

SMART INTERACTIVE TALK

INTERNAL CONTROL WORKING GROUP

**IMPACT OF PROGRAM AND PERFORMANCE
BUDGETING REFORMS ON THE
PUBLIC INTERNAL CONTROL**

December 7, 2021

SMART INTERACTIVE TALK (SIT)
INTERNAL CONTROL WORKING GROUP

IMPACT OF PROGRAM AND PERFORMANCE BUDGETING REFORMS ON THE PUBLIC INTERNAL CONTROL

December 7, 2021, 13:00-16:00 (Vienna time)

CONTEXT

Many PEMPAL member countries have made major changes to their systems of budget preparation. Such changes can and do have a significant impact on the effectiveness of public internal control (PIC). Monitoring developments in budget setting processes to determine how these will affect internal control and internal audit are therefore an important role of central harmonization units (CHU). CHUs, established in ministries of finance, are also responsible for PIC reform coordination and implementation, including public sector internal audit and internal control.

Based on demand from PEMPAL Internal Audit Community of Practice (IACOP) member countries, this smart interactive talk (SIT) of Internal Control Working Group will consider the relationship between internal control and public sector budgeting and how this may be impacted by the shift towards program and performance budgeting (PPB). The SIT will seek to provide answers to the following questions:

- What is PPB and its rationale and what kind of benefits it can bring to different stakeholders?
- How are PPB benefits, evolution, and modern good practices linked with managerial accountability?
- How does the budget setting process, including a shift to PPB, impact the accountability of managers for the resources provided to them to achieve their goals? How does PPB promote the economy, efficiency, and effectiveness?
- What is the impact on internal control of a change in budget responsibilities?
- How do centralized and decentralized budget management processes impact internal control and internal audit responsibilities?
- How should the CHU collaborate with budget policy makers to facilitate effective PIC implementation?

ADMINISTRATIVE ARRANGEMENTS

- **Joining the SIT.** The SIT will be hosted on the KUDO platform, which offers simultaneous translation into the PEMPAL languages. Please click on the link in the invitation email and select the preferred language (English, BSC, or Russian). If the quality of your connection is poor the video may be turned off to use only audio.
- **Connect at 12:45pm to test your connection.** Please see the separate simple guide on connecting to a KUDO meeting.
- **Download presentations in your preferred language.** Presentations on the screen during the SIT will be mainly in English, but all are available in all PEMPAL languages to download from pempal.org.

AGENDA | DAY 1 | DECEMBER 7, 2021 | 13:00-16:00 (VIENNA TIME)

Opening Remarks

13:00

Welcome remarks and brief introduction

Mr. Arman Vatyan | PEMPAL Program Leader and IACOP Lead, The World Bank

Mr. Dan Boyce | Practice Manager, Governance, The World Bank

Ms. Tatjana Trajkovska | Internal Audit Community of Practice (IACOP) ExCom Chair; Head of Department for Public Sector Financial Inspection and Coordination for Combating Fraud against EU Funds - Chief Inspector, Ministry of Finance, North Macedonia

Ms. Giuli Chkuaseli | IACOP ExCom member; Internal Control Working Group Leader, Head of CHU, Ministry of Finance, Georgia

PPB impact on PIC reform implementation

Introduction to the topic

Mr. Richard Maggs | Consultant, The World Bank; former Director General of UK National Audit Office

Program And Performance Budgeting Reforms: Trends and Linkages with Managerial Accountability

Ms. Iryna Shcherbyna | PEMPAL Budget Community of Practice (BCOP) Resource Team Coordinator; Governance, The World Bank

Ms. Naida Carsimamovic Vukotic | PEMPAL BCOP Resource Team Member

Panel discussion: PPB Impact on PIC Reform Implementation – CHU Perspective

13:15

Mr. Manfred Van Kesteren | Audit Manager, Dutch Central Government Audit Service, the Netherlands

Mr. Wim Kooij | Financial budgetary specialist, Ministry of Infrastructure, the Netherlands

Ms. Zondre Seitei | Director, PFM Capacity Building, National Treasury, South Africa

Mr. Darius Matusevicius | Head of Internal Audit and Control Systems – Central Harmonization and Assurance, Ministry of Finance, Lithuania

Mr. Emil Nurgaliev | Chief Expert in the Budget Methodology Division of the Budget Directorate of the Ministry of Finance of the Republic of Bulgaria, member of the BCOP Executive Committee and PPBWG Co-lead

Ms. Giuli Chkuaseli | IACOP ExCom member; Internal Control Working Group Leader; Head of CHU, Ministry of Finance, Georgia

Other IACOP representatives and guest speakers from PEMPAL Budget Community of Practice

Moderator

Mr. Arman Vatyan | PEMPAL Program Leader and IACOP Lead, The World Bank

Conclusions and Closing Remarks

14:45

Conclusions on the impact of the PPB on PIC

Ms. Giuli Chkuaseli | IACOP ExCom member; Internal Control Working Group Leader, Head of CHU, Ministry of Finance, Georgia

Mr. Richard Maggs | Consultant, The World Bank; former Director General of UK National Audit Office

Mr. Arman Vatyán | PEMPAL Program Leader and IACOP Lead, the World Bank

15:00

Informal discussion combined with social event

Celebration of New Year

16:00

End of SIT

BIOS OF THE SPEAKERS AND MODERATORS

(in order of appearance)



ARMAN VATYAN

Lead Financial Management Specialist - Governance Focal Point for Central Asia, PEMPAL Program Leader and IACOP Lead, Governance, The World Bank

Arman Vatyán, a UK and Canadian chartered accountant, is PEMPAL Program Leader and IACOP Lead and a World Bank Governance Global Practice Focal Point overseeing the implementation of the World Bank's Governance activities in Central Asia. He has more than 20 years of experience in leading critical financial management initiatives and reforms, including in public sector and corporate accounting and financial reporting, public internal and external audit, financial management information system and public internal control in 25 countries in the Europe and Central Asia, Latin America, and Middle East and North Africa regions. He also is the PULSAR Program Manager, which is a regional program for 13 countries supporting public financial management reform implementation in those countries. Prior to joining the World Bank, he worked at Big 4 providing corporate governance, strategic planning, management information systems, restructuring, acquisition, and privatization advice to governments and large public interest entities. He has around 20 years of teaching experience on ACCA courses and as visiting lecturer at universities, and as part of regional and MBA programs.



DANIEL BOYCE

Practice Manager, Governance, The World Bank

Daniel Boyce is Practice Manager for Governance in the World Bank's Governance Global Practice, Europe and Central Asia (ECA) Region. He brings extensive knowledge and experience in covering Latin America and Caribbean, and ECA regions. He is a Certified Public Accountant (CPA) and holds a Ph.D. in Political Science from the University of California, Los Angeles (UCLA). Mr. Boyce is responsible for overseeing quality in the World Bank's Governance operations as well as operational financial management (FM) work and the capacity building activities conducted by public sector specialists and FM staff in the ECA region. This includes oversight of the PEMPAL and PULSAR regional programs, and leadership of country programs related to internal control, internal audit, public sector management, State Owned Enterprises, accounting, financial reporting and auditing, among other areas.



TATJANA TRAJKOVSKA

Internal Audit Community of Practice (IACOP) ExCom Chair; Head of Department for Public Sector Financial Inspection and Coordination for Combating Fraud against EU Funds - Chief Inspector, Ministry of Finance, North Macedonia

Tatjana Trajkovska is IACOP CHU Working Group Leader, IACOP ExCom member and a lawyer with a master's degree from the Institute of Sociological, Political and Legal Research. She has 18 years of experience in the public financial area and three years of experience in the field of personal data protection. She actively worked on establishing the internal audit system and the first law on internal audit in North Macedonia. Within the Ministry of Finance, she also worked in the field of treasury and debt collection as an assistant to the heads of those departments.

She has different certificates including for management skills from Management Education Center – Skopje, Certificate from International Fixed Interest & Bond Markets from Securities Institute, London, Certificate for public procurement from IDLO (International Development Law Organization), EIPA and ICON Institute, EU and Ministry of Finance of North Macedonia, Certificate for High administrative training from L'Ecole Nationale d'Administration (ENA) Francaise Paris and Certificate for trainer of trainers.

Since 2017 she has been working as a legal advisor to the Minister of Finance in the Cabinet and currently is the Deputy Chief Inspector in the Ministry of Finance, with active engagement in financial inspection in the public sector. She has also contributed to the development of the "Public Internal Financial Control Policy Paper with Action Plan 2019-2021" (PIFC Policy Paper), and coordinates action plan activities on Financial Control. She is the Ministry of Finance Representative in the public administration reform and coordinates the process of establishing an Academy of Public Finance within the Ministry of Finance.



GIULI CHKUASELI

IACOP ExCom Member, Internal Control Working Group leader; Head of Public Internal Control Department (Central Harmonization Unit), of the Ministry of Finance, Georgia

Giuli Chkuaseli has more than 10 years of experience as CHU member at the Ministry of Finance, Georgia. In Georgia, the CHU is responsible for coordination, harmonization, and development of the public internal control and internal audit system. The CHU provides regulation and guidelines for all public sector entities. Before CHU, Giuli worked as an Internal Auditor, at the Ministry of Finance of Georgia.



RICHARD MAGGS

Consultant, The World Bank; former Director General of UK National Audit Office

Richard Maggs is a former Director General of the United Kingdom National Audit Office who has extensive experience of conducting audit, financial management, and consultancy work across a wide range of public sector institutions with a focus on international institutions. Recent assignments include: the development of a corporate partnership strategy for the World Food Programme; acting as the World Bank expert responsible for supporting the Internal Audit Community of practice in Europe and Central Asia (PEMPAL); various change management projects and the development and implementation of COSO-principles based internal control.



IRYNA SHCHERBYNA

PEMPAL Budget Community of Practice (BCOP) Resource Team Coordinator; Governance, The World Bank

Iryna Shcherbyna is a WB Senior Public Sector Specialist, PHD. She has around 40 years of practical experience in Public Finance Management, including intergovernmental fiscal relations. She served as a public official in Ukraine for 20 years, started her career as a local economist and gradually rose to the Head of Financial Department of Yalta City Council and later to the Head of Local Budgets and Inter-Budgetary Transfers Department of the Ministry of Finance of Ukraine. After leaving the state service, she worked for several international organizations as a PFM consultant and joined the WB in 2013. Iryna has about twenty publications, mostly related to public finances. As the WB Public Sector Specialist, she now supports Ukraine, Moldova and Belarus in modernizing PFM, Tax Administration and Public Investment Management.



NAIDA ČARŠIMAMOVIĆ VUKOTIĆ

Consultant, PFM expert, PEMPAL BCOP Resource Team Member, The World Bank

Naida Čaršimamović Vukotić is an expert in public finance, macroeconomics and monitoring and evaluation, with over 15 years of experience in research, empirical analyses, capacity building, and policy advice in Bosnia and Herzegovina, Western Balkans, and Europe and Central Asia region. She has worked as a World Bank international consultant for over 10 years. As a member of the World Bank's Resource Team for the PEMPAL's Budget Community of Practice, her responsibilities include, inter alia, providing thematic support to BCOP's Program and Performance Budgeting Working Group. She

also serves as PEMPAL network-level Strategic Advisor. Since 2004, she has worked on numerous projects financed by the World Bank, United States Agency for International Development (USAID), European Commission (EC), Department for International Development of the United Kingdom Government (DFID), and other international development organizations. This includes five years of direct work on budgeting reforms in Bosnia and Herzegovina with the Ministry of Finance and Treasury and she is currently providing inputs to budgeting reform projects in the Federation of Bosnia and Herzegovina and Sarajevo Canton, financed by the European Commission and the United States Agency for International Development. Her other recent positions include being the chief of party of USAID-BiH Monitoring and Evaluation Support Project; macroeconomic expert on the European Commission's Support to Coordination with International Financial Institutions in the Western Balkans; and being a part of the World Bank team that prepared Public Expenditure and Financial Accountability assessment (PEFA) for Bosnia and Herzegovina. She holds bachelor's degrees in economics and political science, as well as a master's degree in finance and economics from the US, and is currently working towards a Ph.D. degree in economics.



WIM KOOIJ

Financial budgetary specialist, Ministry of Infrastructure, the Netherlands

Wim Kooij has a master's degree as business economist in Rotterdam, where he studied in the 1980s. He has worked for the national government for most of his career. Currently he is head of the department 'financial control mobility policy' at the Ministry of Infrastructure and Water. For more than 15 years now he has provided training and implementation guidance for (and in) various countries, often in southeastern Europe. Wim's key competences include the following areas: financial control, accounting and program budgeting.



MANFRED VAN KESTEREN

Audit Manager, Dutch Central Government Audit Service, the Netherlands

Manfred van Kesteren is senior auditor at the Central Government Audit Service which is part of the ministry of Finance of the Netherlands. Already for several years he is full-time international expert in Public Internal Financial Control (PIFC) on behalf of the National Academy for Finance and Economics which is part of the Budget Directorate of the ministry of Finance. In this expert-role he supports PIFC-reform in mainly eastern European countries as part of technical assistance- and/or EU-twinning programs. Manfred has master's degrees in Sociology (University of Utrecht; specialized in public sector institutions) and in internal auditing (University of Rotterdam; Executive Master in Internal Audit). He is member of the Institute of Internal Auditors (IIA).



ZONDRE SEITEI

Director, PFM Capacity Building, National Treasury, South Africa

Zondre Seitei works in the Chief Directorate for Capacity Building within the Office of the Accountant-General at the National Treasury of South Africa. She is responsible for understanding and developing solutions to address the developmental needs of internal auditors in all spheres of the public sector. She also serves on the Occupational Qualifications Committee (OQC) of the Leadership Academy of Guardians for Governance (LAGG) a subsidiary of the IIA SA and sits on the IIA's Internal Audit Education Partnership Programme (IAEP) Advisory Board of the University of South Africa (UNISA). She started out her career as a trainee external auditor at the Supreme Audit Institution, the Auditor-General of South Africa and later moved to the Western Cape Provincial Treasury as a Financial Governance Compliance Analyst. She went on to be the head of internal audit at a national public entity where she was responsible for the establishment of the internal audit function and a number of governance structures within the entity.



DARIUS MATUSEVICIUS

Head of Internal Audit and Control Systems – Central Harmonization and Assurance, Ministry of Finance, Lithuania

Darius has been leading internal control and internal audit developments for more than 20 years. He has also got an extensive international experience in governance, internal control and internal audit as Chief Audit Executive, Member of Audit Boards, OECD and EU expert. Darius has successfully implemented two structural country reforms and a number of national and international projects. He took an active part in the first PEMPAL meetings for setting strategic direction and leading the development of essential IACOP models. Darius holds a doctor's degree (PhD) in Economics and is a Certified Internal Auditor (CIA).

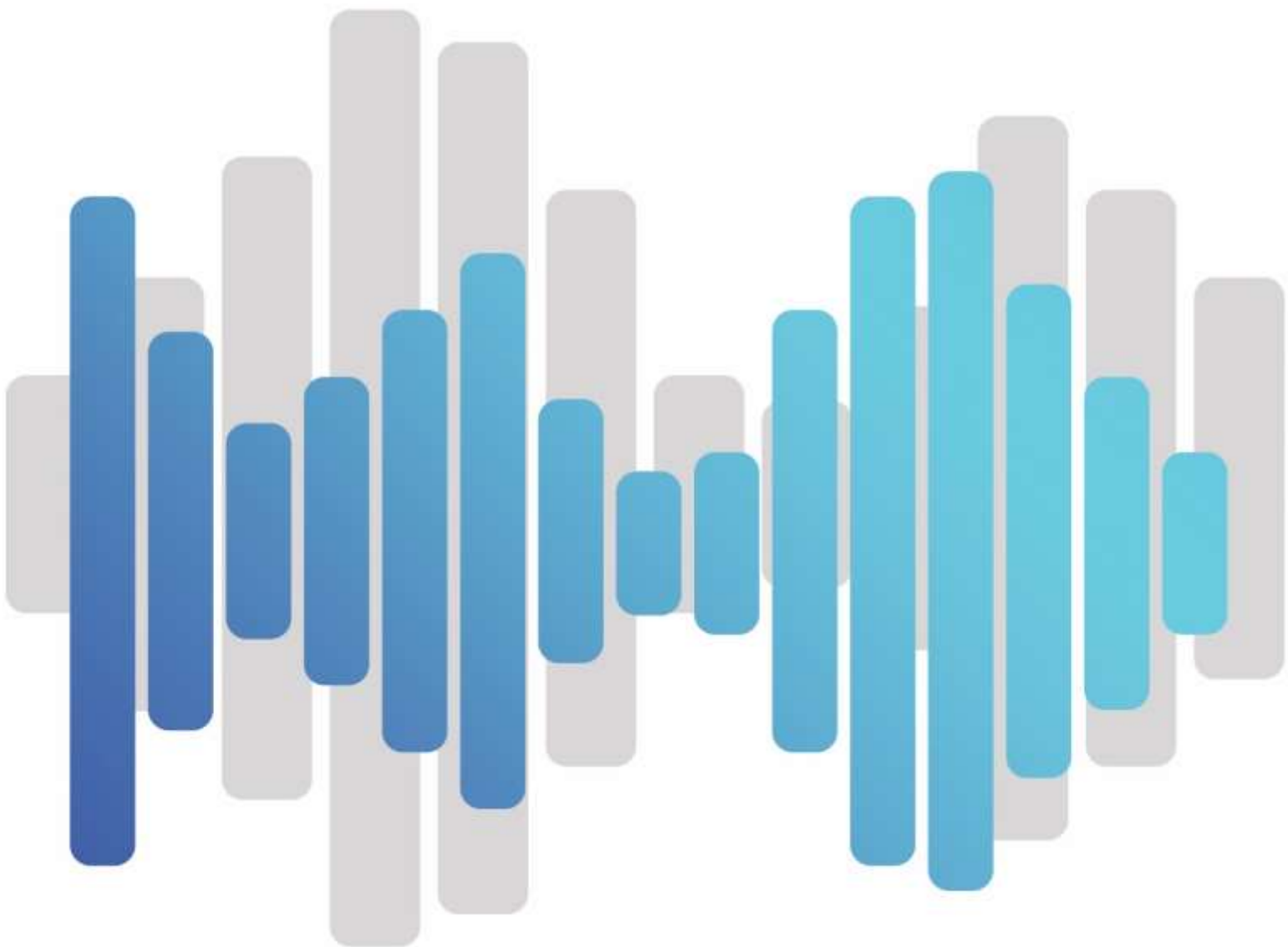



EMIL NURGALIEV

Chief Expert in the Budget Methodology Division of the Budget Directorate of the Ministry of Finance of the Republic of Bulgaria, member of the BCOP Executive Committee and PPBWG Co-lead

Mr. Emil Nurgaliev holds a Master degree in International Economic Relations and International Project Management from the University of National and World Economy in Sofia, Bulgaria. He has worked as an expert in the Budget Methodology division of the Budget Directorate of the Ministry of Finance of the Republic of Bulgaria since 2011 and is currently at the position of a chief expert. His main responsibilities include improvement of budget legislation (Organic budget law), especially with regard to ensuring compliance with the provisions of the relevant European legislation, as well as the development of

key budget documents (MTBF/State budget and Decree on the implementation of the state budget). His other tasks are related to the development of the budget methodology, improvement of the program and performance budgeting, development of guidelines for drafting budgets, budget forecasts and reports in program format, assistance to first-level spending units in preparing their budget documents, introduction of best practices for public finance management and increase of budget transparency. Since 2017 he is also a member of the Executive Committee of the Budget Community of Practice of PEMPAL.



 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO



MINISTRY OF FINANCE
OF THE RUSSIAN FEDERATION



European Union