

PROJECT STATUS REPORT (FINAL)

JULY 2012 - DECEMBER 2012

SECTION 1: PROJECT SUMMARY

PROJECT NAME: Improving Skills Standards in Accounting and Financial Management in Suriname

Project Number: SU-M1012 - Operation Number: ATN/ME-11489-SU

Purpose: To support the adoption of international standards in accounting and financial management by SMEs in Suriname.

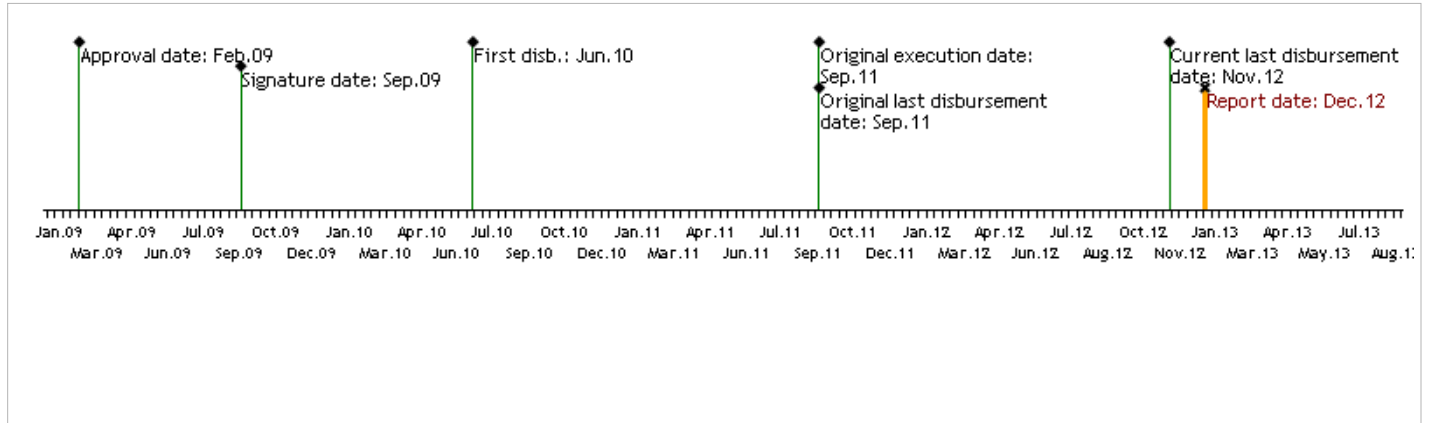
Country Administrator SURINAME	Beneficiary Country SURINAME	Group FCD - Financial Sector and Capital Markets	Subgroup AUST - Accounting and Auditing Standards
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Executing Agency: Surinaamse Vereniging van Accountants

Design Team Leader: Williams, Graham

Supervision Team Leader: Sanchez Alvarez, Lourdes

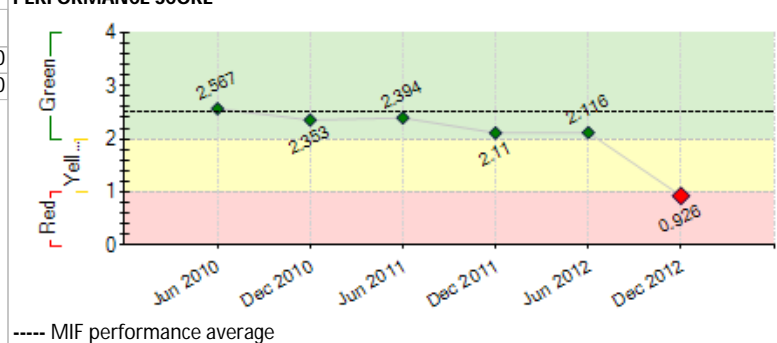
TIMELINE



FUNDS

	Approved	Cancelled	Disbursed
FOMIN	\$135,000.00	\$0.00	\$127,060.00
Counterpart	\$0.00	\$65,000.00	\$10,500.00

PERFORMANCE SCORE



SECTION 2: RESULTS AND ACHIEVEMENTS

Performance once project is completed

Indicator of the purpose of the project: "percentage of participating SMEs that adopted international standards of accounting and financial management and their internal management improved and is more transparent." The transparency of financial management of companies cannot be specifically measured by the project. There is no legal obligation yet to implement international standards but awareness for the importance is growing. This is due to the activities of SUVA and communication with various organizations such as the Banker's Association in order to coordinate implementing IFRS by actually using in practice.

Main activities during the project were the 2 research studies on the situation of financial management and education in Suriname and a needs assessment on trainings and the range of trainings and workshop that was organised as a result of these studies. Furthermore, the project delivered a series of practice guides on financial management and financial statements that are useful for SME's to improve their financial management.

The most relevant obstacle was the lack of capacity to coordinate with the project manager all the work that needed to be done; due to the fact that Suriname has a shortage in accountants. Help from the institute of Trinidad & Tobago was very welcome and useful, although lack of time was also an obstacle in their business. During the project period, the Professional Practices Department has been set up within SUVA: this committee will take over the responsibility for training and assistance to companies in implementing the international standards or improving their financial management.

Comments from the Supervision Team Leader

The overall objective of this project was achieved. SUVA as a new institution has succeeded in implementing all activities necessary to support the adoption of international standards in accounting and financial management by SMEs.

The achievement of project objectives as per component follows:

Component 1: Situational & Curriculum Analysis and Component 2: Training & Technical Assistance to SME's & SMP's

In relation to component 1 and 2, it is relevant to mention that, the actual adoption of international standards in accounting and financial management has proven to be a challenge due to certain external factors such as:

- The absence of legislation. Although the constraint just mentioned there is still some voluntarily activities to implement IFRS for SME's. This means that the findings of the situational report can differ from the outcome of this project.
- Self regulating authority of the institute of Chartered Accountants in Suriname is not yet been embodied. As a consequence the business community will not take the necessary steps to implement IFRS standards if there is no legal or regulated requirement to do so.
- Component 3: Technical Assistance to the SUVA.

The implementation of component 3 was also executed successfully and at the end of this component a business plan for ongoing sustainability was provided. Although IFAC membership has not accomplished due to external factors, the joining effort to the Institute of Chartered Accountants of the Caribbean enhances and supports this achievement.

Final evaluation

ATN/ME-11489-SU

Comments from the Supervision Team Leader

Partially agree with the Evaluators comments

I consider that the project technically did not achieve all the designed objectives. External factors as the Accounting and auditing legal framework or legislation in Suriname, constitutes an impediment for the achievement of the full objectives in regards to the adoption of international accounting and auditing standards. Although the project scope indicates, as an overall objective: Improving skills standards in accounting and financial management; Such improvement only could be measured in comparison to an international standard, such as IFRS. The international standard will always represent the key indicator to measure improvement. On the other hand, in relation to the consolidation of SUVA as the accounting professional body, the arguments cited above affected the its full achievement, therefore SUVA could not complete the IFAC membership.

[Final evaluation](#)
<http://mif.iadb.org/file.aspx?DOCNUM=>
SECTION 3: INDICATORS

		Indicators	Baseline	Planned	Achieved	Percentage
Purpose: To support the adoption of international standards in accounting and financial management by SMEs in Suriname. Classification: Unsatisfactory	P.11	Percentage of participating SMEs that adopted international standards of accounting and financial management and their internal management improved and is more transparent.	0	60	0.9	2 %
Component 1: Studies Weight: 30% Classification: Unsatisfactory	C1.11	Situational Analysis Report on the financial management regulatory framework approved by SAA.	0	1	1	100 %
	C1.12	Needs assessment report approved by SAA.	0	1	1	100 %
	C1.13	Review of existing curriculum report and recommendations approved by SAA.	0	1	1	100 %
Component 2: Training and Technical Assistance to SMEs & SMPs Weight: 40% Classification: Satisfactory	C2.11	Number of workshops held for 45 SME operatives from 30 SMEs on applying international accounting standards to their operations.	0	4	4	100 %
	C2.12	Number of SME operatives trained in the application of international accounting standards.	0	45	77	171 %
	C2.13	Minimum number of SMEs that agreed to use international standards in accounting, and actually utilize them.	0	0	0.05	0 %
	C2.14	Database of material produced for Technical assistance to SME's	0	1	1	100 %
Component 3: Technical Assistance to SAA Weight: 30% Classification: Satisfactory	C3.11	Business Plan for Ongoing sustainability	0	1	1	100 %
	C3.12	The SUVA offers sufficient certified training , advice and guidance to the finance community within the private, government and education sectors of Suriname	0	1	1	100 %
	C3.13	Joining the IFAC other accounting bodies and associations in the Caribbean, Europe and the USA	1	2	0.8	-20 %

CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE

- [X] Legislative approvals
- [X] Executing agency institutional capacity

SECTION 4: RISKS

CRITICAL RISKS MANAGED DURING IMPLEMENTATION

1. The SAA not having firm dedication (in terms of time) to fully execute this project and achieve planned results; plus remain engaged after the project completion

Level: Low

Responsible: Project Coordinator

Status: In effect

Comments: The availability of capacity from SUVA Board and members is effected by the small amount of people yet present within SUVA as well as their large work load. Due to this, communication and agreement on project activities sometimes is hard to establish.

2. The unwillingness of the beneficiaries to facilitate moves to adopt international financial reporting standards

Level: Low

Responsible: Project Coordinator

Status: In effect

Comments: The draft law has not yet passed parliament, so there is no legal urgency for companies to adopt the international standards.

PROJECT RISK LEVEL: Low **TOTAL NUMBER OF RISKS:** 3 **IN EFFECT RISKS:** 2 **NOT IN EFFECT RISKS:** 1 **MITIGATED RISKS:** 0

SECTION 5: SUSTAINABILITY

Likelihood of project sustainability after project completion: HP - Highly Probable

The project results and objectives are directly related to the adoption of the international audit and accounting standards. In consequence there are relevant external factors that favor the continuation of the project's objectives. In addition the SUVA Business plan, a deliverable of component 4, includes an strategy that supports the sustainability of the project objectives which are SUVA objectives under the local and regional environment.

CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY

[None reported in this period]

Actions related to sustainability which have been implemented:

During the last weeks of the project, a consultant has been hired to develop a business plan. In close cooperation with the Board and the Professional Practices Department a strategic plan, business plan and implementation plan has been developed during a series of workshops. This will form the basis for the activities of SUVA in the forthcoming years. The professional Practices Department will continue with the series of trainings that has been planned at the start of the project's 2nd year, and will develop a programme for the next years, to offer trainings for SME's as well as larger firms and for accountants. The Practice Guides that have been developed as a result of the Technical Assistance to SME's consultancy will be used in the trainings and will also be made available on SUVA's website.

[Sustainability Plan](#)

<http://mif.iadb.org/file.aspx?DOCNUM=>

SECTION 6: KNOWLEDGE

Lessons learned

1. The goals of the project are formulated very ambitious and in relation to the scale of the project. Goals such as a large amount of SME's having implemented international standards and having a more transparent financial management can't be reached in such a small project. In designing a project, it is advised to think about what kind of goals can be linked to the influence range of a project manager.
2. One of the risks is formulated as : "The SUVA not having firm dedication (in terms of time) to fully execute this project and achieve planned results". This risk is made the responsibility of the project manager. However, a certain dedication from the board or a delegation of the board is always important for coordination and agreement on decisions. Therefore, it cannot be the full responsibility of a project manager to control this risk. As capacity of SUVA board members has been very limited due to a lack of accountants in Suriname, the project execution has encountered various problems in communication and achieving timely results.
3. Starting the project with research studies on the situation and a needs assessment has proven to be a good basis for the further implementation of the project. This has provided enough insight to be able to develop a training programme for SME's.

Relative to
Design

Author
Foppele, Monic

Risk

Foppele, Monic

Design

Foppele, Monic

Indicate which are the main products of the project, where they can be found, and how they could be "shared" with other entities or similar projects.

The entire set of documents produced during the TC execution could be an example of the process of establishing a professional accounting body, technically and strategically. The basis of further developments has been and it will be the "Research study and report of findings" deliverable. Specifically the "Practice Guides" are a good tool to be applied not only in the Suriname context but also in other caribbean countries that are in the IFRS adoption process. The "Business plan" could be a good example for similar technical bodies that are in the process of being strengthened as a standard setter in their local contexts.

Main products of the project

[Jul 2011] RESEARCH STUDY AND REPORT ON FINDINGS TO THE ASSIGNMENT: (Technical publications)

Author: Cyril S. Soeri

[Oct 2012] Practice Guides (Lessons learned/best practices)

Author: Andrew Brathwaite

[Nov 2012] SUVA Businessplan final report (Handbooks/Procedure guides)

Author: Nevil v.d. Kuyp