**PEMPAL plenary meeting**

**Treasury Community of Practice (TCOP)**

**“Development of the Treasury role and functions in the current environment” Date: 1. 3 June 2016**

**Chișinău, Moldova**

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 Treasury background

### Ministry of the Treasury Institutions of Bosnia and Herzegovina (2000)

* Ministry of Finance and the Treasury (2003)
* The Treasury is part of the Ministry of Finance
* 5 internal organisation units:
  + Treasury Single Account Management Department
  + Treasury General Ledger Department
  + Information System Management Department
  + Decentralised Payroll Department
  + National Fund Operations Department
* Central human resources recruiting that functions

regionally

* Three locations (Sarajevo, Mostar, Banja Luka)
* ICT is part of the Treasury
* Main functions
  + preparing laws, other regulations and general acts within the scope of the Sector
  + Managing the Treasury Single Account (TSA) system
  + Establishing a budget execution monitoring system
  + Payment of liabilities of Bosnia and Herzegovina institutions into the budget
  + Establishing and developing the accounting system of Bosnia and Herzegovina institutions
  + Establishing, maintaining and developing information system applications
  + Keeping bookkeeping records of Bosnia and Herzegovina institutions through the Treasury general ledger
  + Reporting on all aspects of cash flows occurring through the Sector for

Treasury operations

* + Payroll and payment of wages and remuneration to all budget users
  + Establishing the function of the national fund
* The Treasury doesn’t have a secondary function and does not charge its services to budget

users

* The Treasury trains budget users primarily for working with

the information system and drafting regulations

* The Ministry of Finance and Treasury has a mid-term work plan for the period 2017–2019
  + In accordance with the strategic framework for Bosnia and Herzegovina, the mandate of the Ministry of Finance and

Treasury of Bosnia and Herzegovina is to contribute to integrated growth as a general objective

* + The strategic objective of the Ministry of Finance and Treasury of Bosnia and Herzegovina is macroeconomic stability as a fundamental precondition of sustainable economic growth and increasing employment
  + Macroeconomic stability will be achieved through efficient public financial management (improved management of institutions’ budget), fiscal consolidation and efficient public debt management, strengthening of the system of internal financial control and internal audit
  + The mid-term objective of the Ministry of Finance and Treasury of Bosnia and Herzegovina is a stable and transparent funding system of Bosnia and Herzegovina, public financial management and control and fulfilment of international financial commitments
* Action plan of the mid-term work plan of the Ministry of Finance and Treasury of Bosnia and Herzegovina:
  + achieving the mid-term objective is based on the realisation of specific objectives, programmes and projects
  + One of the programmes also covers treasury operation management in Bosnia and Herzegovina institutions in accordance with European standards (establishing, maintaining and improving budget controls, managing the TSA, managing the Treasury general ledger system, payroll and remuneration to Bosnia and Herzegovina institutions, contributing to the fulfilment of requirements for the accreditation of Bosnia and Herzegovina institutions with regard to managing pre-accession assistance (IPA) of the EU)

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MAJOR REFORMS

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| **Major changes to Treasury operations since its establishment** | **Main drivers of the change** |
| Treasury Single Account (2001) | Improved cash flow  management |
| Introduction of a financial management  information system (2002) | Automated control of  budget spending |
| Introduction of a system for centralised  payroll and the payment of wages (2004) | Single payroll and payment of wages  to employees of Bosnia and Herzegovina institutions |
| Entry of public debt of Bosnia and Herzegovina into the treasury general ledger (2015) | More efficient public debt management |
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## Future reforms and challenges

## Drafting a new public financial management strategy for Bosnia and Herzegovina

* The Treasury of Bosnia and Herzegovina will, in accordance with the regulations, work on improving public financial management in Bosnia and Herzegovina
* Considering the specific structure of the Treasury of Bosnia and Herzegovina, the risk has been minimised
* Steps affecting risk minimisation are the overall control of budget resource spending in Bosnia and Herzegovina institutions