

Accrual Base Accounting – What and Why?

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What is Accrual Accounting?

- *A basis of accounting under which transactions and other events are recognized when they occur (and not only when cash or its equivalents is received or paid).*

Why - Accrual Accounting

- To improve the efficiency and effectiveness of the financial (budgeting, accounting and reporting) system in the public sector.
- To improve fiscal control, asset management and public sector culture.
- To improve accountability over the provision of government's schemes.

Why - Accrual Accounting

- To provide Government with fuller information for decision making.
- To bring greater transparency in government business – cost and benefits.
- To facilitate reforms in tax collection systems, Treasury systems, Management of Financial Budget etc.