



Ministry of Finance of Georgia State Treasury



PFMS AND TREASURY GENERAL OVERVIEW

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TREASURY SERVICE MISSION STATEMENT



- Ensure Comprehensive, Efficient and Transparent Public Financial Management
 - Process, Execute, Settle and Report budget Receipt and Payment Transactions;
 - Maintain permanent internal control;
 - Simplify and Streamline Treasury Operations;
 - Comply with the International Public Sector Accounting Standards;

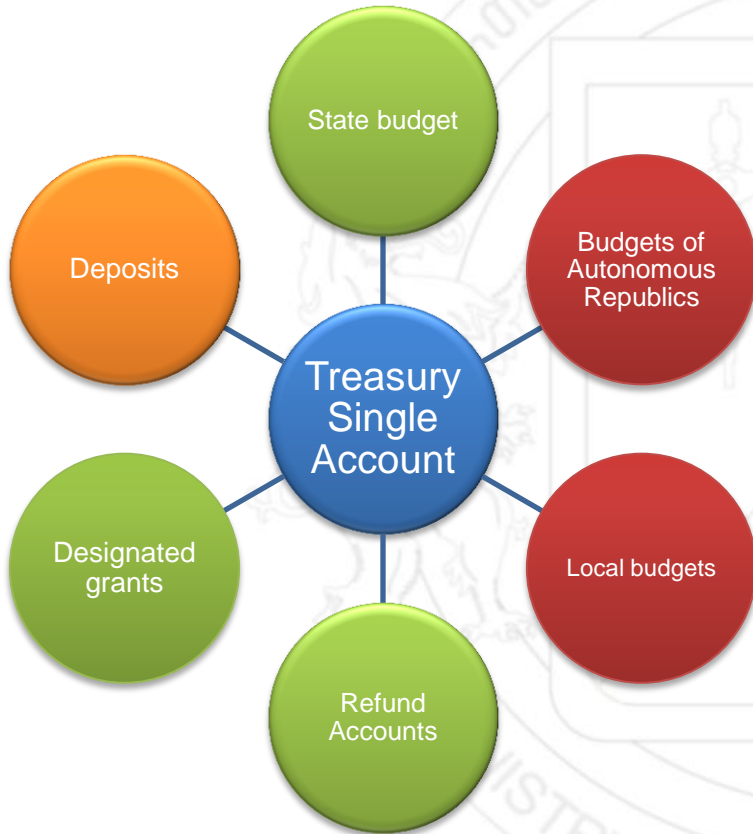
- Develop and Implement Public Resource Management Mechanisms



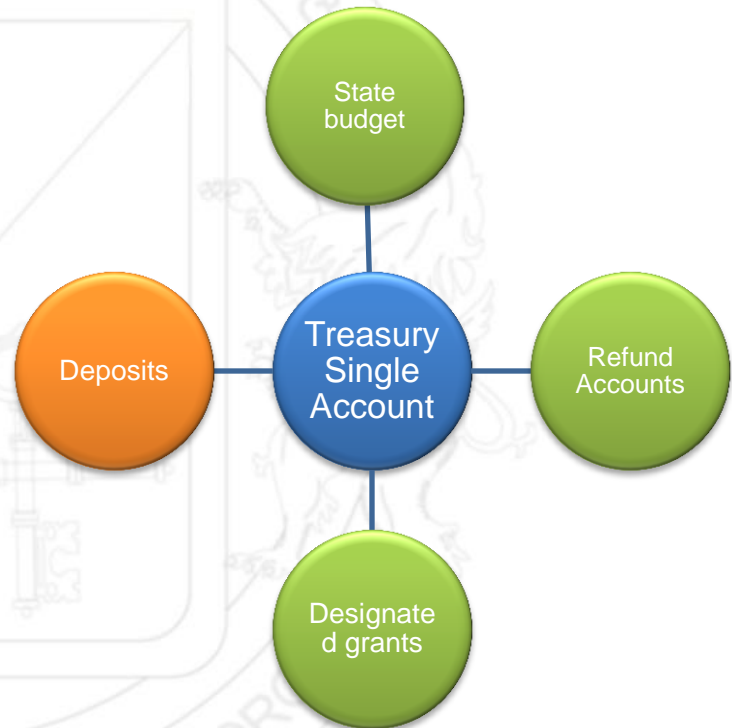
TREASURY SERVICE - COVERAGE



Receipts

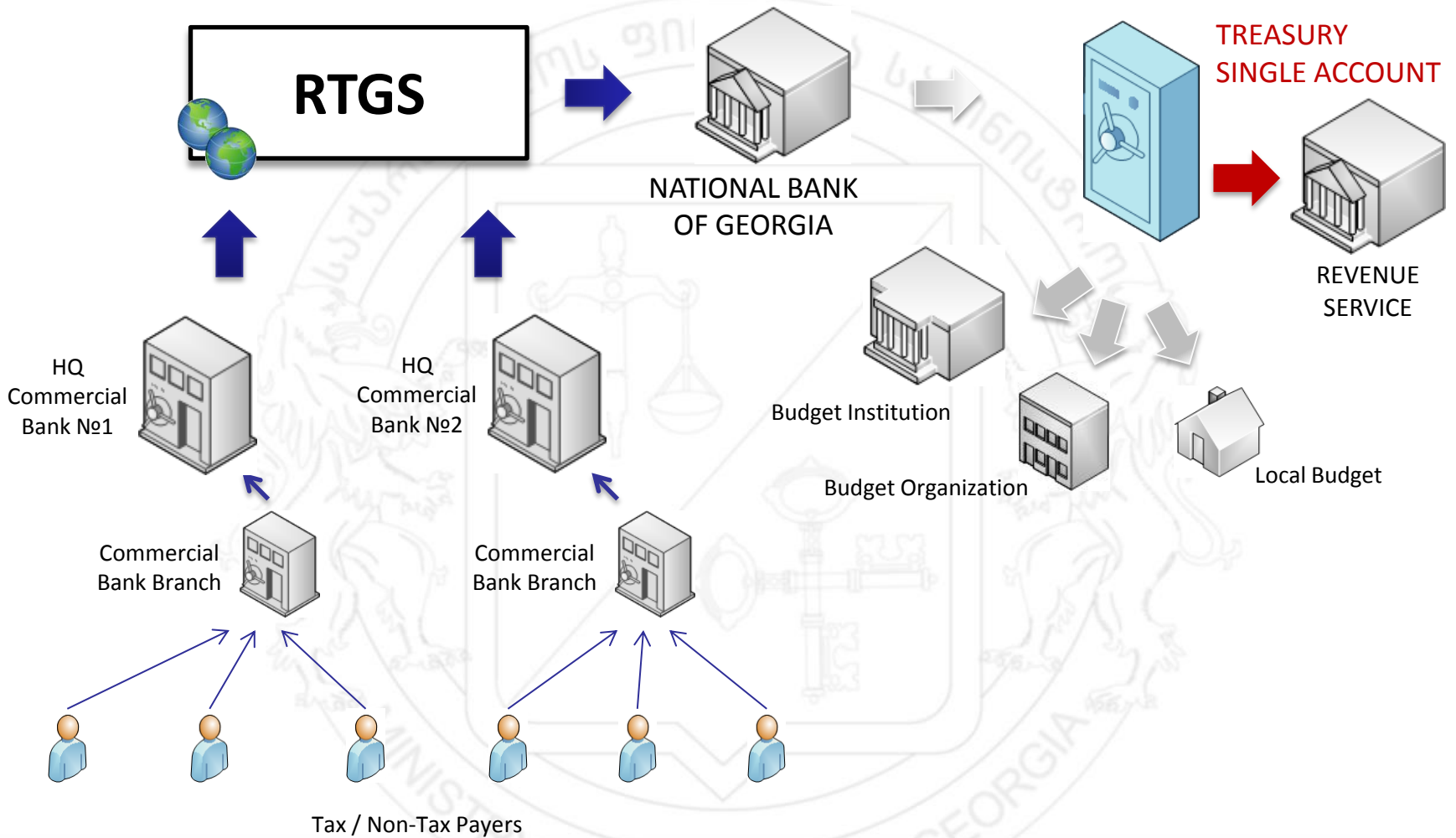


Payments





TREASURY SINGLE ACCOUNT FLOW OF FUNDS AND STATEMENTS FOR RECEIPTS





TREASURY SINGLE ACCOUNT AND ACCOUNTING AND REPORTING OF BUDGET RECEIPTS

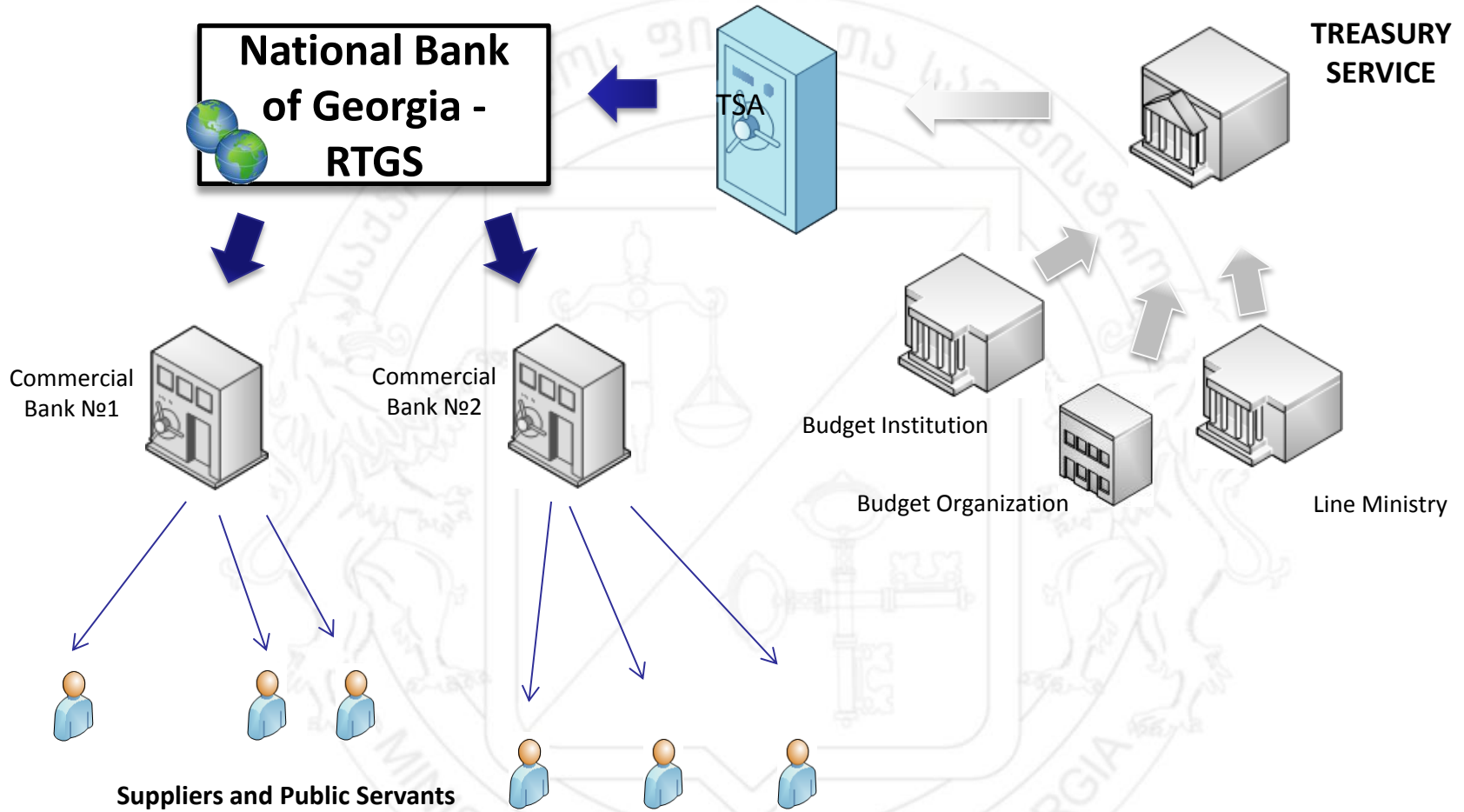


MANAGEMENT OF BUDGET RECEIPTS

- State Treasury is responsible for full and correct accounting of **receipts** from **state, autonomous republics', regional and local self-government budgets**.
- Via commercial banks, budget receipts are deposited to the **treasury single account** kept in the National Bank of Georgia
- In order to receive timely information about receipts during the day , it is possible to periodically import receipts, several times a day (for instance, every hour)
- At the end of the operations day, receipts and payments are reconciled with the RTGS owned by National Bank.
- For the purpose of accounting and reporting of budget receipts the Treasury maintains electronic forms and Ledgers
- **Ledger** represents a basis for accounting, where financial transaction and its outcome are accounted and recorded



TREASURY SINGLE ACCOUNT FLOW OF FUNDS AND STATEMENTS FOR PAYMENTS





TREASURY SINGLE ACCOUNT AND ACCOUNTING AND REPORTING OF BUDGET PAYMENTS



MANAGEMENT OF BUDGET PAYMENTS

- BO prepares payment request (PR) based on the previously registered commitment in the TIS and authorizes;
- Treasury processes PR and once it is validated, sends the respective PO to NBG- RTGS for settlement;
- RTGS automatically debits TSA and sends payment to the commercial bank accounts of Suppliers and individual beneficiaries
- Once RTGS sends back confirmation of payment, the status is given to the PR and is seen by the BOs
- For internal transactions, whereby one BI pays tax to the budget, the POs are processed as if they were regular POs except that they will not be sent to the RTGS for settlement.
- Reconciliation is conducted in a real time against the RTGS and discrepancies are immediately corrected; Final reconciliation is done at the end of the operations day;



PFMS – BY DEFINITION



Public Financial Management System (PFMS)

is an information system designed to

- ▶ provide support for all public finance operations,
- ▶ collect accurate, timely, complete, reliable and consistent information on all financial events,
- ▶ provide adequate management reporting,
- ▶ support government-wide and agency policy decisions,
- ▶ provide complete audit trail / auditable financial statements.

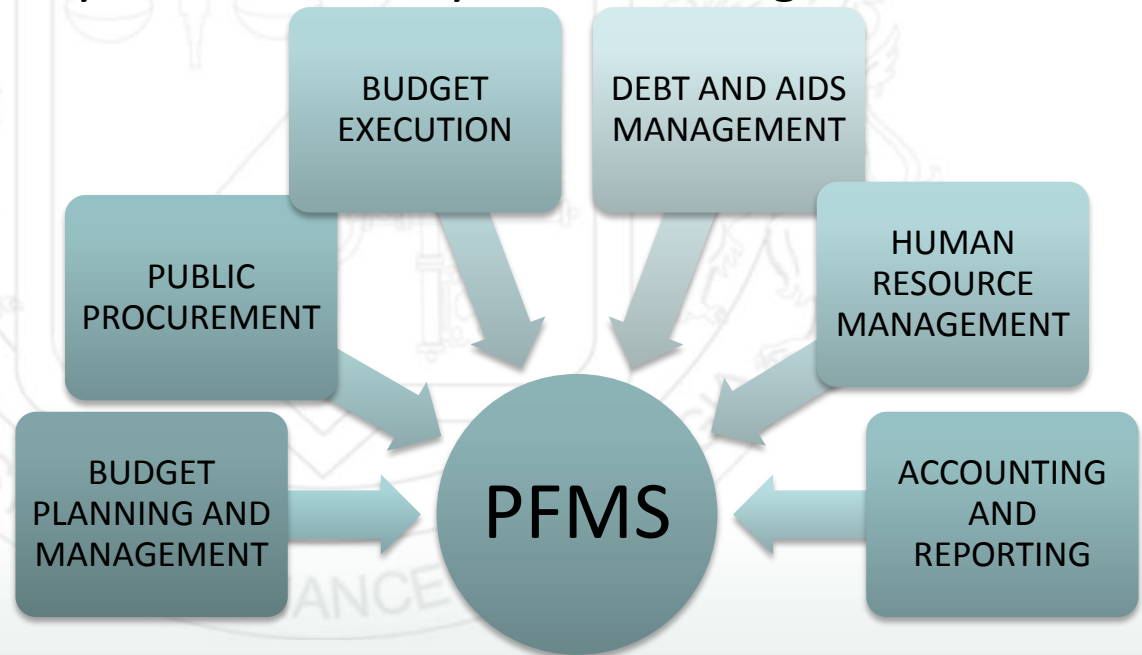


PFMS – EXPECTED RESULTS



IMPLEMENT THE PUBLIC FINANCIAL MANAGEMENT INFORMATION SYSTEM (PFMS) will ensure:

- Exchange of PFM information via web;
- Integration of budget Cash transactions and BOs accrual accounting Data in the Single Information System;
- Generate Double Entry Based Treasury General Ledger





TREASURY PFMS PROJECT IMPLEMENTED IN 2011-2012



January,
2011

- Electronic Treasury System is fully functional online regime; However, core-treasury remains in MS Access based;

January,
2011

- Treasury Service joined SWIFT (Society for Worldwide Interbank Financial Telecommunication)

April, 2011

- CPV Codes are used in combination with budget classification; Public Procurement System is integrated with the TIS;

January,
2012

- TIS is completely redesigned web-based; Budget Planning and Appropriation Management System and TIS are fully integrated;

January,
2013

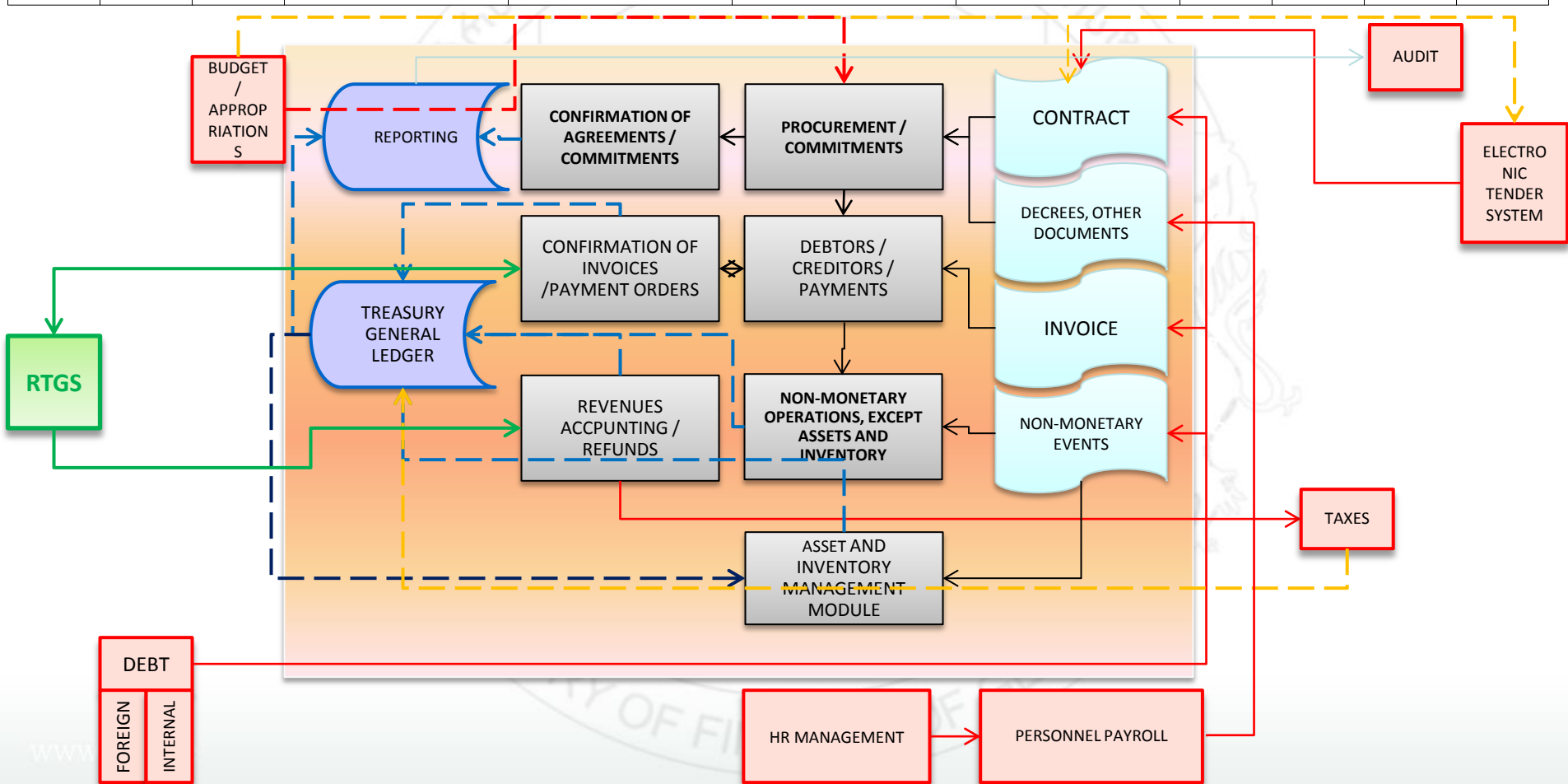
- Fully Functional Payroll covering both – cash and accrual transactions – is implemented;



STATE TREASURY OF GEORGIA PFMS MODEL



| | | | | | | | | | | |
|-----|-----------------|-------------------|------------------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------|-------|--------------------|
| NBG | DEBT MANAGEMENT | BUDGET MANAGEMENT | STATE TREASURY | | BUDGET ORGANIZATION | | CIVIL REGISTRY AGENCY | REVENUE SERVICE | AUDIT | PROCUREMENT AGENCY |
| | | | THE GENERAL LEDGER REPORTING | THE FUNCTIONAL PROCESS | THE FUNCTIONAL PROCESS | THE INITIAL DOCUMENTS | | | | |





BASIS FOR ACCOUNTING



- Georgia government budget and GFS reporting on cash basis;
- Government Treasury Single Account records cash based;
- All central and sub-national government Budget Organizations accrual Based ;
- All Government Business Enterprises (GBEs) accrual based;
- The Government of Georgia has committed to move to accrual accounting –IPSAS;



INTEGRATION OF THE BC AND COA



- BC and COA are not integrated in the Unified COA;
- ... but BC and COA are integrated by means of “list of operation” built in the System;
 - All possible accrual entries for each BC code is listed and this list;
 - System ensures each transaction is assigned GFS BC code and respective double entry record from the COA;
 - Accrual entries are sent to the Treasury General Ledger;



TREASURY PFM REFORMS



Thank you for your attention!

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