TREASURY INFORMATION MANAGEMENT SYSTEM (TIMS)

NOVEMBER 2012
HISTORY

- During the period from 1994 to 2002 together with the International Monetary Fund work was carried out to reform the treasury system of the Ministry of Finance of the Azerbaijan Republic and to elaborate the conceptual design of the Treasury Information Management System.

- In 2002, the U.S. Agency for International Development (USAID) allocated financial means for implementing a project on information support for the treasury system and the integrator company (CARANA, USA) was identified for the project.

- In 2004, the company for elaboration of the treasury software - CARANA – signed an agreement with the company SAP CIS & Baltic States.

- In 2006, the automated information system was implemented in 3 pilot regional treasury offices of the Ministry of Finance.

- In 2008, the Ministry of Finance of the Azerbaijan Republic signed an agreement with the company SAP CIS on optimization of the software and its conversion to a new platform.

- From 2011, in the State Treasury Agency work is being carried out on mass replication of the information system.

- At present, the implemented software covers about 90% of execution of the state budget of the Azerbaijan Republic.
### GOALS OF THE PROJECT

<table>
<thead>
<tr>
<th>Goal</th>
<th>Execution</th>
<th>Reached</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Creation of a possibility for maintenance of accounting and for accounting using both cash-based and accrual methods.</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td>• Carrying out accounting operations in accordance with the national standards developed on the basis of IPSAS.</td>
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<td>✔️</td>
</tr>
<tr>
<td>• Getting statements specified in the legislation of the Azerbaijan Republic, which comply with GFS and IPSAS standards.</td>
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<td>✔️</td>
</tr>
<tr>
<td>• Conversion from ideology of a single treasury account that grants an opportunity of having transit treasury accounts to actual execution of all revenue and expense operations in a single treasury account.</td>
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<td>✔️</td>
</tr>
<tr>
<td>• Creation of flexible opportunities for operational management of liquid funds.</td>
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<td>✔️</td>
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<tr>
<td>• A possibility of external audit of public expenditures and revenues.</td>
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<td>✔️</td>
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</tbody>
</table>
### GOALS OF THE PROJECT

<table>
<thead>
<tr>
<th>Goal</th>
<th>Execution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning of works</td>
</tr>
<tr>
<td>• Audit tracking of treasury operations by documents and by users.</td>
<td></td>
</tr>
<tr>
<td>• Carrying out all treasury operations that are executed in the</td>
<td></td>
</tr>
<tr>
<td>territory of Azerbaijan, starting with financing and finishing with</td>
<td></td>
</tr>
<tr>
<td>receipt of statements in real time mode.</td>
<td></td>
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<tr>
<td>• Creation of a broad platform for elaboration of a reference-</td>
<td></td>
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<tr>
<td>information system for public finance management.</td>
<td></td>
</tr>
<tr>
<td>• Possibility of further introduction into the software of such</td>
<td></td>
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<tr>
<td>components as the budgeting process, accounting for fixed assets,</td>
<td></td>
</tr>
<tr>
<td>program budgeting, payroll calculation and human resource</td>
<td></td>
</tr>
<tr>
<td>management.</td>
<td></td>
</tr>
<tr>
<td>• Creation of a data base, which could be easily integrated with</td>
<td></td>
</tr>
<tr>
<td>external systems for financial and economic planning, analysis and</td>
<td></td>
</tr>
<tr>
<td>management.</td>
<td></td>
</tr>
</tbody>
</table>
FINANCIAL MANAGEMENT CYCLE

1. Preparation of the budget
2. Budget authorities for financing and management
3. Debt and aid management
4. Cash management
5. Liability management
6. Payment and receipt management
7. Fiscal reporting, analyses and interpretation
8. Budget specification
9. Audit and evaluation
UPPER LEVEL CONCEPTUAL MODEL

MoF - Budget

Main credit managers

Forecasts of revenues, cash expenditures, cash limit requisition slip

Cash limits, reports

Spending units (that are under regional control)

Forecasts of revenues, cash expenditures, cash limit requisition slips

Cash limits; reports

Bids for liabilities reconciliation and approval of invoices

Liabilities, invoices, payments, accounting reports approved

Central Treasury CT

Central Bank Treasury Single Account (TSA)

Treasury Information Management System (TIMS)

Tax Payers

Suppliers

Commercial banks

Payments through SWIFT

Interactive operations and balances through SWIFT

Payments / Payroll

Receipts in the TSA

Spendung units
<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Centralized budget</td>
</tr>
<tr>
<td>1u</td>
<td>Local budget</td>
</tr>
<tr>
<td>2</td>
<td>Budget of Nakhichevan AR</td>
</tr>
<tr>
<td>3</td>
<td>Centralized off-budgetary revenues and expenditures</td>
</tr>
<tr>
<td>3u</td>
<td>Local off-budget revenues and expenses</td>
</tr>
<tr>
<td>4</td>
<td>Budget of the State Social Protection Fund</td>
</tr>
<tr>
<td>5</td>
<td>Expenses and revenues of projects financed from the State Oil Fund</td>
</tr>
<tr>
<td>7</td>
<td>Centralized deposits and agency accounts</td>
</tr>
<tr>
<td>7u</td>
<td>Local deposits and agency accounts</td>
</tr>
</tbody>
</table>
IMPLEMENTED MODULES AND THE NUMBER OF SYSTEM USERS

**Modules**

- **FI** Financial Accounting
- **PSCD** Public Sector Collection and Disbursement
- **MM** Materials Management
- **SAP ERP**
- **PI** Process Integration
- **BW SEM** Business Warehouse Strategic Enterprise Management

**Number of users**

- Actual: 400
- Planned: 500
A tool for integrating data of the Ministry of Finance and of the organizations listed below:

- The Ministry for Taxes (planned and actual data on tax revenues)
- The State Customs Committee (planned and actual data on tax revenues)
- The State Committee for Ownership Issues (revenues from privatization and lease of state property)
- The Central Bank (daily execution of the state budget)
- The State Oil Fund (transfers to the state budget, projects funded by the State Oil Fund)
- The State Social Security Fund (transfers from the state budget, daily execution of operations by the State Social Security Fund)
COMPONENTS OF THE INFORMATION SYSTEM

1. Budget management
2. Budget liability management
3. Payment management
4. Receipt management
5. Debt management
6. Cash management
7. Budgetary and financial reporting
8. External interfaces

- Finishing of budgets
- Setting cash limits
- Revision of budgets
- Change of cash limits
- Adoption of budgetary liabilities
- Verification of goods and services
- Payroll related operations and other personnel related expenses
- Payment of salaries
- Payments to suppliers of goods and services
- Verification of bank accounts
- Processing of receipts
- Allocation of revenues
- Repayments to taxpayers
- Revenue forecasts
- Payment on credits
- Verification of bank accounts
- Expense forecasts
- Consolidation of forecasts
- Reports on execution of the state budget (legislation of Azerbaijan)
- Cash monitoring to GFS
- Reports according to IFSAS
- State Committee on Property Issues
- Other financial statements
- Ministry for Taxes
- State Social Protection Fund
- Ministry of Economic Development
- Chamber of Accounts
1. Management of the budget

- Finishing of budgets
- Identification of cash limits
- Revision of budgets
- Changing cash limits
2. Managing budget liabilities

• Adoption of budget liabilities
• Verification of goods and services
• Operations related to payroll and other personnel related expenses
3. Payment management

- Payment of salaries
- Payments to suppliers of goods and services
- Verification of bank accounts
4. Management of receipts

- Verification of bank accounts
- Processing of receipts
- Allocation of revenues
- Repayments to tax payers
- Verification with administrators of receipts
5. Debt management

- Placement of securities
- Receipt of credits and payments on credits
- Accounting for operations related to credits and debts
6. Cash management

- Forecasts of revenues
- Forecasts of expenses
- Consolidation of forecasts
- Annual and monthly cash plans
- Cash monitoring
7. Budgetary and financial statements

- Reports on execution of the State Budget (legislation of Azerbaijan)
- Reports according to GFS
- Reports according to IPSAS
- Other financial statements
8. External interfaces

- Central Bank
- State Committee on Property Issues
- State Customs Committee
- Ministry for Taxes
- State Social Protection Fund
- Ministry of Economic Development
- Chamber of Accounts
1. Function of the Budget Office
The Ministry of Finance prepares and presents to the Cabinet of Ministers, and then to Milli Mejlis of the Azerbaijan Republic the budget. After the document is approved by the Cabinet of Ministers and adopted by Milli Mejlis, the President of the Azerbaijan Republic approves a Decree on the Budget and the annual Law on Budget.
The Ministry of Finance – Budget sends the budget to relevant MBR, which make a decision on allocation of the budget between its subordinated organizations. Budgets of spending units that report to local bodies of the executive power are allocated in consultations with the relevant spending unit and local bodies of the executive power, but not with Ministries.
The Ministry of Finance (MoF) transfers to the Central Treasury (CT) a file in a certain format, which contains a copy of the detailed budget of each spending unit. CT introduces the budget into the TIMS system for each spending unit. Local Technicians Authorities (LTAs) have access to the information and inform the spending units. MoF - Budget clarifies its records and sends a file with the detailed allocation of the budget to the Central Treasury. MoF - CT receives detailed allocation of the budget and loads it into TIMS, along with respect to local expenses. MoF - ROT loads the detailed budget of each spending unit into TIMS and imposes spending units. The function of the Budget Office includes the introduction of the budget into TIMS, and LTAs have access to the budget in TIMS and inform spending units.
CT reviews in TIMS all bids for cash limits and issues monthly cash limits for each spending unit (related to centralized expenses) in accordance with the Monthly Cash Plan prepared in accordance with the procedures specified in the part of Cash Management. The total amount of the Cash Limit issued for any quarter, month is limited by the corresponding estimate (there can be exceptions, when the limit is annual estimate). The Cash Limit determines both the maximal amount of liabilities that could be created, and the maximal amount of cash funds that could be spent during one month. For spending units funded from local expenses, cash limits are issued by ROT. In these calculations the following is taken into account: local revenues, local expenses and the amount allocated from the centralized budget to cover the difference between expenses and revenues.
The budget transfer between different sections could be approved only by the Cabinet of Ministers. MoF - the Budgetary Department receives bids and, in case of agreement, transfers them for approval to the TIMS and notifies the Ministry of Finance – Finance about the transfer.

<table>
<thead>
<tr>
<th>From Ministries</th>
<th>To Ministries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MoF - Budget/CT</strong></td>
<td><strong>MoF - Budget</strong></td>
</tr>
<tr>
<td>Receives a bid for the budgetary transfer</td>
<td>Receives information about the budgetary transfer</td>
</tr>
<tr>
<td>Presents to the Cabinet of Ministers for review</td>
<td>Clarifies the budgetary system (outside of TIMS)</td>
</tr>
<tr>
<td>Clarifies the budgetary system (outside of TIMS)</td>
<td></td>
</tr>
<tr>
<td>In case of approval, notifies CT and MBR/spending units</td>
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</tbody>
</table>
Function of registering the budget for a year envisions the following:

- Registration of budgetary revenues by revenue classification with annual, quarterly and monthly breakdown;

- Registration of budgetary expenses by expense classification with annual, quarterly and monthly breakdown for each spending unit;

- Registration of data by sources for external and internal financing of budgetary deficit by classification of sources for external and internal financing of state budgetary deficit with breakdown by years, quarters, months.
2. Liability Management
Spending units receive approval of ROT for each liability for specific procurements and operations. It is not possible to enter into TIMS and approve the whole amount of liabilities. ROT verifies through TIMS whether the proposed liability is in the framework of the cash limit (see "Cash Management"), and if yes, then it approves liabilities and clarifies the TIMS entries. (see above liabilities approved by CT).
Spending units process data on salaries in their own system (outside of TIMS) taking into account any authorized changes, such as taking new staff members, transfer and carrier growth of employees. Then spending units ensure availability of sufficient amount of budgetary funds. After that spending units prepare and present a Document on Liabilities to ROT. The latter verifies through TIMS whether the proposed liability is within the limits of the cash limit (see "Cash Management"), and if yes, then liabilities are approved and entries in TIMS are specified.

**Diagram:**

- **ROT**
  - A bid to create an liability (payroll)
  - Introduction of RPO into TIMS
  - Is it within the framework of the cash limit?
    - Yes: Specifies data of TMIS
      - Document on liabilities
    - No: Increases the amount of liabilities

- **TIMS processing**
  - Decreases the amount of available cash limits
3. Management of payments
Management of Payments – Receipt of goods and registration of debts

Spending units receive goods (or services) and invoices, cheques against obligations and procurement orders, approve and send invoices to ROT with a request to make the payment. At that stage expenses are recognized. Meanwhile, there should be entries on expenses on cash basis.

<table>
<thead>
<tr>
<th>Supplier</th>
<th>ROT</th>
<th>Processing in TIMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receives goods and services</td>
<td>Receives from a spending unit a document on verification of goods and services and an invoice</td>
<td>Decreases outstanding liabilities</td>
</tr>
<tr>
<td>Verifies evidence against on liabilities and procurement orders, prepares a document on verification of goods and services.</td>
<td>Whether it coincides with data from TIMS?</td>
<td></td>
</tr>
<tr>
<td>Sends to ROT the document on verification of goods and services and also the invoice.</td>
<td>Yes</td>
<td>Increases outstanding financial liabilities</td>
</tr>
<tr>
<td>Receives the invoice, verifies evidence against, the document on obligations and procurement orders, the document on verification of goods and services.</td>
<td>No</td>
<td>Recognizes the expense</td>
</tr>
<tr>
<td>Informs the spending unit</td>
<td>Specifies data of TMIS</td>
<td>Clarifies the statistical data of the seller</td>
</tr>
</tbody>
</table>

Processing in TIMS:
- Recognizes the expense.
Spending units process data on payroll in their own system (outside of TIMS) taking into account any authorized changes, such as adoption of new staff positions, transfer and career growth of employees. Then, spending units verify availability of a corresponding budget and liabilities. After that they prepare and present to ROT a request for payment. ROT verify data against liabilities entered into TIMS and process payroll. At that stage the expense is recognized. Meanwhile, there should be entries on expenses made on a cash basis.
Management of Payments – Setting priorities and processing of payments

The Treasury processes all payments with the due date, which are in the framework of the cash limit. Availability of an adequate amount of cash resources is determined. If there are sufficient funds, then priorities of payments are set.

### ROT

- Works with the list of accounts of TIMS, for which due date came and which are within the framework of the cash limit.
- Compares the list of TIMS with cash limits, liabilities and verifications on goods and services.
- Approves presumed payments
- Processes presumed payments

### Treasury – Cash Management

- Receives the list of proposed payments (through TIMS)
- Puts less relevant payments to the waiting list for funds
- Chooses priority payments in the framework of cash availability
- Processes payments

Are there sufficient cash funds?

- **Yes**
  - Processes payments
- **No**
  - Puts less relevant payments to the waiting list for funds
  - Chooses priority payments in the framework of cash availability

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see next page
The Treasury processes payments (through SWIFT and KSMP (small payment clearing system) terminals and clarifies entries in TIMS. It includes clarification of cash management data, payables and the General Ledger.
The function of management of payments is carried out on two levels: on the level of the Central Treasury and on the level of regional treasuries. In the CT the Treasury Single Account (TSA) was opened.

The function of management of payments is based on the requirement of centralized execution of payments. That means that all wire transfers have to be made from the account CT - TSA.

From the TSA account wire transfers are made on registered debts directly to the CT, and also on debts registered with ROT.
EXECUTION OF PAYMENTS

- ROT 1
- ROT 2
- ROT n

Procurement documents

CT (TSA)
(automated payment system)

- Up-loading into electronic payment systems
- SWIFT
- Small payment clearing system (KSMP)

Central Bank

- Commercial bank 1
- Commercial bank 2
- Commercial bank n
- The automated payment program (APP) is used to create an electronic file of outgoing payments.

- For all payments from the TSA account the centralized method of payment is used, under which payables are registered with ROT (CT), and the payer is the CT. Payments are formed on the basis of SWIFT standards.

- Two payment systems are used in the CT:
  SWIFT system
  KSMP system

- Transfer of packages of payment happens in real time mode.
At the end of the banking day, the Central Bank sends an electronic statement using the SWIFT system from the TSA account.

In the CT the received file is uploaded in the system and verification of confirmation of payment and closure of the banking day in the CT take place.
4. Receipt management
Revenues of the budget go to the Treasury Single Account. Data on receipts in the electronic form is transferred from the Central Bank to the Central Treasury, and then are uploaded into TIMS and are allocated to personal accounts of receipt administrators. ROT and by means of extracts from personal accounts inform spending units about their receipts.
The Treasury - accounting receives daily bank statements through SWIFT and accompanying documents from the National Bank of Azerbaijan (NBA). Accounting verifies bank statements with its own entries and entries in the MBB. All overdue payments and receipts are tracked up to the future bank statements. The bank reconciliation act is printed out by TIMS and is signed by the deputy head of the accounting section alongside with any list of overdue payments and receipts. All other bank accounts which are under the control of the CT are verified in a similar manner.
PROCESSING OF THE BANK STATEMENT IN STA with the Central Bank
5. Debt management
The agency for managing state debt receives information on credits or grants given to the state by donor organizations. A decision is made with respect to arising requirements in consultations with the Treasury. The nature of securities subject to be issued is determined. The agency for managing state debt clarifies its records and submits to the Treasury the schedule of receipts on credits and securities, and also requirements to debt management.

### Agency for Managing State Debt

- Receiving from donor or crediting agencies:
  - Receives and processes new agreements on credits and grants.
  - Registers corresponding data in the Debt Management system (outside of TIMS), the schedule of revenues and payments related to debt management.
  - Sends to the Treasury the schedule of revenues on credits and grants and payments related to debt management.

### Stock Exchange

- Determining the nature of required securities and giving instructions to the agent concerning issuance of securities.
- Receives a piece of advice from the agency and registers relevant data in the Debt Management System (outside of TIMS), the schedule of revenues and debt management.
- Sends to the Treasury the schedule of revenues from the debt and payments related to debt management.
The Treasury has access to the TSA through the SWIFT terminal and processes receipts in TIMS, clarifying data of MBB and other entries. The Treasury presents information on receipts to the Agency for Managing State Debt in order to be able to clarify their entries on debt and aid.
Registration of debt servicing

The Treasury requirements related to debt servicing from the Agency for State Debt Management. Requirements for the current year are determined and relevant obligations are entered in the system of cash management and the information is transferred to the cash expenses. The latter enters liabilities into TIMS. Payments on debt servicing have to be made as soon as there are cash limits in the corresponding month, since they are a priority. If necessary, the Treasury holds consultations with the deputy minister and takes relevant measures to provide with funds.

CT

- Receives the schedule of requirements related to servicing
- Clarifies forecasts of cash inflows and outflows to TIMS

CT

- Is there a cash limit?
  - Yes: Registers in TIMS obligations related to debt servicing
  - No: Taking additional measures to attract funds

Agency for State Debt Management

- Clarifies forecasts of cash inflows and outflows to TIMS

Standard clarification of liabilities in TIMS (See Liability management)
The Agency for Managing State Debt receives data on debt servicing, calculates amounts subject to be paid on outstanding securities, verifies accuracy of amounts subject to be paid against relevant agreements and then transfers to the Treasury for execution of payment. The Treasury compares proposed payments with relevant data on liabilities in TIMS.
DEBT SERVICING

The CT compares proposed payments with entries in TIMS, checks availability of cash funds and processes the payment. If there are no enough cash funds to process all payments on the list, then payments related to the debt are marked as priority ones.

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**CT**

- **Do the data coincide with TIMS data?**
  - **Yes**
    - Clarifies TIMS
    - Includes in the list of proposed payments
  - **No**
    - Informs the Agency for Managing State Debt

**Treasury**

- **Receives a list of proposed payments**
  - **Are there cash funds?**
    - **No**
      - Identifies items related to debt servicing as priority ones.
    - **Yes**
      - **Are there cash funds?**
        - **Yes**
          - Adoption of additional measures
        - **No**
          - see next page
The Treasury processes payments related to debts through the standard payment management system and clarifies entries in TIMS. The Treasury informs the Agency for Managing State Debt about actual execution of the payment so that they could clarify their entries related to the debt.
6. Cash management
Cash management – Annual forecasting of cash flows

**Receipt administrators/Ministry of Finance – Forecasting of revenues**
- Regional sections of administrators prepare annual forecasts on budget revenues by months
- Forecasts for budgetary revenues are sent (through Revenue Forecasting) to the Treasury - cash management

**Agency for Managing State Debt**
- Prepares annual forecasts on debt and on aid (by months) that cover repayment of the debt, payment of interests, loan sale, liabilities arising in connection with receipt of assistance. Prepares similar forecasts on crediting and repayment of loans.
- Sends forecasts to the Treasury - Cash management

**Spending units/RTA/MBR**
- Spending units prepare annual forecasts on expenses and off-budgetary revenues (in case there are no forecasts, the budget is used)
- Spending units send forecasts to spending units, and spending units sent forecasts to ROT or MBR
- ROT and MBR examine, correct forecasts. If forecasts are acceptable, then ROT enters them in TIMS, and MBR is sent to Cash management.

See next page
Cash management – Quality guarantee and consolidation

Annual forecast for revenues (by months)

Forecast of annual debt and aid (by months)

Прогноз годового расхода (по месяцам)

Утвержденный бюджет

CT – Cash management

Carries out review of forecasts (including those that are introduced by ROT) taking into account previous deviations from actual indicators, cash balances, and adjusts them in a proper way

Enters forecasts into TIMS

Uses TIMS for preparing a preliminary Annual cash plan (by months) through consolidation of forecasts and accounting for the cash position as a whole

See next page

State Budget (SB) TIMS

Cash balance TIMS

Debt portfolio

Continue from the previous page

See next page
Cash management – Annual cash plan

Continue from the previous page

Preliminary annual cash plan

Are there sufficient cash funds

Yes

Approves the annual Cash plan

Introduces the amount of annual cash limits for each spending unit by months

Clarifies the annual cash plan in accordance with information received each month (see below)

No

Sets priorities in cash outflows, in order to comply with available cash funds

Has access to monthly cash limits of each spending unit

Informs spending units
Regional department of administrators prepares revenue forecasts for the next month

Sends forecasts on budgetary revenues to the CT -- Cash management through the Revenue Forecasting Department

Prepares forecasts for the next month on debt and aid, which cover repayment of debt, payment of interests, loan sales, liabilities arising in connection with receiving of aid

Sends forecasts on debt and aid to the Treasury -- Cash management

Spending units prepare forecasts on expenses and off-budgetary revenues for the next month, which cover major items (if there are no forecasts, the budget is used)

Spending units send forecasts to RTA/MBR

ROT and MBR examine, adjust forecasts. If forecasts are acceptable, ROT enter them in TIMS, and MBR send to Cash management

See next page
Cash management – Quality guarantee and consolidation

Continue from the previous page

Forecasts on revenues for the next month

Forecasts on debt and aid for the next month

Forecasts on expenses (or budget) for the next month

Carries out review of forecasts (including those that are introduced by ROT) taking into account previous deviations from actual indicators, cash balances, and adjusts them in a proper way

Enters forecasts in TIMS

Uses TIMS for preparing a preliminary Annual cash plan (by months) through consolidation of forecasts and accounting for the cash position as a whole

MBB TIMS

Cash balances in TIMS

Cash limits issued in the past allocation of funds

Debt portfolio

See next page
Using TIMS prepares the monthly cash plan that shows the cash limit for each spending unit for the next month.
7. Financial statements
THE STRUCTURE OF FINANCIAL STATEMENTS SUBMITTED BY THE REGIONAL OFFICES OF THE TREASURY

Consolidated financial report

Report on sales by ROT

- Fund 1-1Y
  - Centralized revenues
  - Local revenues
- Fund 3-3Y
  - Centralized off-budgetary revenues
  - Local off-budgetary revenues
- Fund 4
  - Revenues of the State Social Protection Fund
  - Receipts on projects funded by the State Oil Fund
- Fund 5
  - Other centralized off-budgetary revenues
  - Other local off-budgetary revenues

Report on expenses by ROT

- Fund 1-1Y
  - Centralized expenses
  - Local expenses
- Fund 3-3Y
  - Centralized off-budgetary expenses
  - Local off-budgetary expenses
- Fund 4
  - Expenses of the State Social Protection Fund
  - Expenses on projects funded by the State Oil Fund
- Fund 5
  - Other centralized off-budgetary expenses
  - Other local off-budgetary expenses
- Fund 7-7Y
Consolidated annual financial report

Report on the financial situation
- Regional offices of the treasury
  - Ministries, Committees and other organizations funded from the State Budget

Report on financial results
- Regional offices of the treasury
  - Ministries, Committees and other organizations funded from the State Budget

Report on net assets/changes in equity
- Regional offices of the treasury
  - Ministries, Committees and other organizations funded from the State Budget

Cash Flow Statement
- Regional offices of the treasury
  - Ministries, Committees and other organizations funded from the State Budget

PREPARATION OF FINANCIAL STATEMENTS ACCORDING TO NATIONAL ACCOUNTING STANDARDS (BASED ON İPSAS)
STRUCTURE OF THE FINANCIAL REPORT ON EXECUTION OF THE STATE BUDGET

Report on execution of the state budget

- Report on execution of centralized revenues and expenses
  - Fund 1
    - Centralized revenues
    - Centralized expenses
  - Fund 3
    - Centralized off-budgetary expenses
  - Fund 2
    - Centralized revenues
    - Centralized expenses
  - Fund 2Y
    - Revenues of the Budget of Nakhichevan AR
    - Expenses of the Budget of Nakhichevan AR
  - Фонд1Y
    - Local revenues
    - Local off-budgetary expenses
  - Fund 3Y
    - Local expenses

Report on execution of revenues and expenses of the budget of the Autonomous Republic of Nakhichevan

Report on execution of local revenues and expenses
Future goals and objectives

• Direct connection of spending units to TIMS.
• Maintenance of accounting in TIMS.
• Calculation of payroll in TIMS.
• Personnel management.
• On-line connection of the foreign currency SWIFT terminal.
Questions and answers
Thank you for attention!