

Minutes of PEMPAL TCOP Executive Committee meeting dated 30 January 2015

On 30 January 2015, a regular meeting of PEMPAL TCOP ExComm took place in Vienna, Austria. The meeting was organized within a study visit of TCOP representatives to the Ministry of Finance of Austrian Republic.

The meeting was attended by: Mimoza Pilkati (MoF Albania), Vugar Abdullayev (MoF Azerbaijan), Nino Tchelishvili (MoF Georgia), Zaifun Yernazarova (MoF Kazakhstan), Angela Voronin (MoF Moldova), Alexander Demidov (Federal Treasury of Russia), Ismatullo Khakimov (MoF Tajikistan), Elena Nikulina (PEMPAL TTL, World Bank), Ion Chicu (TCOP Advisor, World Bank), and Bojana Crnadak (representative of PEMPAL Secretariat).

Meeting Agenda:

- 1. Update on recent TCOP events**
- 2. Discussions on the TCOP activities planned for the second half of FY 2015**
- 3. Discussions on implementation of the TCOP Activity Plan for 2013-2015**
- 4. TCOP contribution to the PEMPAL program midterm review**
- 5. Issues related to TCOP ExComm membership**

1. Update on recent TCOP events

Ion Chicu presented to the meeting participants information on the videoconference of the TCOP thematic group on cash management that took place on December 16, 2014. The session was dedicated to the experience of the Russian Federation in cash management and generated much interest among videoconference participants. For the presentation made at the videoconference by the Russian representative, as well as the videoconference report uploaded on the PEMPAL webpage use the following link: <http://www.pempal.org/event/read/133>

2. TCOP Activity Plan for FY 2015

➤ *TCOP Plenary Meeting in May 2015*

Mimoza Pilkati presented to the meeting participants proposals of the host country, Albania, on the organization of the TCOP Plenary Meeting in Tirana. The three-day event will take place on May 20-22, 2015. Besides the plenary meeting, there will be a meeting of the TCOP Executive Committee in Tirana, which will take place on 23 May.

The discussion was based on the draft agenda of the meeting prepared by the host country. According to the TCOP tradition, the first day of the event will be dedicated to the experience of the host country in reforming the various areas of public finance management. Mimoza Pilkati proposed to include presentations on the following topics in the agenda for the first day:

- *"Albanian Ministry of Finance: Overview of Financial Management and Control and Fiscal Policies"*
- *"The Operational Model of Treasury and Financial Management and Control in Albania";*
- *"Reforms of Financial Management and Control in the Treasury, Progress and Plans";*
- *"Ex-Ante Control in the Treasury System, Ex-Post Control and Financial Reporting";*

The meeting participants agreed to the approaches of the host party to the organization of the first day of the event in Tirana and kindly requested Albanian representatives to focus their presentations primarily on the issues of treasury control (not the issues of internal audit) and cash management. In order to focus more on these issues given time limitations, there was a request to the host party to minimize the introductory part about the reforms in general. Also, participants in the meeting made a number of proposals with regard to the timing of the social program elements on the first day. Following the discussions, it was agreed that the host party would review the agenda of the first day taking into account the results of discussions in Vienna.

After the discussions on the agenda for the first day, the meeting participants went on discussing the organization of the following days of the workshop in Tirana. The following proposals were made:

- To focus on two topics within the event: treasury control and cash management. This proposal was supported by all participants.
- To discuss the issues related to control of commitments with presentation of country case studies at the workshop.
- To present experience in cash management of countries facing cash shortages (cash management in crisis situations)
- To discuss the experience of countries in treasury servicing of non-participants in the budget process

Summarizing the discussions on this issue, Elena Nikulina suggested approving the following workshop title: "Treasury Control and Cash Management", in order to combine discussions on these two topics under one event in Tirana. In order to prepare for discussions of issues related to commitment control, the TCOP resource team will conduct a preliminary survey among the member countries to identify various related aspects (e.g. definition of commitments, the time of their occurrence, existence of the relevant regulatory framework, etc.) The results of this survey will be proposed for discussions at a separate session in Tirana, as well as within group discussions. Apart from this session, the agenda for the second day includes sessions dedicated to cash management, where Azerbaijan, Russian Federation and Turkey will present their relevant experience. In cooperation with Mark Silins, recommendations on the key aspects to be covered by relevant country presentations will be developed. It is proposed to discuss the issues of cash management in crisis situations (cash shortages) in small groups, and participating countries will be proposed to prepare short presentations in advance to present their current relevant experience. The small group discussion session will be conducted on the second day of the workshop, in the afternoon. The social activities proposed in the draft agenda (on the second day in the afternoon) will be moved to the afternoon of the third day.

Groups will report on their discussions at the beginning of the third day of the event. The agenda of the third day will be continued by the TCOP ExComm presenting the Report on implementation of the TCOP Activity Plan for 2013-2015. Apart from that, TCOP members participating in the plenary meeting will be proposed to respond to the questionnaire, in order to identify priority topics for future discussions within TCOP events. The results of this survey will lay the basis for drafting the TCOP Activity Plan for the remaining period of the PEMPAL Mid-Term Strategy implementation.

➤ *Study Visit of the Thematic Group on the Use of IT in Treasury Operations to South Korea*

The TCOP resource team presented to the participants of the meeting information on a study visit of representatives of the thematic group on the use of IT in treasury operations to Seoul, South Korea, planned for March 25-27. The Ministry of Finance of this country has confirmed their readiness to receive this study visit. The main purpose of the study visit is to give the participants opportunities for a deeper understanding of the information system used in the public finance management of South Korea - "dBrain".

Representatives of all the countries members of this thematic group have been invited to take part in the event. At the moment, the resource team is working on coordinating the agenda of the study visit with the host country. The main part of the agenda (2 days) will be dedicated to learning about dBrain, when the study visit participants will visit the office of the division responsible for the running of this system. Another day will be dedicated to learning about the treasury functions in South Korea.

➤ *Videoconferences of TCOP thematic groups*

It is planned to hold a videoconference of the **TCOP thematic group on cash management** at the end of March - beginning of April. At this videoconference, it is planned to learn about the experience of Azerbaijan¹ in cash management, as well as to discuss organizational issues related to discussions of this topic at the TCOP plenary meeting in Tirana, in May 2015. The final date of the videoconference will be coordinated by March 10, 2015.

The activity plan of the **thematic group on financial reporting consolidation** stipulates a videoconference to discuss the revised draft Guidelines on Financial Reporting Consolidation developed by this thematic group. Preliminary dates of the videoconference - mid-April 2015. The final date of the videoconference will be coordinated by March 25, 2015.

Around the same time, a videoconference of the **thematic group on accounting standards** is planned, the main purpose of which is to discuss the document (questionnaire) assessing the existing accounting systems in the countries and their discrepancies with IPSAS. At the moment, this big document is being translated into Russian and will be further presented to the countries members of the group. The final date of the videoconference will be coordinated by March 25, 2015.

Besides, until June 2015, it is possible to have a videoconference of the thematic group on public assets accounting. The issues related to the dates and theme of the event will be additionally communicated to the group members.

➤ *PEMPAL Cross-COP ExComm meeting in July 2015*

According to the decisions of the PEMPAL Steering Committee, a PEMPAL Cross-COP ExComm meeting will take place in Slovenia on July 15-17 to discuss the results of the PEMPAL strategy mid-term review. At the meeting, leaders of communities of practice will present reports on implementation of the Strategy by the communities they represent, which will accompany the main report expected to be presented by the World Bank team.

A meeting of the PEMPAL Steering Committee will also take place within the event and will be attended by COP leaders. One of the days on the agenda of this three-day meeting will be allocated for the meetings of COP Executive Committees. The TCOP ExComm will discuss preparations of the events planned for the autumn of 2015, as well as possible review of approaches to the organization of TCOP activities based on the conclusions from the discussions on the conducted PEMPAL Strategy implementation mid-term review.

¹ At the meeting, Vugar Abdullayev expressed the wish of the Ministry of Finance of Azerbaijan to join the thematic group on cash management.

3. Discussions on the implementation of the TCOP Activity Plan for 2013-2015

In order to evaluate the results of TCOP activities for the period June 2012 - June 2015, the TCOP resource team has started the process of developing the Report on the Implementation of the TCOP Activity Plan for 2013-2015. The first draft of the document was presented to the TCOP ExComm members for discussions and comments, with particular focus on implementation of TCOP performance indicators provided in Annex 3 to the Report. A decision was made at the meeting for all the TCOP ExComm members to provide the corresponding information by 9 February 2015. Based on the received information, the document will be updated by the resource team. The TCOP chair will present this report to the community members at the TCOP plenary meeting planned for May 2015 in Tirana. It is expected that as a result of discussions on the Report in Tirana, the TCOP ExComm will receive additional information necessary for further organization of TCOP activities.

4. TCOP contribution to the PEMPAL program mid-term review

Ion Chicu and Elena Nikulina presented to the participants information on the mid-term review of the implementation progress of the 2012-2017 PEMPAL Strategy. The review will take place during January-June 2015, and the final report summarizing the results of the review will be presented and discussed at the PEMPAL Cross-COP ExComm meeting that will take place in July 2015 in Slovenia.

Shortly before the meeting in Vienna, TCOP ExComm members received the list of questions requiring an answer for the purposes of the review. At the meeting in Vienna, the resource team interviewed TCOP ExComm members based on the list. Besides, ExComm members agreed to provide written answers to the remaining questions by February 9. Based on the presented information, the TCOP resource team is preparing a general document to be submitted to Ms. Aubrey who is coordinating the review process.

Also, Elena Nikulina informed the participants of the meeting about the TCOP membership quality analysis conducted by Ms. Aubrey, which included broad information about the participants of the events conducted within TCOP. It was found that TCOP member countries were represented at the events by participants who corresponded well with the theme and format of discussions. TCOP is also distinguished by a high level of participation of heads of treasury structures of its member countries. At the same time, the analysis revealed cases, when information presented in the registration forms did not allow compiling event participant profile due to incomplete specification of the position in the treasury structure of the delegating country. In this context, it has been proposed to introduce some amendments to the registration forms.

5. Issues related to TCOP ExComm activities

Vugar Abdullayev informed ExComm members that the Ministry of Finance of Belarus had proposed **Ms. Lyudmila Guryanova**, deputy head of the Central State Treasury, as their candidate for the TCOP ExComm. The final decision on Ms. Guryanova's membership will be taken during the next TCOP ExCom meeting, after additional analysis of the level of compliance of this candidate with the ExComm membership criteria.

Participants in the meeting agreed to have the following meeting (videoconference) of the TCOP ExComm on April 8, 2015.

Key outcomes of the meeting:

- TCOP Plenary Meeting will take place on May 20-22, 2015 in Tirana, Albania. The event will be dedicated to the issues of treasury control and cash management. On May 23d, a meeting of the TCOP ExComm will take place in Tirana;
- Following the discussions, Mimoza Pilkati will present a revised draft agenda for the first day of the workshop dedicated to the experience of the host country by February 9, 2015.
- Based on the results of discussions on the event agenda, the TCOP resource team will develop the final version of the Concept Note and the detailed agenda for the TCOP plenary meeting in Tirana;
- For the purpose of preparing the session dedicated to the issues of control of commitments, a survey will be conducted before the meeting in Tirana in order to identify the situation in the member countries;
- On the third day of the workshop in Tirana, participants will be proposed to take part in a survey aimed at identifying the priority interests regarding the themes and formats of future TCOP events;
- On March 25-27, 2015, a study visit of representatives of the thematic group on use of information technologies in treasury operations to South Korea will take place. Representatives of all the countries members of this thematic group have been invited to take part in the event;
- Several videoconferences of TCOP thematic groups are planned for the first half of 2015. The final dates and topics of videoconferences will be fixed in the nearest future;
- On July 15-17, 2015, a PEMPAL Cross-COP ExComm meeting will take place in Slovenia to discuss the results of the 2012-2017 PEMPAL Strategy Implementation

Mid-Term Review. A meeting of the TCOP ExComm will take place back-to-back with this event to discuss preparations of the TCOP events planned for autumn 2015;

- TCOP ExComm members will present the information necessary for further development of the Report on the implementation of the TCOP Activity Plan for 2013-2015 by February 9, 2015;
- Also, by February 9, 2015, TCOP ExComm members will provide written answers to questions included in the questionnaire of the 2012-2017 PEMPAL Strategy Implementation Mid-Term Review;
- The next meeting (videoconference) of the TCOP ExComm will take place on April 8, 2015.
- Ion Chicu will prepare and present the Minutes of this TCOP ExComm meeting.