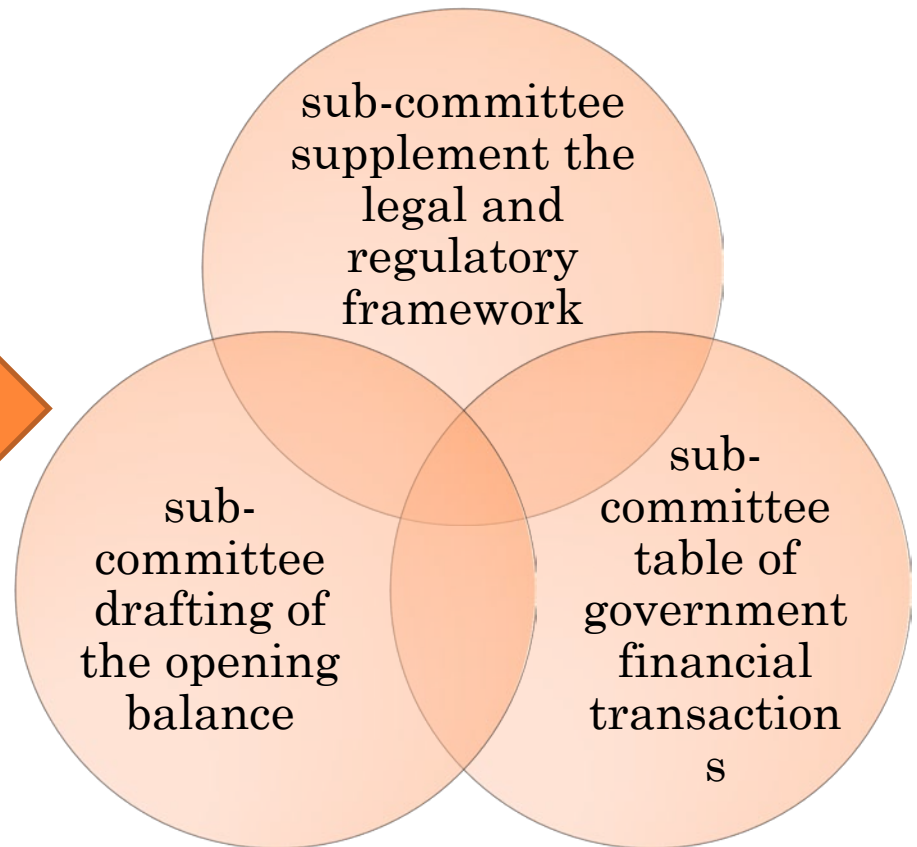
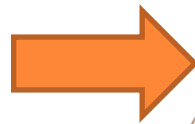


AN INSTITUTIONAL FRAMEWORK FOR IMPLEMENTATION PURPOSES (2)

SECTORAL TECHNICAL COMMITTEE FOR ACCOUNTING REFORM

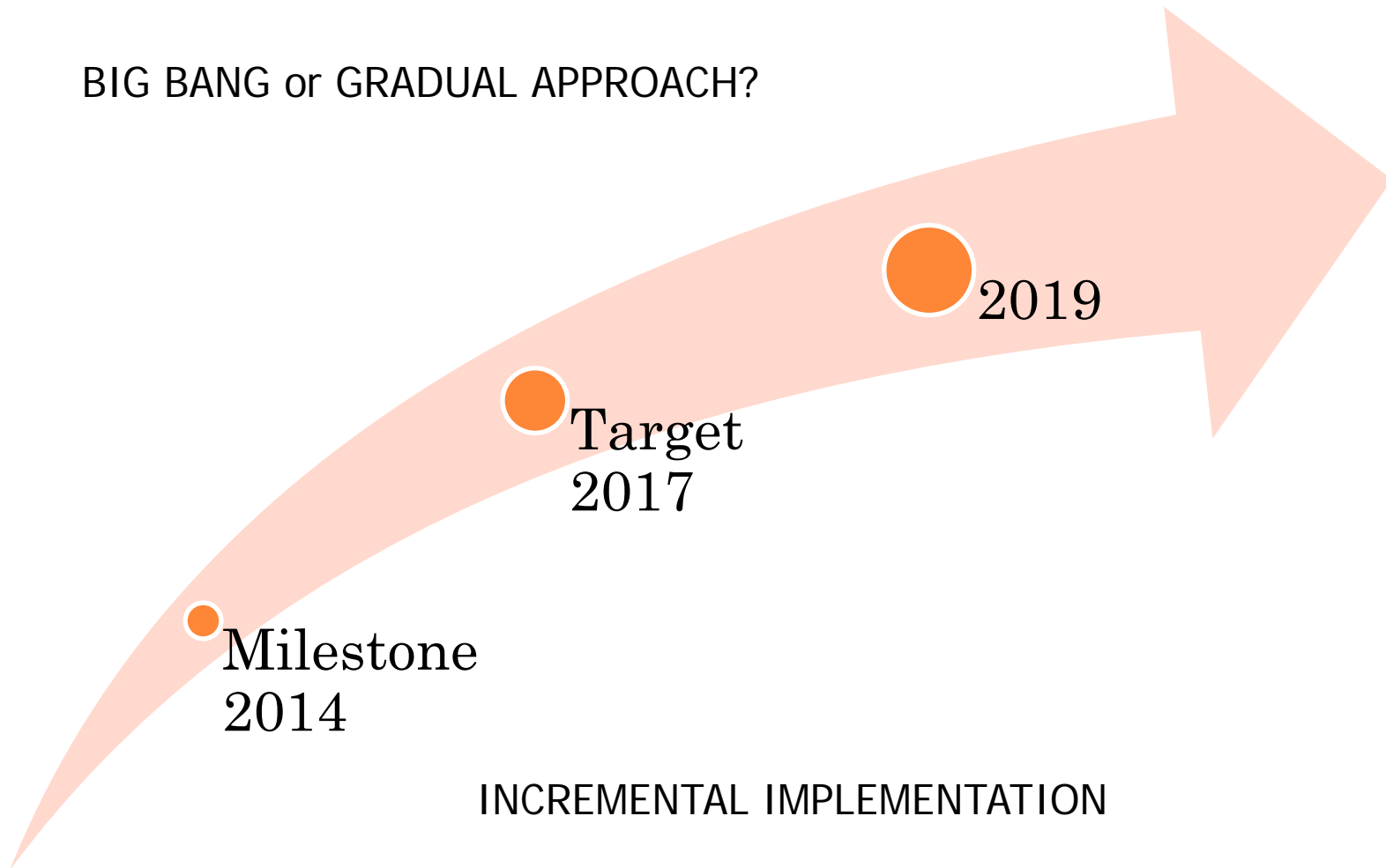
STAKEHOLDERS OF THE ACCOUNTING REFORM

- ❑ Government entities and services
 - Government accounting;
 - Government Domains (lands);
 - equipment (equipment and rolling stock);
 - budget;
 - Government buildings (in Senegal and abroad)
 - Court of Auditors
- ❑ Accounting professionals by means of the national body of accounting professionals and chartered accountants



II . A GRADUAL APPROACH

BIG BANG or GRADUAL APPROACH?



II . A GRADUAL APPROACH

- Objectives of the 2014 milestone
 - Get users familiar with the new chart of accounts
 - Suppression of class 9;
 - Charging of governmental revenues and expenditure in class 1, 2, 6 and 7 accounts. (no changes in terms of chargeable events)
 - Enhance governmental general accounting with information related to assets and liabilities;
 - Drawing up a mini opening balance sheet of domestic equity and government financial debt
 - These components of the state's balance sheet were incorporated and started to be tracked in accounting

II . A GRADUAL APPROACH

- 2017 target: implementation of an accrual-basis general accounting.

Constitutes the main objective of the three sub-committees established within the sectoral technical committee for accounting reform.

Supplement the legal and regulatory framework

Standards

Preparation of the opening balance sheet

Assets &
liabilities

Table of government financial transactions

Statistics

II . A GRADUAL APPROACH

Preparation of the accounting standards code

- Who is responsible?
 - sub-committee
 - national accounting council
- What are the references?
 - Private sector standards
 - UEMOA's code of accounting standards, influenced by the French SYSCOA and RNCE.
- What legal instruments?
 - Decree by the Finance Minister after opinion from the National Accounting Council.

Preparation of the opening balance sheet

- Determining the components of the state's balance sheet;
- Identification of public entities tasked with the administration of public assets;
- Survey of assets;
- Valuation of assets;
- Reliabilisation of the existing
 - liquid assets accounts;
 - Claims accounts (receivables and entitlements still to be collected)

II . A GRADUAL APPROACH

Sous Comité "Bilan d'ouverture"

ACTIF		PASSIF	
Rubriques	Structure pilote	Rubriques	Structure pilote
ACTIF IMMOBILISÉ		RESSOURCES DURABLES	
IMMOBILISATIONS INCORPORELLES	DTAI, ADIE,	DOTATION INITIALE	DGCPT
FONCIER ET IMMEUBLES	DGID	DETTES FINANCIERES	DGCPT
AUTRES IMMEUBLES	ANPB et IGE		
MEUBLES ET MATERIELS	DMTA		
IMMOBILISATIONS FINANCIERES	DGCPT		
ACTIF CIRCULANT		DETTES A COURT TERME	
STOCKS (MATIERES FOURNITURES...)	DMTA	FURNISSEURS, PERSONNEL, ORGANISMES SOCIAUX,...	DGF, DGCPT,...
CREANCES (REDEVABLES, RESTES A RECOUVRER...)	DGID ET DGCPT		
TRÉSORERIE - ACTIF		TRÉSORERIE - PASSIF	DGCPT
ESPECES	DGCPT		
BANQUES	DGCPT		
TITRES	DGCPT		
AUTRES	DGCPT		

Chaque structure proposée pour piloter et coordonner les travaux de recensement d'une rubrique donnée devra exposer à la prochaine réunion du Sous-comité la démarche à mettre en œuvre. Elle devra notamment préciser :

- si elle compte faire appel ou non à un consultant externe ; et le cas échéant
- le type de marché (public) à passer avec le consultant ;
- l'objectif principal et les délais des TDR.

II . A GRADUAL APPROACH

□ Results

- the conceptual framework of the code of accounting standards was laid down;
- the 7 draft accounting standards were drawn up with the help of West AFRITAC (African Regional Technical Assistance Centre in West Africa);
- domestic equity and government financial debt surveyed and tracked in accounting;
- revenues and expenditure are charged in the new chart of accounts;
- Government bodies cooperate with accounting professionals.

II . A GRADUAL APPROACH

- ❑ One should be particular vigilant about:
 - ❑ Defining the limit between standards and account operation rules
 - ❑ Start working in parallel both on standardization and on the drafting of accounting instructions
 - ❑ The scope of public sector particulars:
 - ❑ Initial appropriations?
 - ❑ Military assets;
 - ❑ Intangible assets;
 - ❑ National specifics in relation to community directives
 - ❑ Land (control of lands);
 - ❑ Mines.

III SOME KEYS TO SUCCESS

- ❑ Political will;
 - ❑ support from decision-makers

- ❑ A shared vision;
 - ❑ consensus over the benefits of accounting reform

- ❑ Institutionalized coordination;
 - ❑ involvement of several stakeholders
 - ❑ cooperation with accounting professionals

- ❑ A pragmatic approach
 - ❑ divide the projects in several components
 - ❑ start acting and achieve progress by improving the existing position

Thank you for your
attention!