

Unified budget and accounting system paves the way for real-time government financial reporting

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DBM Assistant Secretary Luz Cantor demonstrates the simplified way of filling up financial reports using the new budget classification and accounting codes for improved financial and policy decision making

Over 60 budget and accounting officers from key government agencies participated in a workshop to test the new budget classification and accounting codes that will serve as the building block for real-time, reliable financial reporting of government transactions.

Known as the Unified Account Code Structure (UACS), this system improves the classification and coding of revenues, expenditures, assets and liabilities to enable government to logically organize financial data for easier collection, consolidation, analysis, and reporting across government. In the immediate term, this will enable timely accurate reports of actual revenues and expenditures against the budget.

The UACS is also a critical step towards dealing with the “messy traffic of PFM reporting activities” which was identified as a priority reform area in the PFM Reform Roadmap (2011-2016) toward improving transparency and accountability. Currently, spending agencies submit more than 30 financial management reports to DBM and COA using different formats and account codes. Once approved, the UACS reform will feed into policy reforms in the budget proposal preparation for FY2014, and enhancement of business processes and IT-based systems

for budget preparation and management and accounting. More importantly, the UACS will pave the way for the development of the government financial management information system (GIFMIS), an integrated, web based application that will generate real-time, reliable and accurate financial reports. Many countries use GIFMIS as a powerful tool to aid analysis for government financial and policy decision making and improve transparency and accountability of government operations.

The UACS workshop was organized by the Budget Reporting and Performance Standards (BRPS) Project of the Public Financial Management (PFM) Committee on 5-6 November 2012 at Holiday Inn, Clark City, Pampanga. It was attended by representatives from key spending departments such as DepEd, DOH, DPWH, DENR, DND, BIR and TESDA, and the oversight agencies. The workshop simulated agency financial transactions to identify information and data gaps based on the use of codes for funding source, organization, location, programs and projects and major final outputs, object coding, and government financial statistics.

An extensive training program on the new code structure and requirements of the FY2014 budget call circular for budget and finance staff in the central level agencies and DBM regional offices is expected to commence in January 2013.