

*Ministry of Finance
Armenia*

**STRATEGY
FOR INTRODUCTION OF THE SYSTEM OF
EDUCATION, CPD, AND QUALIFICATION OF
PFM SPECIALISTS**

*by Karen Brutyan
Head of the Procurement Process Regulation and Budget
Execution Methodology Department*

Yerevan, October 21-23, 2009

INTRODUCTION

- In Armenian public financial management (PFM) functions are implemented by the following officials:
 - chief financial officers,
 - chief auditors,
 - chief accountants and accountants, and
 - procurement officers.
- The efficiency of the financial management process is highly dependent on professional capabilities of these officials.
- There are around 15,000 PFM specialists in Armenia.

The **NEED** for The Integrated **SYSTEM**

- Due to the changes in public governance systems in Armenia, and entailed significant changes in the PFM system, there has been the obvious need for the professional development of the officials involved in the PFM.
- Since the country's independence, certain professional development programs have been organized for the mentioned officials; however, the programs mainly covered only basic elements of the system and failed to ensure access to full professional knowledge.
- The issue of professional development of PFM officials was critical. There was a need for a system (i) to guarantee the necessary education and CPD, as well as (ii) to provide qualification mechanism.

THE SYSTEM TO BE INTRODUCED

- The objective of the system is to implement the PFM with involvement of employees with relevant professional capabilities.
- For that purpose, the following actions are to be taken:
 - In PFM involve as much as possible specialists with relevant academic background;
 - Ensure CPD of specialists for securing the necessary level and continues development of their professional skills and knowledge; and
 - Ensure existance of a qualification system guaranteeing adequate professional capabilities of specialists.

THE SYSTEM TO BE INTRODUCED (con'd)

- In the proposed system, the terms Education, CPD, and qualification are used in the following meanings:
 - **Education:** Establishment of Master's degree courses for specialization in public finance, which would comprise disciplines in public sector accounting, public procurements, internal and external audit, and other fiscal processes;
 - **Continuous professional development (CPD):** Implementation of programs aimed at maintaining and improving professional qualifications of specialists;
 - **Qualification:** Assessment and formal qualification of professional capabilities of specialists.

STRUCTURE OF THE SYSTEM

Structure of the system is:



EDUCATION

- The education process is to be arranged basically through the system of higher education institutions established by the state. This does not limit the opportunities for non-state institutions to organize education programs.
- The specialization “Public Finance” will be included into the Master’s degree programs of higher education institutions with relevant profile. The education process should be financed mainly from public sources.
- Education programs will be designed by higher education institutions in line with the specialization standard. Public sector accounting, fiscal system, including the Treasury system, public procurement, internal and external audit, and other complementary subjects should be dominating in the syllabuses.
- Selection of the topics for Master's theses will be made with purpose to provide possible practical solutions to the present problems of the public financial management system.

CONTINUOUS PROFESSIONAL DEVELOPMENT

- The process of CPD is to be arranged through the “Training Center” of the Ministry of Finance and higher education institutions implementing educational programs and specializing in public finance.
- The participating organizations will be identified by means of competitive selection.
- Participation in CPD programs should be mandatory, and the courses should be organized regularly – at least once a year.
- Since part of the specialists is civil servants, their professional development will be implemented within the scope of professional development programs for state (civil, community and other) servants.
- Professional development programs will be fully financed from the State Budget. Such programs will be drafted in line with the requirements approved by the Ministry of Finance.
- Officials responsible for the regulation of the public financial management process should be involved in CPD programs, as much as possible, for sharing their experience.

QUALIFICATION

- The qualification process is to be arranged by means of non-governmental specialized body (bodies).
- At the initial phase of the system introduction, this process will be organized by the Ministry of Finance.
- Within the framework of the process, the Ministry of Finance will act as the state body developing and implementing the policy in the sector, which will:
 - Elaborate the rules for qualification, including qualification standards (modules);
 - Supervise organization of the qualification process;

QUALIFICATION

- Examination will need to be passed to get the qualification. A person can receive the following qualifications depending on the exams passed:
 - Qualified chief accountant;
 - Qualified accountant;
 - Qualified chief auditor;
 - Qualified auditor;
 - Qualified procurement specialist.
- The qualification process is based on the international standards (modules) for similar professions, such as ACCA, CPA etc. People holding relevant international qualifications shall be considered as qualified by the Ministry of Finance. The Ministry of Finance shall also consider as qualified “grandfathering principle”:
 - The staff holding respective positions by the effectiveness of the qualification requirement;
 - The people having acquired the specialization “Public Finance” at higher education institutions in accordance with this Strategy.

CHALLENGES IN IMPLEMENTATION

- Preparation stage for the reform and low capabilities of the current staff
- Organization of process and development of infrastructure, and
- Implementation and financing

QUESTIONS FOR DISCUSSION

- Should the qualification process of PMF specialists be provided by a single non-governmental specialized body?
- Which international qualifications are the most appropriate for various PFM specializations?

Thank you!

Karen_brut@minfin.am