

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4744
ANSWERED ON:07.08.2009
ACCOUNTING SYSTEM
Sarvey Shri Sathanarayana

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has undertaken pilot project to examine the feasibility of transition to Accrual System of Accounting;
- (b) If so, the details thereof and result thereon;
- (c) whether the Government has called for any meeting with States in this regard; and
- (d) if so, the details discussed and decisions arrived at so far?

Answer

Minister of State in the Ministry of Finance(NAMO NARAIN MEENA)

(a) Yes Sir

(b) Government has undertaken pilot projects in Dr. Ram Manohar Lohia Hospital in the Ministry of Health and Family Welfare and four divisions of Central Public Work Department in the Ministry of Urban Development to examine the feasibility of transition to accrual accounting. The pilot studies were undertaken with Institute of Chartered Accountants of India as the consultant for the project.

While the consultants were able to prepare the required accrual accounting statements, further replication in other Governmental Departments would not be feasible without changes to rules, budgetary procedures, legislation, recruitment and personnel policies, existing information technology systems, training pedagogy etc. Besides, the cost of transition would be high and benefits were not conclusively established.

(c) No Sir.

(d) Does not arise.