

Reforms In The Sarawak City Councils With Respect To Accounting And It Implementation

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ABSTRACT

This exploratory study aims to describe the reforms that have taken place and are currently taking place in the two Sarawak's city councils from 1999 to 2003. The study also aims to find out the implication of the IT implementation on the councils' financial performance particularly on revenue, expenditure and management of account receivable as well as the preparation of financial statements. It can be concluded that the reforms started in both councils in 2000 were mainly due to the Y2K compliance and a directive from the State Government. The reform would continue further as there are a few modules that are still under the trial process. This is in line with the government's aspiration to become a fully electronic government in 2008. The availability of an extensive website of both councils is very much appreciated as it would enable the public to make online payment, complaints and enquiries. Thus, the quality of services provided can be improved from time to time and simultaneously helps improve the level of accountability. The use of IT is found to have helped smoothen the preparation of the financial statements. It is found that both the nature and type of qualification and audit lag have improved during the period under study. It is also found that IT helped the monitoring and controlling process of 'revenue in arrears' for Council B but no implication on management of account receivable for Council A. The IT implication on total revenue, net income and expenditure is not very clear or statistically confirmed. Accordingly, interview reveals that IT may help to identify and calculate the rates and amount of revenue in arrears or outstanding but more efforts and follow up actions by management are necessary.

Keyword: *reforms, IT, local authorities, case study*