

 PEMPAL TCOP Workshop Concept

**Location**: Baku, Azerbaijan

**Dates**: November 6-8, 2012

**Background**

The main objective of PEMPAL program is to strengthen professional skills of public finance specialists in the member countries and support them in implementing various aspects of reforms of their national PFM systems. Main tools used by the program to achieve this objective are exchange of experiences and knowledge transfer among the practitioners.

Public sector accounting and reporting reforms are among the priority themes for discussions at TCOP events, along with the use of information technologies in treasury operations and approaches to assuring treasury controls. TCOP Activity Plan for 2012 - 2014 envisages organization of the community plenary meeting on public sector accounting and reporting issues in the fall of 2012. In conformity with the proposal of the Ministry of Finance of Azerbaijan, accepted by TCOP Leadership Group at its meeting held on June 24, 2012, TCOP workshop titled “Public Sector Accounting Policies and Practices” is planned to take place on November 6-8th, 2012 in Baku, the capital of Azerbaijan.

Various aspects of public sector accounting and reporting reforms have already been discussed at several past TCOP events. Approaches to integration of the budget classification and chart of accounts were the main theme of the small group meeting in Dushanbe in October 2010. In April 2011, TCOP held a thematic meeting on transition to IPSAS combined with the regional conference on the same topic. Thematic member surveys undertaken by TCOP in preparation for those events indicated that the majority of member countries were implementing various reforms in the area of public sector accounting and reporting. There is an expectation that some valuable experiences have been accumulated over the recent years by the member countries that could be of interest to the whole Community.

It became a good tradition to conduct TCOP meetings in the member countries, and combine them with presentation of experience of public finance management reforms of the hosting country. Over the recent years, such events have been successfully organized in Albania, Moldova, Tajikistan, Kazakhstan, Georgia and Russia. The agendas of the four last events included overview presentations on the hosting country progress in implementing public sector accounting reforms. Those presentations have usually been very well received by the participants, and there were indications of interest to explore deeper the respective country experiences in the mentioned area.

The Baku event will build on that interest and will be designed to help the participants to deepen the understanding of the ongoing reforms in the member countries and identify good practice cases in the ECA region in the area of public sector accounting and reporting reforms. In accordance with decisions taken by TCOP Leadership Group on July 30th, 2012, TCOP also plans to develop a medium-term action plan for further CoP activities on the topic of public sector accounting and reporting following the Baku workshop.

**Objectives**

The general objective of the Baku event is to offer an opportunity to TCOP members to exchange experiences in implementing public sector accounting and reporting reforms. The event is expected to deepen the understanding by participants of conceptual and operational challenges associated with implementation of such reforms. At the same time, the attempt will be made to identify examples of good practice in this area among the member countries that could be of use for other TCOP members. The workshop will also serve the purpose to familiarize the participants with the experience of the hosting country, Azerbaijan, in reforming public sector accounting and reporting practices and national treasury system modernization.

**Contents**

Within the broad topic of public sector accounting and reporting reform, TCOP members have identified a few issues of particular interest that they would like to discuss in Baku. These include i) sequencing of and institutional arrangements for development of public sector accounting policies and standards aligned with IPSAS; ii) linking accrual based accounting at the spending unit level with the cash based accounting and reporting performed by the treasury at the national level; iii) automation of public sector accounting and methods for consolidation at the national level; iv) professional training and certification of public sector accountants.

 Taking into account the preliminary discussions within the TCOP Leadership Group, and the hosting country representatives’ proposals, the agenda of the workshop will open with the presentation of the experience of Azerbaijan in implementation of PFM reforms, with the focus on the issues of public sector accounting and reporting and treasury information system modernization.

The experience of Azerbaijan is not very well known to TCOP members, and it will be a good opportunity for them to get familiar with the progress achieved by the hosting country in the relevant reform areas. Azerbaijan made important progress in the last few years in reforming its public sector accounting and reporting. Selected aspects of these reforms are supported through the Corporate and Public Sector Accounting Project under implementation since 2008 and financed by the World Bank and other donors. The results achieved so far include adoption in 2009 of national public sector accounting standards closely aligned with accrual based IPSAS, establishment under the Ministry of Finance of the training and certification center for accountants operational since the beginning of 2012, and development of the special software to be used for accounting purposes by the public sector spending units. Azerbaijan has also recently launched a new treasury information system and there are plans to integrate the new accounting software with it in the future. The Ministry of Finance of Azerbaijan is preparing a detailed presentation to highlight these aspects of the reforms undertaken. Live demonstration of the new treasury information system is also envisaged as part of the workshop agenda.

Along with the hosting country presentations, the cases of other participating countries will be presented during the workshop. Several TCOP members countries are actively reforming their public sector accounting and reporting systems and have interesting news to share with the colleagues since the last TCOP meeting on accounting issues held in April 2011. Country cases proposed for inclusion in the agenda include Russia and Kazakhstan. Representatives of the respective countries will be invited to make brief presentations following the recommended format that will be circulated in advance. The issues recommended to be covered in those presentations, will include: (i) progress in developing national public sector accounting policies and standards, (ii) the structure of the chart of accounts and approaches used to link it with the budget classification, (iii) solutions developed or planned to automate accounting at the spending unit level and consolidation methods and tools used at the national level, and (iv) institutional arrangements for training and certification of public sector accountants.

There is also a suggestion from TCOP leadership group to include in the agenda of the event a case of an advanced OECD country. TCOP resource team has extended an invitation to the representatives of the Ministry of Finance of France to attend the Baku meeting and make a presentation on the French public sector accounting policies and practices.

International experts will be invited to provide presentations, comments and conclusions on the topics discussed during the workshop. The expert team will also present the summary results of thematic preparatory survey that will be undertaken among TCOP members before the event.

Taking into account TCOP member comments after the recent events, the agenda of Baku workshop will allocate more time for small group discussion sessions. The list of questions to be discussed during these sessions will be defined, taking into account community’s members proposals expressed in the process of the event organization.

Representatives of all TCOP countries will be invited to the workshop. The total expected number of participants is 60-65, including experts. It is expected, that the ministry of finance of Azerbaijan will delegate to the seminar around 10 representatives. The format of the workshop will be very informal and aimed at stimulating the debate and encouraging maximum participation of the country representatives. The working languages will be Russian, English and Serbo-Croatian, using simultaneous interpretation.

In addition to the main agenda of the workshop, the members of TCOP Leadership Group will discuss during their separate meeting in Baku various issues related to further activity of the Treasury Community, including the development of the TCOP mid-term strategy.

The event preparation and implementation will be facilitated by the World Bank resource team working with TCOP, including Elena Nikulina, Team Leader for PEMPAL program, and Ion Chicu, TCOP Leadership Adviser.

**Preliminary Agenda of Baku workshop**

**November 5th, 2012**

TCOP Executive Committee meeting

**November 6th, 2012, Day 1, morning**

***Session 1*.**

Introduction, welcome, etc.

***Session 2*.**

Presentation on hosting country experience in PFM reforms implementation

Presentation of the results of the thematic Survey

Experts’ presentations on the main topic of the workshop

*Questions&Answers session*

**Day 1, afternoon**

***Session 3***.

Hosting country presentation “Progress in implementing public sector accounting reforms in Azerbaijan”

Participating countries’ presentations

*Questions&Answers session*

**Day 2, morning**

Continuation of the session of Participating countries’ presentations

*Questions&Answers session*

***Session 4*.**

Small group discussions on the workshop main topic

**Day 2, afternoon**

Continuation of the small group discussions on the workshop main topic

***Session 5*.**

Groups reports on the small group discussions session

*Questions&Answers session*

**Day 3, morning**

***Session 6.***

Live demonstration of the treasury information system of Azerbaijan

*Questions&Answers session*

Small group discussions on the Azerbaijan IT system presentation and on the issues suggested by the workshop participants

**Day 3, afternoon**

***Session 7****.*

Plenary discussion. Groups reports on the small group discussions session

Workshop closure