

## **Canadian envoy lauds Guyana financial management project**

**By Chamanlall Naipaul**

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MANAGEMENT of Guyana's public finances moved a step forward yesterday with the launching of the case study of the Integrated Financial Management and Accounting System (IFMAS).

At the ceremony at Le Meridien Pegasus Hotel in Georgetown, Canadian High Commissioner, Mr Bruno Picard said he is particularly happy about the project because it would ensure better management of public finances.

"The project is indeed a success story," he said, adding that the issue of management of public finances is a difficult one, whether in developed or developing countries.

Picard said the improvement of the management of public finances is a movement towards more efficient and transparent public administration and consequently, better governance.

The IFMAS project by the Canadian software company, Free Balance, was done through funding from the Canadian International Development Agency (CIDA) and support from the World Bank, the Inter-American Development Bank (IDB) and the International Monetary Fund (IMF).

According to the report of the study of the project, it was launched as part of Guyana's economic reform programme to rapidly implement a robust integrated budgeting and accounting system across all agencies of the government, and to further the modernisation of the public financial management system of the country.

Finance Minister, Mr Saisnarine Kowlessar described the progress of IFMAS so far as a "quantum leap" from the period when government accountants and financial managers were inundated with "tons of paper and multitudes of filing cabinets to what we have in place."

This is expected to move further to a fully integrated and technologically advanced system, he added.

"Over the years, the great emphasis placed by the government on public accounting and sound and effective management of public finances has come to be widely known. It will be recalled that the government undertook a series of activities to consolidate transparency and accountability, including the resumption of public audits in 1993; introduction of programme budgeting in 1995, and introduction of open and transparent procurement practices," Kowlessar declared.

In addition, he said the government introduced modern legislation to further its vision, such as the Fiscal Management and Accountability Act in 2003, the Procurement Act, also in 2003, and the new Audit Act in 2004.

The minister recalled that the IFMAS initially was limited to the accounting functions but said "we have moved ahead and have acquired other modules and still are in the process of acquiring additional modules with funding through the IDB-funded Fiscal and Financial Management Programme (FFMP)."

Under this programme, the government will be configuring and installing new modules, including a state of the art budget preparation and reporting system, revenues, purchasing and assets management, Kowlessar announced.

“The implementation of these modules will provide coverage of the basic tenets of public financial management,” he said, noting that it will be configured to embody international best practice and the government’s accountability goals.

The report of the case study noted: “In order to ensure that the IFMAS goals and objectives would be met and ensure success, the Ministry of Finance thoroughly reviewed existing institutional and organisational structures, identified key problem areas and capacity issues, worked with donors to ensure funding and project support, outlined the IFMAS strategy and approach, including technical and functional considerations, and prepared comprehensive tender documents to ensure that all hardware, software and sustainability services would be accounted for.”