

*Managers in the middle
- leading change with
excellence*

14th June 2013

Kuantan

Agenda

- Background
- The changing role of the finance function
- How this change affects you
- Final words

Background

1

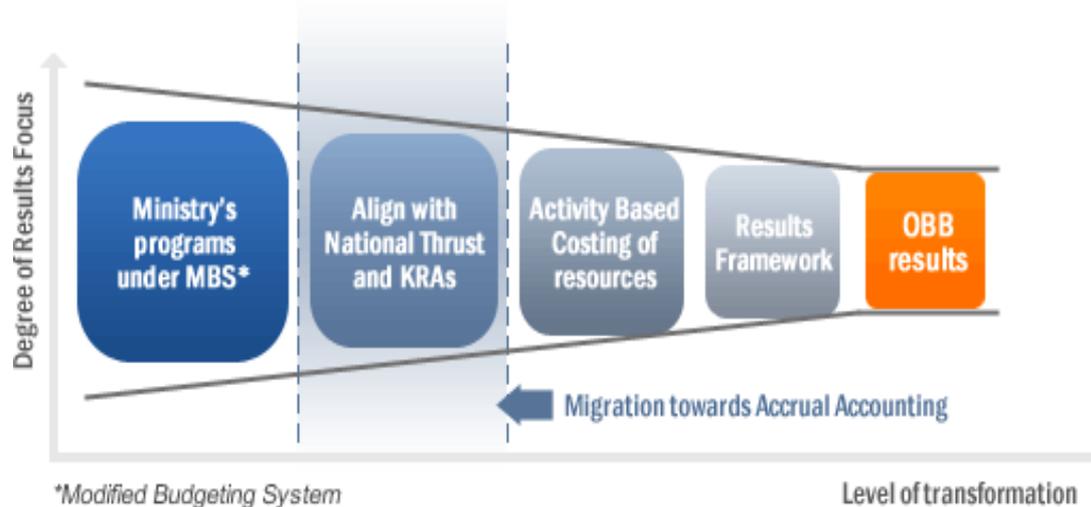
Accrual accounting has been stipulated as a policy measure in the New Economic Model (NEM)



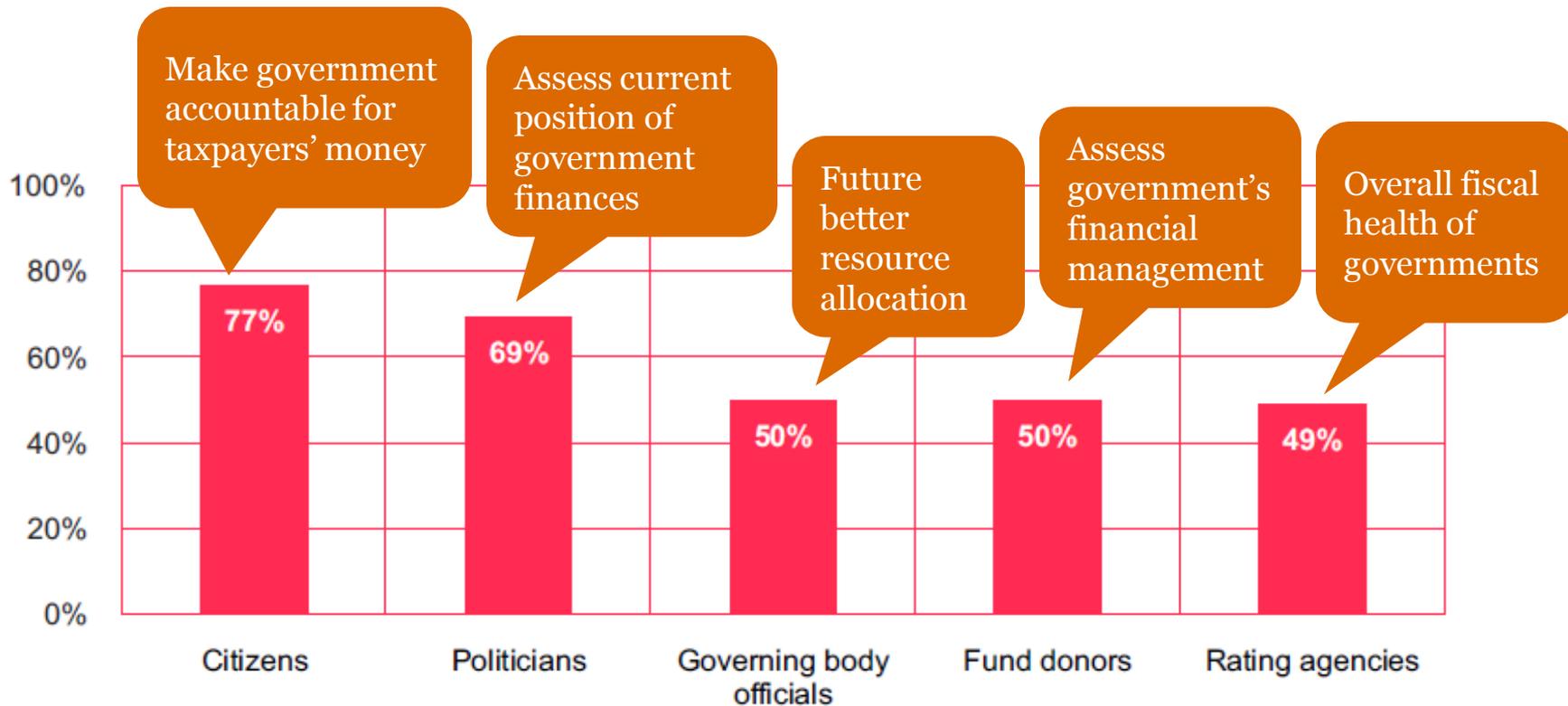
Outcomes

- Facilitate the costing of resources, which is essential to the effectiveness of Outcome Based Budgeting in promoting the sustainability of fiscal policies
- Add depth to the accountability and transparency of the management of public sector resources

NEM Policy 4.5.1 Adopting **accrual accounting** for prudent fiscal management



Accrual accounting benefits all stakeholders, especially the citizens



** Based on PwC 2012 Global survey on accounting and reporting by central governments*

And it has the support and commitment at the most senior levels of the Government...

Question 1 to Tan Sri Irwan:

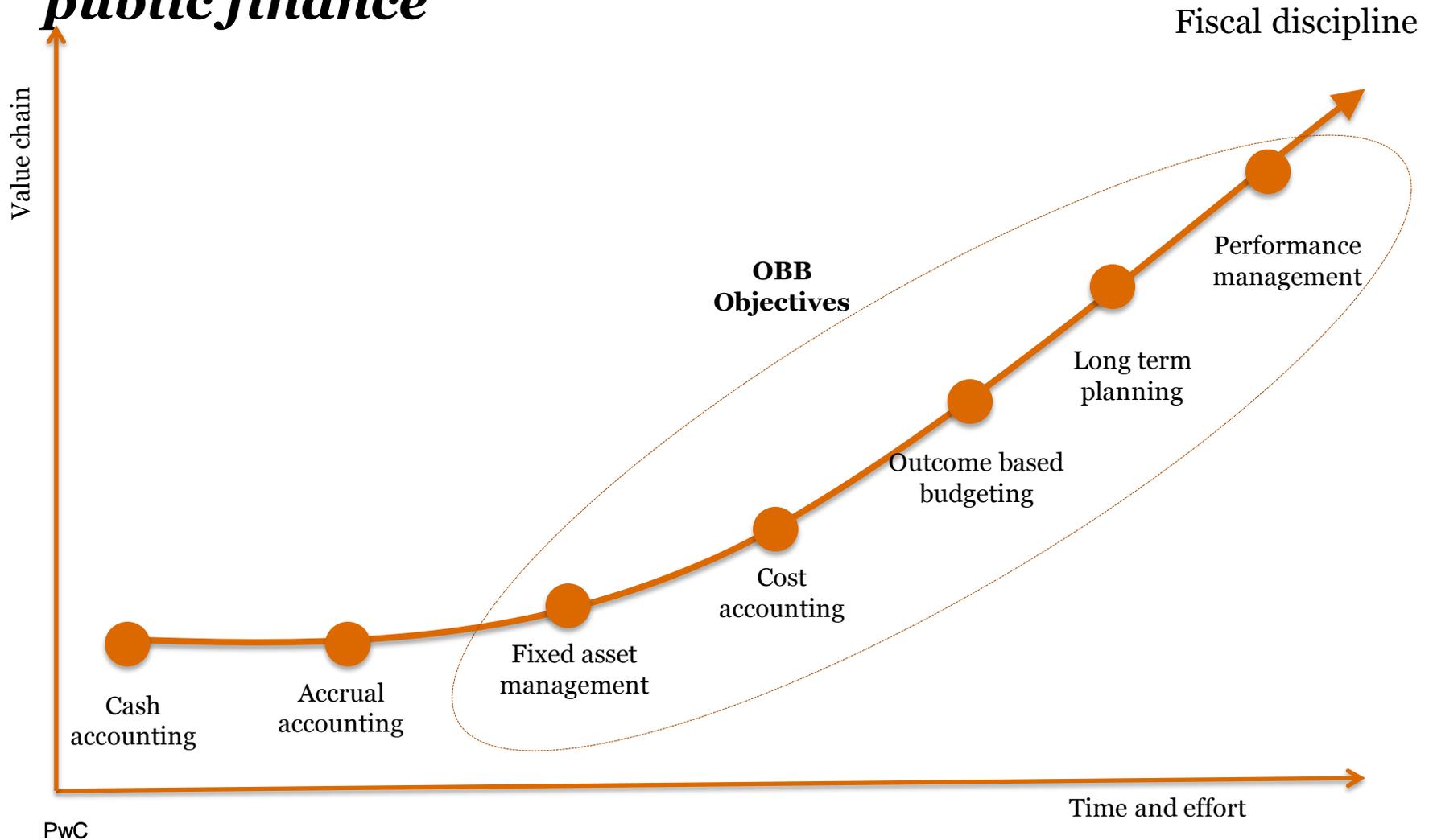
“Why is the Government implementing accrual accounting and how does it fit into the overall big picture?”

[Q1.mp4](#)

The changing role of finance function

2

Connecting the dots: accrual accounting is not an end in itself but an essential step for improved public finance



Striking a balance within the finance function



Insight

Insight is at the heart of the vision of the future finance function. It can take the form of performance management, business analytics, corporate information

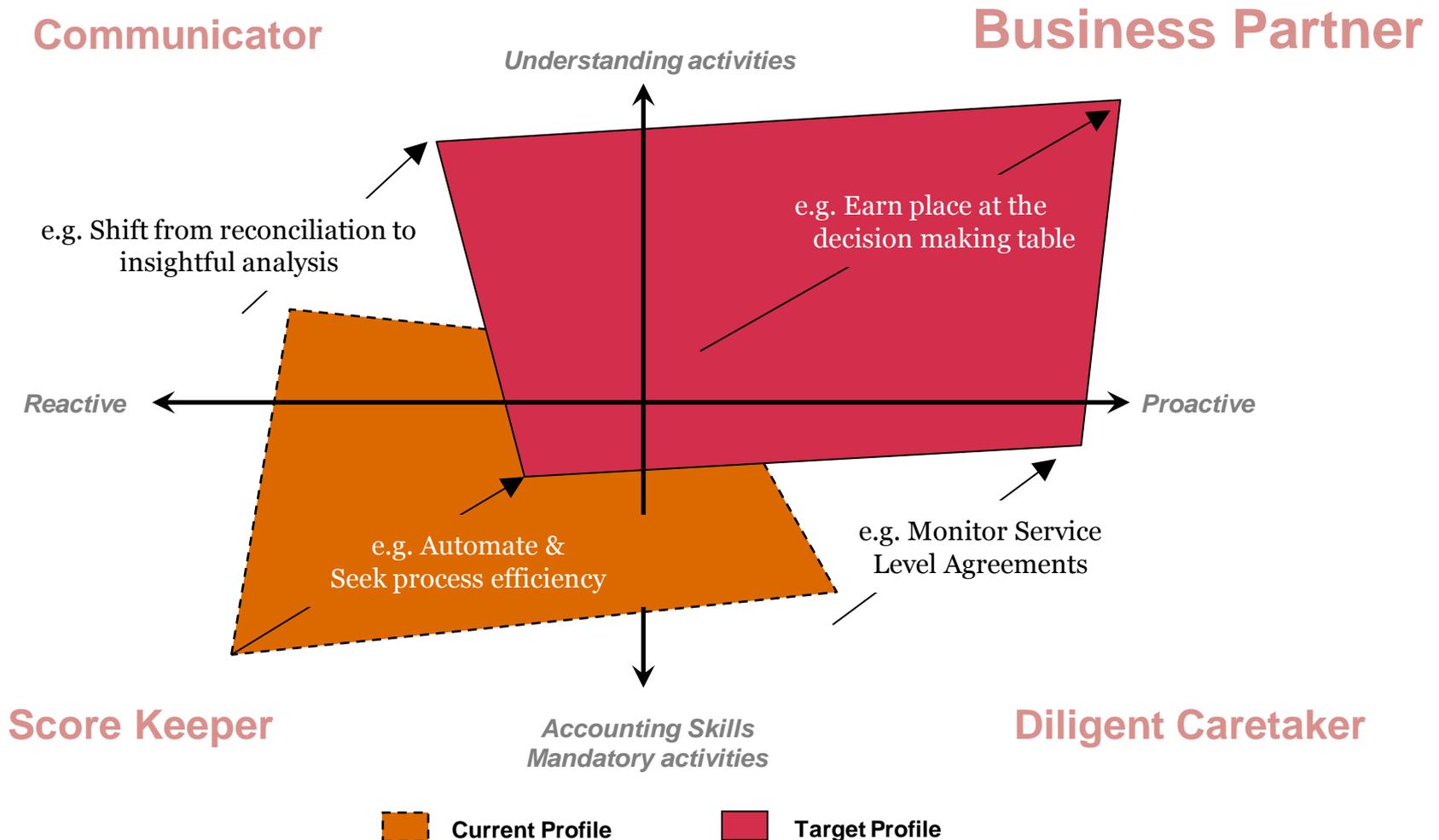
Efficiency

Efficiency in finance means performing tasks in a timely and cost effective manner typically via simplified and standardised processes that leverage technology and consolidation / elimination of non core activities through, for example, shared services .

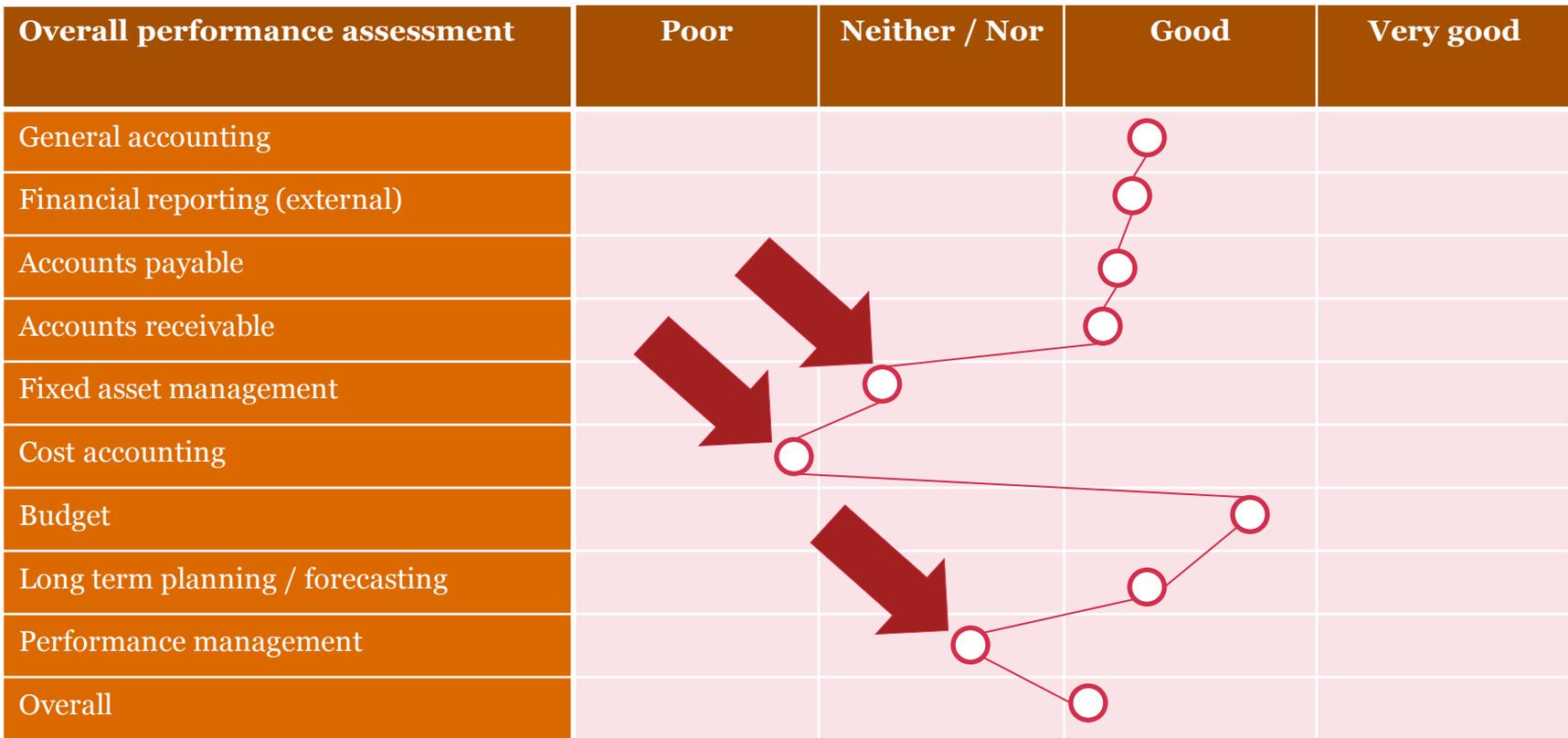
Compliance and Control

The accountability means compliance and improving control being top of the agenda. The finance function needs to optimise risk management, compliance and control to establish a sustainable cost effective control environment.

By transitioning from scorekeeper to business partner, government finance functions will realise significant improvements



PwC Global Survey shows that fixed asset accounting, cost accounting, and performance management are key areas for improvement



○ Now

Senior levels of the Government understood the importance and are embracing the change

Question 2 to Tan Sri Irwan:

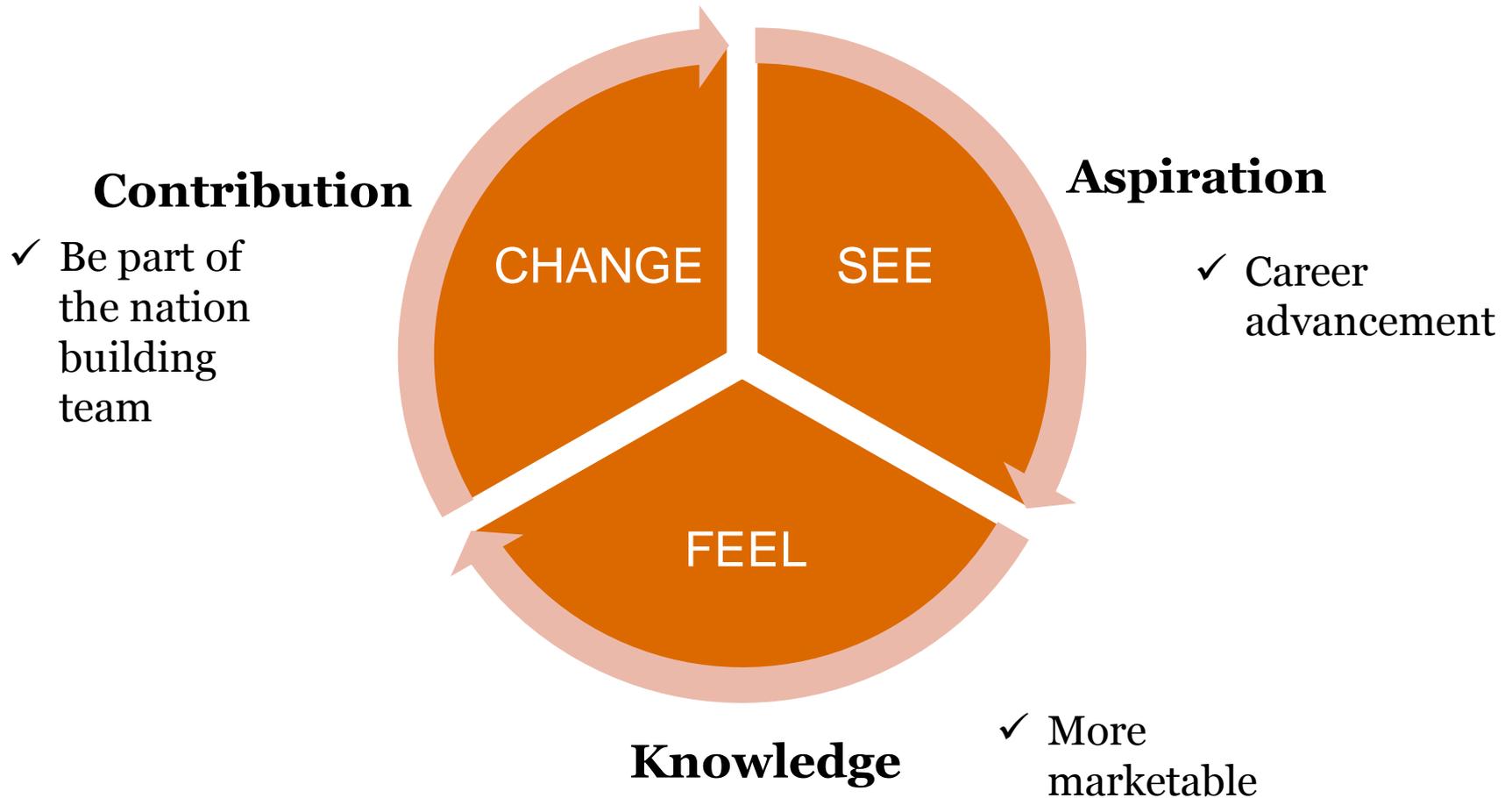
“How do you see MOF changing arising from this transformation?”

[Q2.mp4](#)

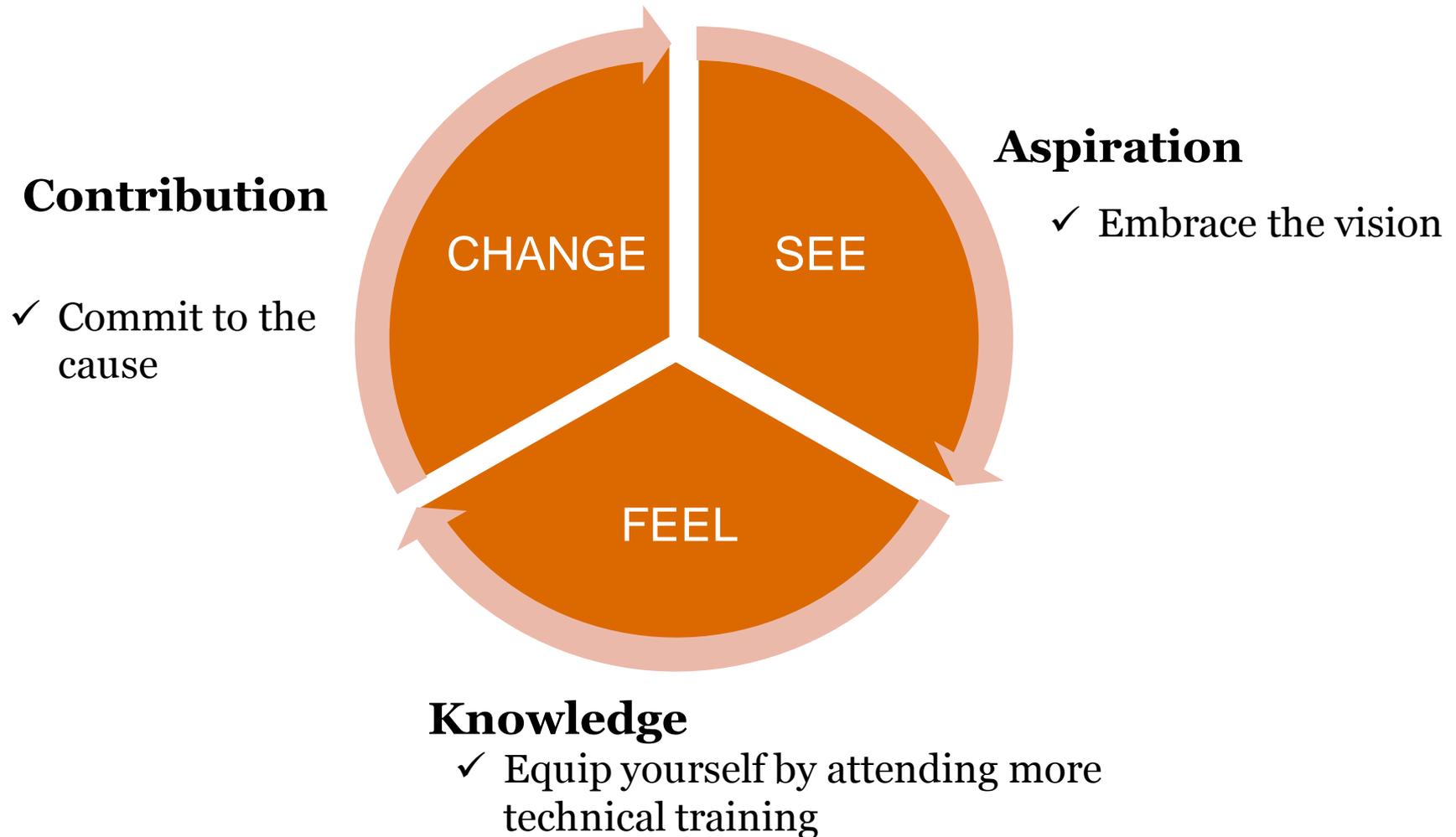
How this change affects you

3

What's in it for me?



Managers in the middle – what you can do about it?

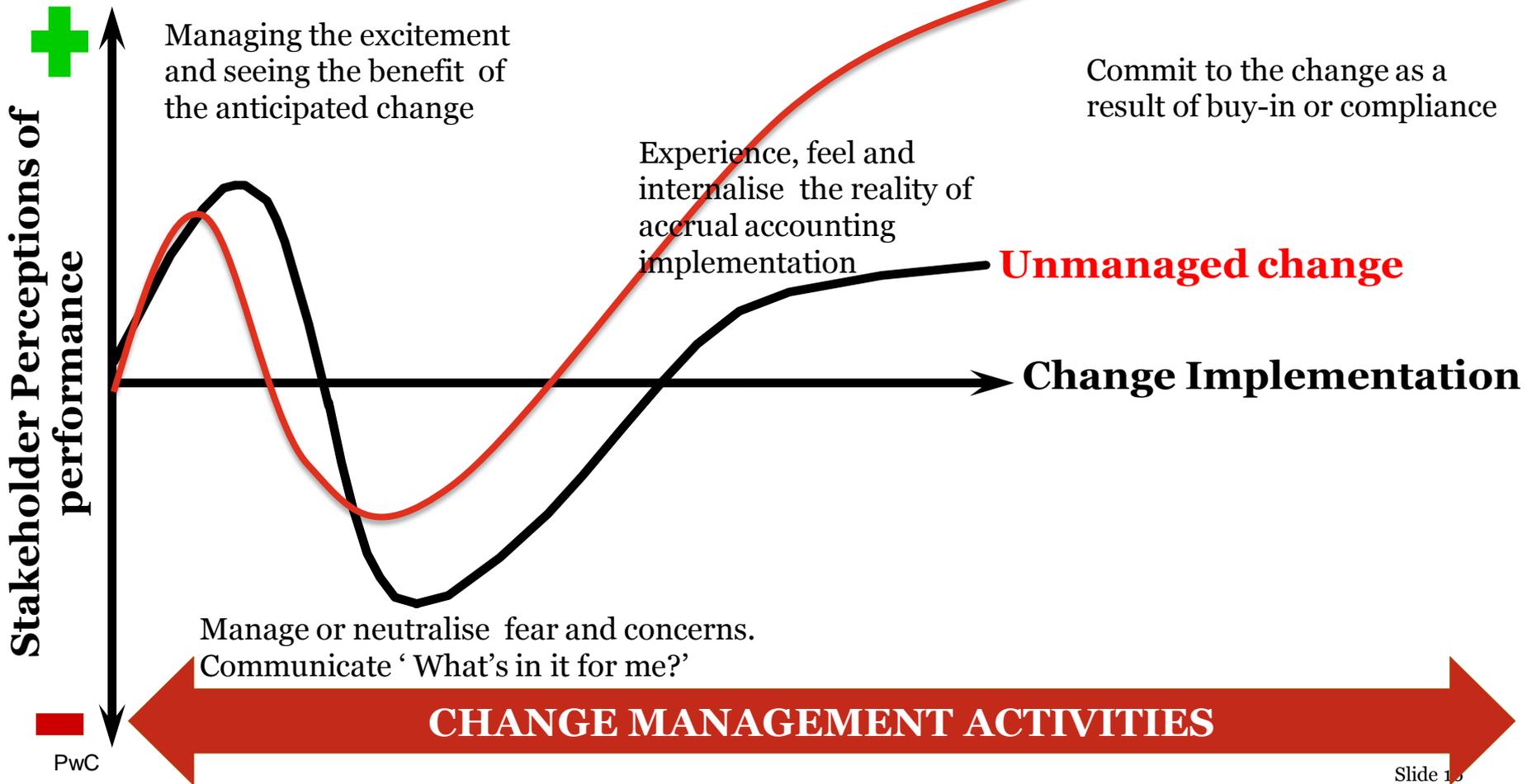


Managers in the middle – help manage this change

SEE

FEEL

CHANGE



What do they have in common?



Finally.....

Question 3 to Tan Sri Irwan:

“What are your messages to all the ministries who are involved in this change?”

[Q3.mp4](#)

Final words

- We need your support
- We need your participation
- We need you to raise your concerns & suggestions

Thank You

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