INNOVATIONS IN GOVERNMENTAL ACCOUNTING SYSTEMS

The Concept of a "Mega General Ledger" in Belgian Provinces

1. INTRODUCTION

In the last years a number Belgian public sector organisations have been reformed from cameralistic/cash accounting towards business-like accrual accounting. Recently, the Belgian legislator prepared the accounting reform of provincial governments (1999, 2000) starting as of 1st January 2002. Generally, the provincial accounting reform implies a maintaining of the traditional cameralistic accounting system together with the introduction of accrual accounting in order to obtain a patrimonial view of each province. Although provinces are more extensive than local governments, they have mostly a centralised accounting system.

Governmental accounting reform studies show a lot of conflicts and debates when governments are being reformed towards accrual accounting in light of New Public Management intentions. Implementing a system of business-like accounting often creates resistance and a number of technical, managerial and political problems in respect of the traditional cameralistic accounting system. Particularly the technical problems of combining and integrating accrual accounting in governments is hypothesized to be one of the explaining factors regarding the adoption problems.

This paper aims at focusing on the technical questions and problems with respect to the combination of new accrual accounting in the context of the old cameralistic accounting. Those problems are examined looking at the development of a governmental accounting innovation: the "Mega General Ledger". This innovation reveals a possible technical solution of keeping the strengths of the former cameralistic systems and gaining the accrual accounting advantages. Therefore, an integrated approach for the traditional cameralistic system with the new accrual system together with a new analytical system is elaborated. Apart from an examination of previous research, this innovation is based on preceding fieldwork in preparing detailed decrees regarding the drawing up of the first balance sheet and evaluation rules for provinces, which was a research project last year on behalf of the Ministry of Internal Affairs in Belgium.

The study is not considering the reasons for the reform, nor the usefulness of adopting accrual accounting in governments. The concept of integrating the different

accounting systems in a "Mega General Ledger" is studied only from a technical point of view.

2. REVIEW FORMER APPRAISING AND CRITICAL STUDIES

Table 1 provides an overview of a number of studies classified from different angles and discussed hereafter.

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<th>CAMERALISTIC CASH ACCOUNTING</th>
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CONCEPTUAL STUDIES COMBINING CASH AND ACCRUAL ACCOUNTING

- Caperchione 1995
- Jaruga & Nowak 1995
- Jones & Lüder 1996
- Christiaens 2000

ACCOUNTING PRACTICE STUDIES CONCERNING TECHNICAL IMPLEMENTATION OF COMBINED REFORMS

- Jones & Lüder 1996
- Caperchione 1995
- Montesinos & Vela 1996
- Cotte, Milot & Nante 1995
- Christiaens 2000
- Caperchione 2000

2.1. Conceptual Studies Favouring Accrual Accounting

Some studies or parts of studies belief in the need for business-like accrual accounting mainly starting from a dissatisfaction regarding the cameralistic/cash accounting. Also shortcomings in the functioning of cash accounting in practice (Jaruga & Nowak 1995 p. 95; Christiaens 2000) are an important reason for the need to reform.

All those favouring studies could be seen as being part of the "protagonists" and they focus on the advantages of accrual accounting and on the related management tools. For example, Jones (1995, p.40-42) agrees with the lasting necessity of being able to obtain budget balances by means of cameralistic accounting, but he criticizes the exclusion of assets and liabilities. Others view governments as close to enterprises if seen from a financial economic point of view and argue that there should be one world of accounting in which enterprises and governments should prepare similar financial statements (Anthony 1989; Mellemvik & Monsen 1995). However, this idea of uniqueness needs not to be shared by everyone.