

## Public Audit Forum

# News Release

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A Paper by the Public Audit Forum

### **The Whole Truth: Or Why Accruals Accounting Means Better Management**

The Public Audit Forum said today that there is more public bodies can do to make the most of the advantages that accruals accounting offers.

In theory the improved performance and financial information available to public sector managers from accruals accounting can contribute to better management and delivery of services. But there remain many challenges to be overcome for public service managers to make the most of this improved information. In some cases, there are powerful cultural and historical barriers to progress which require leadership and strategic planning if they are to be overcome. Other potential barriers include a lack of appropriate incentives, particularly in recognising liabilities for the first time and problems in bringing together different financial systems.

The Forum's paper is designed to be of practical assistance to auditors and public service managers in identifying and overcoming potential barriers in realising the benefits of this improved management information and harnessing it to improve the performance of public services.

### **Notes for Editors**

1. The Public Audit Forum was established in 1998. It brings together the national audit agencies on a purely advisory basis to provide a focus for developmental thinking about public audit. It has a remit to build on the existing co-operation between the national audit agencies: to enhance the efficiency and effectiveness of public audit, to provide a strategic focus on issues cutting across their work and to help develop broadly consistent approaches to public audit.
2. A key element in the Forum is a consultative forum which draws on the experience and expertise of public auditors, the bodies they audit, the auditing profession and the wider community.

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