

Use of Information Technologies in Treasury Operations Workshop of the Treasury Community of Practice

Chisinau, Moldova



The fourth plenary meeting of PEMPAL Treasury Community of Practice was hosted by the Ministry of Finance of the Republic of Moldova and held in Chisinau, Moldova, on May 18 - 20, 2010.

The meeting was attended by the representatives of the Ministries of Finance and Treasuries of 14 countries and was devoted to the discussion of issues related to the use of information technologies in treasury operations. Special attention was devoted to the use of electronic payment systems and digital signature application for treasury operations.



TCOP Leadership group has decided to organize this workshop in response to the interest for this topic, expressed by many member country representatives during the November, 2009 TCOP survey. The main objective of the workshop was to offer the participants an opportunity to exchange experiences in applying information technologies for treasury operations, learn from the best practices and discuss risks and potential

mistakes to be avoided in the process of implementation of treasury modernization reforms. The agenda of the meeting combined presentations from countries with different level of IT application and different models of using digital signature. The approach proved to be successful for achieving the workshop objectives, having generated an active exchange of experiences and views.

In his welcome speech to the workshop participants, Mr. Veaceslav Negruta, Minister of Finance of the Republic of Moldova, has expressed his gratitude to the TCOP members for accepting the invitation to hold the event in Chisinau and pointed out the usefulness of such live discussions between public finance practitioners.



The first day of the workshop was devoted to the overview of the recent member countries experiences of implementation of Financial Management Information Systems (FMIS). **Mr. Cem Dener**, Senior Public Sector Management Specialist, World Bank, presented an overview of treasury modernization reforms across the member countries, based on the participating countries' data submissions for the Treasury Maturity Framework Model tool, developed initially for TCOP

purposes in 2006 and updated specially for this workshop.

Three country cases of experiences of FMIS implementation were presented. Experience of **Slovakia** was presented by **Mr. Marian Kováč**, Head of Management Expenditures Department, State Treasury of the Slovak Republic, and **Mr. Yan Pokorny**, Professional Advisor, State Treasury of the Slovak Republic. Overview of the **Turkey** case included three presentations delivered by **Mr. Dogan Alantar**, Head of Department, Ministry of Finance of Turkey, **Mrs. Pinar Mentés**, IT Specialist, Ministry of Finance of Turkey, and **Mr. Alpaya Akcay**, Head of Department, Ministry of Finance of Turkey. Presentations covered Turkey experience in developing MTEF and implementation of information systems for budget preparation and budget execution. The experience of **Russia** in implementing the financial management information system was presented by Mr. Alexei Popov, Deputy Director of Federal Treasury of Russian Federation.

All these presentations stimulated interactive discussions among workshop participants and generated a big number of questions addressed to the speakers.

The second day of the workshop was focused on the discussion of the issues related to the use of electronic payment systems and digital signature application in treasury operations. In order to set the stage for discussion, **Mr. Cem Dener** presented at the beginning of the day the results of a thematic member survey. The survey showed different levels of IT development and use of digital signature in treasury operations in member countries, as well as highlighted different levels of development of the necessary infrastructure and legal framework.

Guest speaker from South Korea, **Mr. Young Kang**, IT Expert, presented the overview of the Korean electronic payments systems and summarized the experience of application of digital signature in his country. This session was followed by the hosting country presentation on **Moldova**'s experience in using electronic payments in treasury operations. The case of Moldova was presented by **Mr. Maxim Ciobanu**, Head of the Cash Flow Management Division, State Treasury of Moldova, and **Mr. Denis Bakeev**, Deputy Director of the S.E. Fintehinform.

After these presentations questions/answers session and small group discussions were held. Several participating countries had prepared their questions to be shared among treasury and IT practitioners. In order to better address these issues, the audience was divided in three small groups. Discussions were followed by the panel of the representatives of each of the groups presenting the findings and conclusions of the small group session.



One of the groups focused its attention on issues related to management of budgetary resources through Treasury Single Account (TSA). There were discussions concerning TSA creation and management needed framework, integration of budgets into TSA, integration of operations with foreign currencies in TSA.

Another group discussed issues related to the member countries experience in implementation of public finance management systems projects. Most

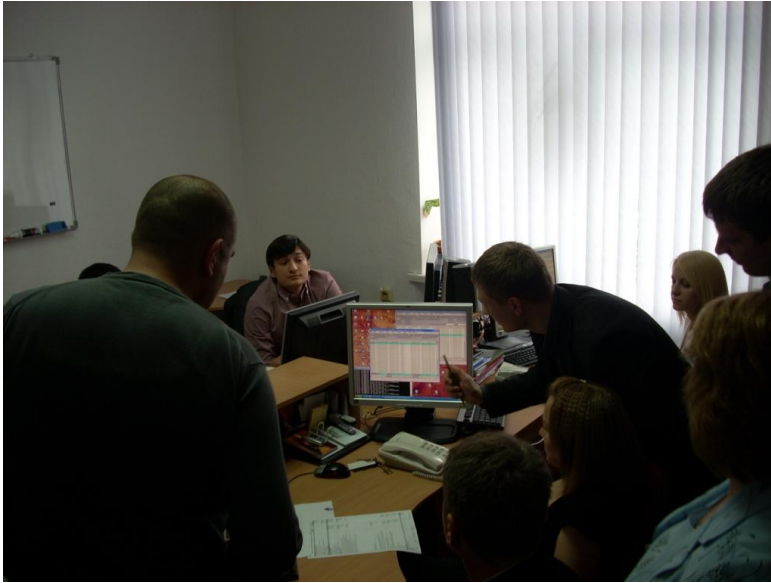
appropriate project components, stages of projects implementation, systems functioning in post-implementation period, transition process from old to the new systems and user training organization were the most important issues discussed by this group.

The third group attracted mainly IT specialists and focused its attention on the issues related to the use of information technologies in treasury operations, especially on interaction between FMIS and other systems, appropriate interfaces, digital signature support, data migration organization, etc.

During the two workshop days, more than 100 questions were raised by the participants and answered by the speakers. Taking into account this large interest of the TCOP members to the use of information technologies in treasury operations, the creation of an IT thematic group within TCOP has been decided. This group will continue communication and sharing of experiences in this area.



The first half of the third day was devoted to the discussion of TCOP activity plan for the rest of 2010 and the leadership group meeting. A special Survey was conducted among TCOP members in order to find out their preferences and suggestions related to the topics and format of the future TCOP activity. Survey results are attached to this Report.



On the request of Albanian, Kyrgyz and Tajik members, additional bilateral meetings were organized for their country delegations in the Ministry of Finance of Moldova. The delegations had an opportunity to visit the Ministry of Finance IT center (Fintehinform), the treasury payment center and treasury operations offices.

The main conclusions of the workshop and decisions taken were, as follows:

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- Thematic group on use of IT in treasury operations was launched, Kyrgyz and Georgia representatives volunteered to take the lead in organizing the group activities
 - Follow up meeting on IT issues is proposed to be organized for the interested countries in 2011. Azerbaijan is ready to host the event in spring 2011 and demonstrate their new IT system in operation. Russia is ready to host a study visit for the interested TCOP members to demonstrate its system and host a workshop on IT issues any time.
 - The most demanded topic for the next TCOP meeting is Accounting and Financial Reporting, including the issues related to implementation of an integrated budget classification and chart of accounts system. Tajikistan is planning a small group meeting on this topic in Dushanbe in September, and a full TCOP meeting on the topic is proposed for the end of 2011 (November – December).
 - TCOP is supportive of joining the full PEMPAL plenary in January. TCOP members have identified the following priority topics of interest for the whole network plenary (1) PFM strategies; (2) Financial management controls.
 - The meeting reiterated the interest of TCOP members in creating a thematic library of PFM legislation and methodology and normative documentation on the PEMPAL website. Solution for these documents translation needs to be identified.
 - Workshop participants have mentioned its good organization, interesting presentations and discussions.
 - Some of participants recommended for the future to reserve more time for small group discussions and more practical case studies.
 - To improve communication process within TCOP, the opportunities for using some new web based tools will be explored.
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