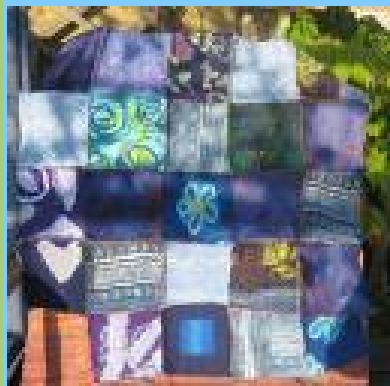


## The Dutch Accrual Experience

Martin Dees, Royal NIVRA and NCA



Used on a large scale

Local governments,  
quangos, agencies

Many versions

Same point of  
departure: Dutch Civil  
Code (private sector)

1

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## Central government: history of hesitation



- Introduction plan 2001 (abandoned 2003)
- Pilot project ministry of Agriculture (annual report 2007)
- Evaluation: no central government-wide introduction (unchanged after recent international comparative research, published September 2010)

2

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## Cost-benefit analysis Ministry of Finance



- Improved information on costs and financial position, but
- Implementation is costly and time consuming
- Cash is king (EMU-balance)

3

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## Findings international research



- Besides advantages also more complex, less accessibility
- Implementation difficulties (valuation, information systems, culture, expertise)
- Parliament feels loss of control

4

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## Estimated implementation costs



- Incidental: 129 – 261 million euros (IT, personnel, valuation, change management)

Structural: 13 -28 million euros (personnel, IT-maintenance, valuation)



## Expectations



- Netherlands Court of Audit has stressed advantages of accruals ('telling the whole financial story')
- Parliament will not push the matter (budget cuts, no 'champions')
- Topic will stay on the agenda, also in connection with preparation of 'State Balance' (ESA95-based; NCA assurance demanded by Parliament).



- Consideration of establishment of a national public sector accounting standards board