

Minutes of the PEMPAL TCOP Executive Committee Meeting (Video Conference) on 6 November 2013

On 6 November 2013 PEMPAL Treasury Community of Practice (TCOP) Executive Committee gathered for a regular meeting by means of video conference.

The video conference was attended by: Mimoza Pilkati (Ministry of Finance, Albania), Vugar Abdullayev (Ministry of Finance, Azerbaijan), Nino Tchelishvili, Ketevan Chemia (Ministry of Finance, Georgia), Zaifun Ernazarova (Ministry of Finance, Kazakhstan), Angela Voronin (Ministry of Finance, Moldova), Renold Rubinov (Russian Federal Treasury), Rustam Boboyev (Ministry of Finance, Tajikistan), Natalia Sushko (State Treasury, Ukraine), Elena Nikulina (PEMPAL Leader, World Bank), Ion Chicu (TCOP Advisor, World Bank), Bojana Crnadak (PEMPAL Secretariat).

Meeting Agenda:

- I. Update on the Recent TCOP Activities**
- II. TCOP Plans for November-December 2013:**
 - Study Visit to Ankara
 - Thematic Video Conference on the Experience of the Russian Federation in Treasury Bodies' Performance Evaluation
 - Activities of the Thematic Groups on Accounting and Reporting in the Public Sector
- III. TCOP Plenary Workshop in Georgia**
- IV. Discussion on TCOP Contribution to the 2014 PEMPAL Plenary Meeting Preparation (May 2014)**
- V. Issues Related to TCOP Budget**
- VI. Miscellaneous**

I. Update on the Recent TCOP Activities

Under this point of the agenda, the video conference participants were presented information on the TCOP activities that took place within September-October 2013. The attendees were briefly informed about the study visit of TCOP representatives to the UK Treasury on 23-26 September,

about the TCOP Thematic Meeting on 27-28 September in Skopje, and about the video conferences on IT topics that took place on 9 and 23 October 2013.

More detailed information on the first two events is posted on the TCOP wiki-page and on PEMPAL website. In particular, these web resources feature reports on the conducted activities, all the presentations and other materials related to the two events.

A special attention of video conference participants was drawn to the reports on the results of evaluation surveys carried out after these two events among the participants. Participants in London and Skopje activities drew attention to a number of deficiencies, in particular in terms of organization and logistics (problems related to meeting the participants at the airport, not quite convenient flight routes, meals arrangement for early arrivals at the London meeting, delayed presentation of information materials for the event in Skopje, as well as oversights in the process of paper handouts at the actual event, and other deficiencies in organization of these two events). In order to avoid such deficiencies while organizing future TCOP activities, the resource team has drawn the attention of the PEMPAL Secretariat management to inadmissibility of such incidents in the future. Elena Nikulina informed the video conference participants that materials related to the correspondence with the PEMPAL Secretariat would be presented to the attention of the TCOP Executive Committee in the nearest future. Executive Committee members will also use the results of surveys carried out after London and Skopje events in order to ensure better organization of future TCOP activities.

A joint report on TCOP thematic video conferences on application of information technologies in treasury operations that took place on 9 and 23 October 2013 will be presented to the participants in these events and TCOP Executive Committee members by 15 November. Apart from the report, they will receive a draft Plan of Activities of the TCOP Thematic Group on Information Technologies based on the results of these video conferences, as well as the preliminary list of group members.

II. TCOP Plans for November-December 2013:

1. Study Visit to Ankara

Ion Chicu informed the video conference participants about the preparation stage of the TCOP representatives' study visit to the Ministry of Finance of the Republic of Turkey in Ankara scheduled for 19-21 November 2013. At the moment of the video conference, the main preparation activities related to the study visit to Ankara had been successfully completed (meeting agenda coordinated, draft presentations of the hosting country made available, the list of study visit participants drafted, the main service providers identified). Nevertheless, there were still a number of activities, including presentation translations, air tickets arrangement and purchase, which had to be carried out by the deadline set in the timetable for preparatory activities.

Information materials (Agenda for the visit, Information Letter and the List of Participants) shall be circulated among the study visit participants by e-mail by 13 November 2013.

2. Thematic Video Conference on the Experience of the Russian Federation in Treasury Bodies' Performance Evaluation

TCOP Plan of Activities for 2013-2014 includes a thematic video conference dedicated to the experience of the Russian Federal Treasury in treasury bodies' performance evaluation. Mr. **Alexander Demidov**, Deputy Head of the Russian Federal Treasury, has kindly agreed to prepare the corresponding presentation and present it at the thematic video conference that will take place on 14 November 2013.

Representatives of 8 TCOP member countries have registered to participate in the video conference. Registered participants received information materials on this video conference, including the presentation by Mr. Demidov.

3. Activities of the Thematic Groups on Accounting and Reporting in the Public Sector

Three thematic groups covering issues related to accounting and reporting in the public sector were created at the PEMPAL TCOP meeting in Skopje:

1. Accounting Standards in the Public Sector
2. Accounting of Public Assets
3. Consolidation of Financial Reporting

All the groups developed and approved their plans of activities for November 2013 - December 2014 in Skopje. According to these plans, a series of activities have been proposed by each of these groups for the next couple of months. The preparation timetable according to the TCOP Plan of Activities until June 2014, including the activities of the above-mentioned thematic groups, is presented below.



TCOP Activity Plan
10.2013-06.2104.xls

The Thematic Group on **Accounting Standards** includes representatives of 6 TCOP member countries. The list of group members and the Plan of Activities are given below.



Group Accounting Standards.docx



Activity Plan - Accounting Standards

In compliance with the Plan of Activities, this thematic group will hold a video conference on analysis of discrepancies between the current national methodologies and international accounting standards within 20-24 January 2014. According to the arrangements made in Skopje, the main presentation for this video conference will be prepared by the representative of the Russian Ministry of Finance in this group, Mrs. **Svetlana Sivets**. The World Bank experts working with this thematic group will develop recommendations on the structure of her presentation **by 15 December 2013**. The final video conference date will be established after the preliminary coordination with the main video conference presenter (Mrs. Sivets).

The thematic group on **Accounting of Public Assets** includes representatives of 11 TCOP member countries. The list of group members and the Plan of Activities are given below.



Group Public assets accounting.docx



Activity Plan - Public assets accounting_Er

In compliance with the Plan of Activities, this thematic group will hold a video conference on the policies related to asset recognition, evaluation and reevaluation on **10 December 2013**. According to the arrangements made in Skopje, the leading role in this video conference will be taken up by the representative of Ukraine in this group, Mrs. **Natalia Sushko**. The World Bank experts working with this thematic group will develop recommendations on the structure of Mrs. Sushko's presentation **by 20 November 2013**.

The results of a thematic survey to be conducted among the member countries within this group in the second half of November 2013 will be also discussed at the video conference. At the moment of the TCOP Executive Committee video conference, a draft thematic survey had been developed, while the final version of the document in all the three PEMPAL languages will be ready by 15 November 2013.

The thematic group on **Consolidation of Financial Reporting in the Public Sector** includes representatives of 8 TCOP member countries. The list of group members and the Plan of Activities are given below.



Group Consolidation of FR.docx



Activity Plan on Consolidation of FR_E

In compliance with the Plan of Activities, this thematic group will hold a video conference on the issues related to identification of consolidation scope and corresponding approaches on **4 December 2013**. According to the arrangements made in Skopje, the leading role in this video

conference will belong to the representative of Bulgaria in this group, Mrs. **Tsvetanka Chipeva**. The World Bank experts working with this thematic group will develop recommendations on the structure of Mrs. Chipeva's presentation **by 18 November 2013**.

The results of a thematic survey to be conducted among the member countries in this group in the second half of November 2013 will be also discussed at the video conference. At the moment of the TCOP Executive Committee video conference, a draft thematic survey had been developed, while the final version of the document in all the three PEMPAL languages will be ready by 15 November 2013.

III. TCOP Plenary Workshop in Georgia

Under this point of the agenda, the video conference participants discussed the upcoming TCOP Plenary Workshop in Georgia in February on accounting and reporting in the public sector. TCOP Executive Committee members sustained the proposal made by **Nino Tchelishvili** to schedule this three-day event for **10-12 February 2014**. Apart from the main workshop program, TCOP Executive Committee members will have their regular meeting in the afternoon on 9 February 2014.

Video conference participants made proposals on the concept of the workshop in Georgia and the draft agenda. It was decided to allocate time within the workshop program for the following sessions: (i) presentations of the hosting country dedicated to Georgia's experience in reforming various areas¹ of accounting and reporting in the public sector; (ii) presentations of participating countries on their experience in conducting reforms in this field²; (iii) presentations of international experts on the workshop topic³; (iv) small group discussions on presentations of the hosting country and other participating countries; (v) separate meetings of the three TCOP thematic groups on accounting and reporting⁴. According to the preliminary agreement of the Executive Committee members, 1.5-2 days will be allocated to points (i-iv), while one whole day will be dedicated to separate thematic group meetings. Some of the video conference participants supported the idea of focusing particularly on the methodological aspects of accounting and reporting within the workshop.

¹ General presentation of accounting and reporting reforms in the public sector of Georgia and Georgian experience in implementing the General Ledger and accrual method

² Possibly, the experience of Kazakhstan in IPSAS implementation

³ It has been proposed to pay particular attention to the topic of accounting of public assets and accrual income

⁴ The groups on Accounting Standards, Accounting of Public Assets and Consolidation of Financial Reporting

The video conference participants agreed that a preliminary draft of the workshop concept will be developed by the TCOP resource team and presented for proposals and comments by **22 November 2013**. The final version of the Concept of the event will be finalized by **5 December 2013**.

IV. Discussion on TCOP Contribution to the 2014 PEMPAL Plenary Meeting Preparation (May 2014)

The video conference participants discussed issues related to participation of TCOP representatives in the PEMPAL Plenary Meeting on budget transparency scheduled for 28-30 May 2014 in Moscow, and namely:

i) Agenda of a separate one-day TCOP meeting on 27 May 2014 in Moscow

TCOP Executive Committee members decided to have a separate TCOP meeting in Moscow on 27 May to discuss issues of priority importance. The video conference participants gave various proposals with regard to the TCOP meeting agenda:

- **Vugar Abdullayev** proposed to have a session dedicated to the progress reports of TCOP thematic groups;
- **Angela Voronin** supported the proposal made by Vugar Abdullayev to allocate time in the agenda not only for the reports of accounting and reporting thematic groups, but also for the report of the group on IT use in treasury operations;
- **Nino Tchelishvili**, taking into account that the Moscow event is likely to be attended by high officials from the Ministries of Finance and Treasuries of TCOP member countries, proposed to include in the agenda presentations on general issues of future treasury system development, decentralization of the treasury activity, treasury organizational structures, possibly the experience of Croatia and Turkey in these areas;
- **Natalia Sushko** also supported the proposal by Vugar Abdullayev, as well as an earlier proposal to continue discussions on the topic of treasury control, in particular, about the experience of different countries in treasury structures' performance evaluation;
- **Mimoza Pilkati** proposed to make room in the program for discussion on liquidity management issues, since this topic is also one of the priorities of TCOP members. She also supported the proposal to present progress reports of TCOP thematic groups.

Taking into consideration the great number of proposals expressed and the limited meeting time on 27 May 2014, it was decided to have an additional consultation on this issue between the TCOP Executive Committee leaders (Angela Voronin, Zaifun Ernazarova and Vugar Abdullayev) and TCOP resource team on 14 November 2013, immediately after the TCOP thematic video conference scheduled for that day. All Executive Committee members will be informed about the results of the consultation, while the final decision on this issue will be made by e-mail.

i) TCOP contribution to the sessions covered by the PEMPAL Plenary Meeting agenda

According to the proposals of the TCOP Executive Committee members made at the joint meeting of PEMPAL network leaders in Slovenia in July, the preliminary PEMPAL Plenary Meeting Agenda in Moscow included several sessions on budget transparency tools. According to the Concept of the event, TCOP members have to contribute to the preparation of the session on the use of Information Technologies in ensuring budget transparency, as well to the session on financial reporting standards.

The video conference participants discussed different options regarding their participation in preparation and presentation of these sessions. The proposals included to invite famous international experts to make presentations on these topics, as well as TCOP members themselves to present relevant information. A decision was also made to have additional consultation of the TCOP Executive Committee leaders and TCOP resource team on 14 November 2013. All Executive Committee members will be informed about the results of the consultation, while the final decision on the issue will be made by e-mail.

Elena Nikulina informed the video conference participants about the upcoming first meeting (audio conference) of the PEMPAL Moscow Plenary Meeting Organizational Committee on 25 November 2013. TCOP is represented in the Organizational Committee by Angela Voronin, Zaifun Ernazarova, Vugar Abdullayev and Alexander Demidov. Since it is planned to have a limited number of participants in the audio conference of the Organizational Committee, it was decided that only TCOP Chair will take part in this meeting on behalf of TCOP, that is, Angela Voronin⁵.

ii) TCOP participation in the market place planned in the breaks at the PEMPAL Plenary Meeting in Moscow and the support required in this regard on the part of PEMPAL Secretariat

TCOP Executive Committee members discussed issues related to participation in the market place that will be organized in breaks between the main sessions of the PEMPAL Network Plenary Meeting. Thus, it is planned to present progress of PEMPAL member countries in improving the budget process transparency. There are various ways to present the corresponding progress, including by arrangement of demonstrative information stands, presentation of electronic solutions, various publications, etc.

⁵ After additional coordination, possibly Mr. Alexander Demidov will also participate as a representative of the hosting country.

The video conference participants were invited to make specific proposals regarding the TCOP contribution to this segment of activities on the agenda of the Moscow meeting and to inform the PEMPAL Secretariat based on the decisions about the logistical support requested by TCOP in order to arrange the corresponding market place. Unfortunately, due to time limitation, video conference participants could not reach the final decision on this issue and it was expected that within the above-mentioned consultation on 14 November the final decision would be made.

iii) TCOP Executive Committee Meeting in Moscow

TCOP Executive Committee members agreed to have their meeting along with the PEMPAL Plenary Meeting in Moscow in the afternoon on 26 May 2014.

V. Issues Related to TCOP Budget

The video conference participants were informed about the changes in the budget of PEMPAL TCOP for July 2013 – June 2014. The corresponding changes were made based on the decisions of the PEMPAL Network Steering Committee on 3 October 2013.

Since Skopje event was attended by a greater number of TCOP members than stipulated in the Action Plan and budget (40 vs. 12), the event budget made up about USD 80 thou, which exceeded the initial budget by USD 50 thou. In order to cover for the deficit, reallocations were made in the amount of USD 30,000 initially allocated for a study visit⁶ on Information Technologies scheduled in the TCOP Plan of Activities for December 2013, and USD 15,000 allocated for a small event on liquidity management⁷ planned for April 2014.

Ion Chicu informed the video conference participants about the fact that the process of developing the TCOP Plan of Activities and Budget for July 2014 - June 2015 is going to be launched soon. The TCOP resource team will prepare a draft Plan and present it for consideration to the Executive Committee members. It is expected that the coordinated TCOP Plan of Activities will be discussed at the meeting of the TCOP Executive Committee in Georgia on 9 February 2014.

⁶ The event will take place on 19-21 November 2013 in Ankara and will be financed from the budget (USD 90,000 allocated in the Plan for organization of a workshop on this topic)

⁷ This activity will be rescheduled for the period of July-September 2014 with allocation of the corresponding budget in the new financial year of 2015

VI. Miscellaneous

Under this point of the video conference agenda, participants agreed upon the date of the next TCOP Executive Committee meeting. According to the proposal of Angela Voronin, the following video conference will take place on 28 January 2014.

Main Outcomes of the TCOP Executive Committee Meeting:

- Detailed information on the TCOP activities carried out within September-October 2013 is posted on the TCOP wiki-page and PEMPAL Network webpage;
- A joint report on TCOP thematic video conferences held on 9 and 23 October 2013 on the use of information technologies in treasury activities and a draft Plan of Activities of the corresponding thematic group will be presented by 15 November;
- The results of thematic surveys among TCOP participants in London and Skopje events will be used by the TCOP Executive Committee and PEMPAL Secretariat for better organization of TCOP events in the future;
- Preparatory activities related to the study visit of the TCOP representatives to Ankara take place according to the preparation timetable. Due to delay in making presentations available by the hosting party, certain delays with translations in Russian and English are possible;
- In compliance with the plans of activities of three thematic groups on accounting and reporting in the public sector, a series of events have been scheduled for each of the groups in the nearest future. Activities will be prepared based on the preparation timetable designed by the resource team;
- The next TCOP Plenary Workshop will take place on 10-12 February 2014 in Georgia and will be dedicated to the issues of accounting and reporting in the public sector. Based on the proposals made by the TCOP Executive Committee members, the resource team will prepare a draft Concept of the event by 22 November 2013. The final version of the Concept will be finalized by 5 December 2013;
- The TCOP Executive Committee meeting is scheduled for the afternoon on 9 February 2014 in Georgia;
- TCOP will have a separate meeting on 27 May 2014 within the PEMPAL Network Plenary Meeting in Moscow. The final decision on the agenda of the day will be made at the TCOP leadership and resource team consultation scheduled for 14 November 2013.

- The final decision on the TCOP contribution to the preparation of the PEMPAL Network Plenary Meeting sessions will be made within the consultation on 14 November 2013. Within the same consultation, a decision on the ways of TCOP member participation in the market place planned within the PEMPAL Network Plenary Meeting in Moscow will be made;
- The TCOP Executive Committee meeting is scheduled for the afternoon on 26 May 2014 in Moscow;
- A draft of the TCOP Plan of Activities for July 2014 – June 2015 will be developed by the end of the year. The Executive Committee will consider the draft Plan at its meeting in Georgia;
- The next meeting (video conference) of the TCOP Executive Committee will take place on 28 January 2014;
- Ion Chicu will draft the minutes of the TCOP Leadership Group meeting and will present it for discussion to TCOP leaders.