

# PROJECT STATUS REPORT

JANUARY 2012 - JUNE 2012

## SECTION 1: PROJECT SUMMARY

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

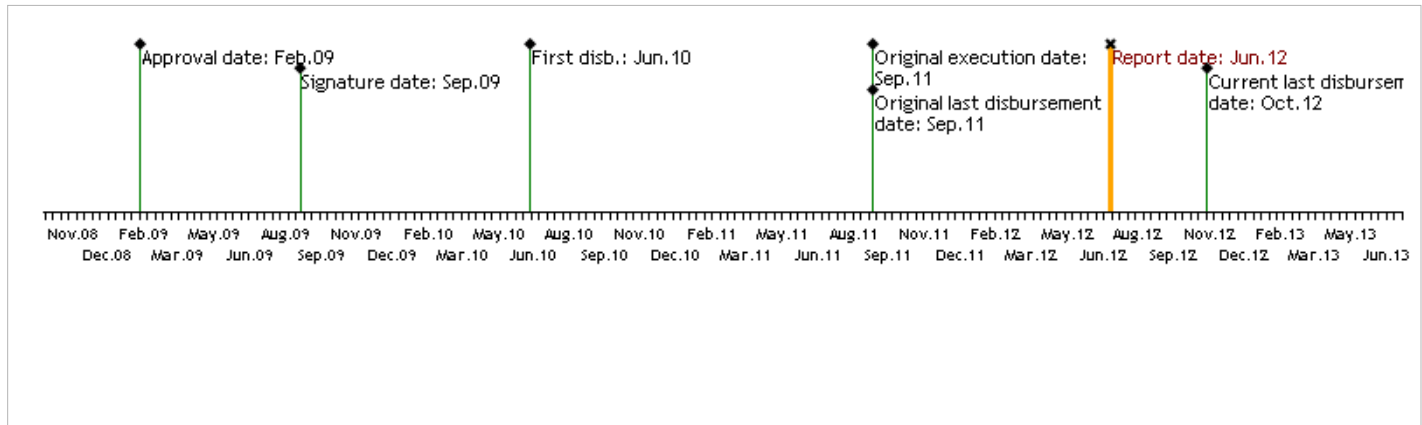
Project Number: SU-M1012 - Operation Number: ATN/ME-11489-SU

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

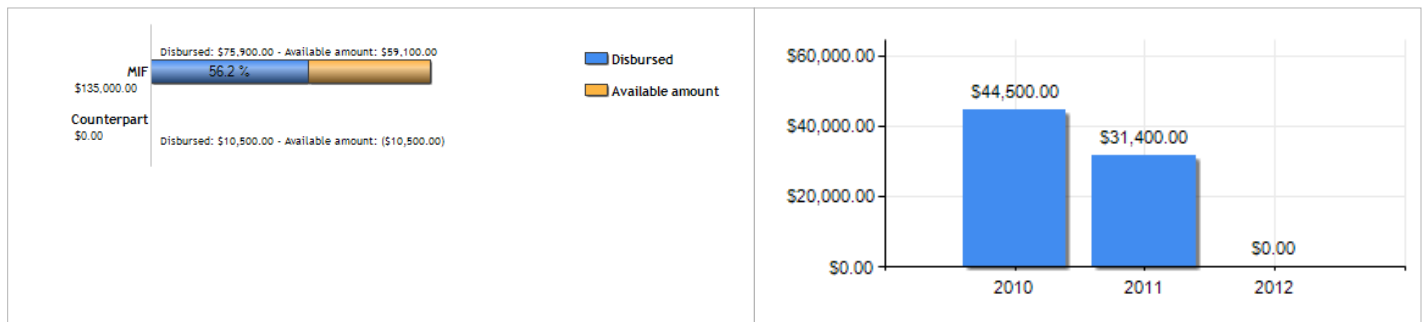
<b>Country Administrator</b> SURINAME	<b>Beneficiary Country</b> SURINAME	<b>Group</b> FCD - Financial Sector and Capital Markets	<b>Subgroup</b> AUST - Accounting and Auditing Standards
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<b>Executing Agency:</b> Surinaamse Vereniging van Accountants	<b>Design Team Leader:</b> Williams, Graham
	<b>Supervision Team Leader:</b> Sanchez Alvarez, Lourdes

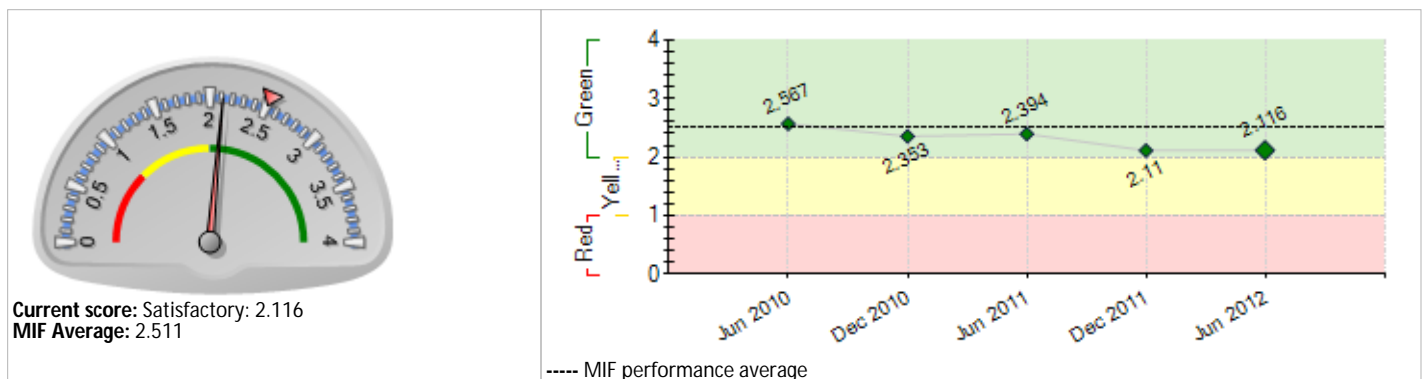
### TIMELINE



### FUNDS



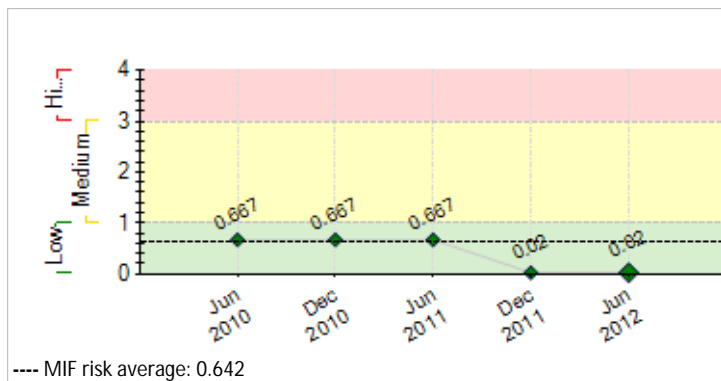
### PERFORMANCE SCORE



### EXTERNAL RISKS

#### INSTITUTIONAL CAPACITY

	<b>Risk</b>
Financial Management:	0
Procurement:	0
Technical Capacity:	0



## SECTION 2: PERFORMANCE

### Summary of project performance since inception

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

Agree with the Executing Agency comments

The core results achieved for all the components of the project are in accordance with the design. There are some deviations on the original plan specially in Components II due to external factors such as the lack of legislation in terms of international accounting standards in Suriname.

Other objectives components I and III could have been achieved in a more promptly manner but the lack of technical capacity that the project needs relies in a few number of experts that are already engaged with other technical activities. Therefore the majority of activities needed for the project had to follow the pace of these key stakeholders.

Final PCR will reflect the complete set of achievements

### Summary of project performance in the last six months

2012 Started with a successful two days weekend retreat of the SUVA Board, with various stakeholders present the first day, amongst them the Governor of the Central Bank and representatives from various ministries and business organisations. This meeting showed a great interest in the development of SUVA and willingness to cooperate and support further steps to be taken by SUVA.

In the first half of 2012 7 trainings and workshop were organised as planned within the project. Up till September in total 8 trainings have been provided with a total of 162 participants.

Furthermore the subproject 'Practice Guides' started as part of Component 2 Technical Assistance to SME's. Due to various reasons this subproject got delayed and will be finalised in October.

In the end of this semester the board asked for an extra activity: developing a business plan for SUVA. A consultant has been hired and this is being worked on full force now, to have it all completed at the end of October.

### Comments from the Supervision Team Leader

Agree with the Executing Agency comments

No comments

## SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
<b>Purpose:</b> To support the adoption of international standards in accounting and financial management by SMEs in Suriname.	P.I1	Percentage of participating SMEs that adopted international standards of accounting and financial management and their internal management improved and is more transparent.	0			60	0.4	
		Sep 2009				Aug 2012	Jul 2012	
<b>Component 1:</b> Studies <b>Weight:</b> 30%	C1.I1	Situational Analysis Report on the financial management regulatory framework approved by SAA.	0			1	1	Finished
		Sep 2009				Sep 2011	May 2011	
	C1.I2	Needs assessment report approved by SAA.	0			1	1	Finished

<b>Classification:</b> Unsatisfactory	<b>C1.13</b>	Review of existing curriculum report and recommendations approved by SAA.	0				Sep 2011	May 2011	Finished
							Sep 2011	May 2011	
<b>Component 2:</b> Training and Technical Assistance to SMEs & SMPs  <b>Weight:</b> 40%  <b>Classification:</b> Satisfactory	<b>C2.11</b>	Number of workshops held for 45 SME operatives from 30 SMEs on applying international accounting standards to their operations.	0				4	0.75	On Course
			Sep 2009				Aug 2012	Jun 2012	
	<b>C2.12</b>	Number of SME operatives trained in the application of international accounting standards.	0				45	30	On Course
			Sep 2009				Aug 2012	Jun 2012	
	<b>C2.13</b>	Minimum number of SMEs that agreed to use international standards in accounting, and actually utilize them.	0				60	0.05	Delayed
			Sep 2009				May 2012	Jun 2012	
<b>Component 3:</b> Technical Assistance to SAA  <b>Weight:</b> 30%  <b>Classification:</b> Satisfactory	<b>C2.14</b>	Database of material produced for Technical assistance to SME's	0				1	0.3	On Course
			Sep 2009				Aug 2012	Jun 2012	
	<b>C3.11</b>	Business Plan for Ongoing sustainability	0				1	0.5	On Course
			Sep 2009				Aug 2012	Apr 2012	
	<b>C3.12</b>	The SUVA offers sufficient certified training , advice and guidance to the finance community within the private, government and education sectors of Suriname	0				1	0.2	On Course
			Sep 2009				Aug 2012	Jan 2012	
	<b>C3.13</b>	Joining the IFAC other accounting bodies and associations in the Caribbean, Europe and the USA	0	1			2	0.7	On Course
			Sep 2009	Aug 2012			Aug 2012	Sep 2011	

Milestones	Planned	Due Date	Achieved	Date achieved	Status
<b>M0</b> Previous Conditions	3	Feb 2010	3	Feb 2010	Achieved

**CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE**

[X] Executing agency institutional capacity

**SECTION 4: RISKS****MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
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	Low	Putting in place a dedicated Project Manager, with appropriate skills, and who is knowledgeable of the needs of the local accounting environment. Additionally, accounting associations like NIVRA and ICAC will be asked will be asked to mentor and encourage SUVA. Project Manager will be provided certain manding to process communication so to accelerate implementation.	Project Coordinator
2. The unwillingness of the beneficiaries to facilitate moves to adopt international financial reporting standards	Low	The sterling work of a national committee that is formulating draft legislation regarding improvement of Jaar Rekening, and guiding its ultimate passage through Parliament, will provide a legislative base for improving accounting skills standards within SMEs. The Project also contemplates the enlistment of umbrella organizations like the Chamber of Commerce to act as instigators for SME modernization. In addition SMEs and their staff who undergo the training programs offered via the project will benefit from certification symbols that are recognized worldwide.,	Project Coordinator

**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:** P - Probable**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY**

[None reported in this period]

**Actions related to sustainability which will be or have been implemented:**

- The series of trainings and workshops that have been planned, continua after the project has formally ended. The organisation and further development of trainings for members as well as for the open market will be conducted by SUVA's Professional Practices Department. - The strategic plan and business plan that will be written by the consultant will form a basis for SUVA to move on in the forthcoming years. - Arrangements with IFAC have been made so that SUVA will receive guidance form IFAC in the process of becoming a full member of ICAC and IFAC in the future.

**SECTION 6: PRACTICAL LESSONS**

	Relative to	Author
1. 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.	Design	Foppele, Monic
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	Risk	Foppele, Monic

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. 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 that has implemented international standards and has 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.

Design

Foppele, Monic