

Annex 3: PEMPAL in content – event objectives and results

TCOP: Thematic Group Meeting on Public Sector Accounting

Date: OCTOBER 3-5, 2016

Location: Minsk, Belarus

Forty five specialists representing 13 PEMPAL countries attended the meeting (Albania, Azerbaijan, Belarus, Bosnia and Herzegovina, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russian Federation, Tajikistan, Turkey and Ukraine).

The objectives of the meeting were to offer an opportunity for TCOP members to deepen the understanding of the practical issues in aligning public sector accounting standards with IPSAS, and to exchange news on the progress of public sector accounting and reporting reforms in their countries. Another objective was to provide peer advice to the hosting country, Belarus.

The main results of the meeting included participants' familiarisation with the latest Public Sector Accounting reform developments in the participating countries and broader in the region. Representatives of Russia and Kazakhstan shared their recent progress and lessons learnt. The Bank team also shared the experience of supporting the design stage of similar reforms in Poland and updated the participants on the progress in formulation of an EU vision for public sector accounting standards. The event allowed Belarus representatives to get advice from the peers and experts on critically important questions they were struggling with in the process of formulating their public sector accounting reform strategy. Future working plans of the TCOP thematic group on Public Sector Accounting and Reporting were also discussed. The group members expressed their interest for further detailed discussions on specific IPSAS standards, including “Segment Reporting” and “Inventories”, as well as on country-level practical implementation experiences.

Materials can be found at <https://www.pempal.org/events/pempal-tcop-thematic-group-meeting>

IACOP: Relationship of internal audit with financial inspection and external audit (RIFIX) Working Group meeting

Date: OCTOBER 17, 2016

Location: Moscow, Russia

Fifty four members of the working group from 20 PEMPAL countries attended the meeting.

The objectives of the meeting were to bring together members of the RIFIX Working Group to share progress and to determine future work.

The main results of the meeting included:

- Finalizing and endorsing the RIFIX Concept Paper - the IACOP good practice document summarizing the results of work in the RIFIX Working Group;
- Learning good practices in RIFIX and the key recent developments in the countries in ECA region and beyond;
- Discussing survey results on progress made in application of good RIFIX practices in the member countries since the inception of the RIFIX Working Group; and
- Elaborating the potential for further roll out of the good practice RIFIX Concept Paper.

Materials can be found at <https://www.pempal.org/events/rifix-and-internal-control-wg-meeting>

IACOP: Internal Control Working Group meeting

Date: OCTOBER 18-19, 2016

Location: Moscow, Russia

Fifty four members of the working group from 20 PEMPAL countries attended the meeting.

The objectives of the meeting were to bring together members of the Internal Control Working Group to share member countries' good practices in internal control and to discuss next steps for the Working Group.

The main results of the meeting included discussing the COSO Framework's 17 principles of effective internal control to establish those most relevant for the public sector; and to learn how countries have addressed implementation challenges in internal control. Future work was also discussed which included the initiation of work to establish a glossary for internal control.

Materials can be found at <https://www.pempal.org/events/rifix-and-internal-control-wg-meeting>

TCOP: Thematic videoconference on Cash management

Date: OCTOBER 19, 2016

Location: Videoconference

Thirty six participants from 12 countries (Albania, Azerbaijan, Belarus, Croatia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkey and Ukraine) took part in a three-hour videoconference on the subject of financial instruments used in cash management. The videoconference was centered around a presentation by the World Bank expert Mike Williams.

The objective of the meeting was to make an overview of the tools, which might be applied in cash management process. Preparation of the group's next face-to-face meeting in Moscow was also among the objectives for the videoconference.

The main results of the meeting included participants' familiarisation with various cash management instruments commonly available for tuning the balance, both on the borrowing and investment side. Mr. Williams's presentation provided a useful reminder as to the key objectives and benefits that accrue from efficient cash management, and that the policy objectives do not happen in isolation from other policy objectives, such as those for fiscal, debt management and monetary policies. The importance of a TSA as a tool for centralized cash management was acknowledged, with benefits of operating a single bank account, or network of linked accounts highlighted such as improved control and planning, reduced administrative burdens and more cost-effective management of cash. It also highlighted that once a TSA is in place cash managers are better placed to forecast the balance, and subsequently to seek to "rough" or "fine" tune it, i.e. to smooth cash flows, reducing the volatility of the balance. Treasury bills (Tbills), particularly shorter-term (often 1-month) Tbills were usually the main instrument for rough tuning, whereas fine tuning involved more active management with a wider range of shorter term instruments, in particular sale and repurchase agreements (repo).

The TCOP Cash Management thematic group members decided to conduct a face-to face meeting in early April 2017 in Moscow. Members inputs to the event concept and preliminary agenda were collected after the videoconference.

Materials can be found at: <https://www.pempal.org/events/videoconference-pempal-tcop-thematic-group-cash-management-0>

BCOP: Program and Performance Budgeting Working Group Workshop and the meeting of OECD Senior Budget Officials' Network on Performance and Results

Date: NOVEMBER 23-25, 2016

Location: Paris, France

Nineteen participants from 13 BCOP countries from the Program and Performance Budgeting Working Group attended the workshop (Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Georgia, Kosovo, Kyrgyz Republic, Moldova, Russian Federation, Ukraine, and Uzbekistan). Some countries also participated in the 12th meeting of the OECD Senior Budget Officials' Network on Performance and Results, which was held after the workshop.

The objectives were to learn about the current state of affairs and plans of OECD countries in performance budgeting reforms and to also discuss the status of PEMPAL's reforms including participation in the OECD Performance Budgeting survey.

The results of both events included valuable exchange of experiences between PEMPAL and OECD countries, including reviewing the findings from performance budgeting cases of selected countries outlined in the World Bank's new report "Towards Next Generation Performance Budgeting: Reflections on the Experience of Seven Reforming Countries"; discussing in detail the French experience in performance budgeting implementation, presented by the Ministry of Finance of France; and the identification of key trends in spending reviews in selected OECD countries. In

addition, the group held round table discussions to reflect on lessons learnt, shared updates on the Working Group countries' developments, and decided on the future activities of the Group.

Participants acknowledged that there was no unique, identical approach and it was a necessary step to define the objective of any program and performance budgeting reforms. The participants also noted the trend to simplify approaches and volume of performance information, focusing on the results and performance indicators that are significant both for the government and citizens. Nevertheless, they admitted that for budget users it would remain important to enhance monitoring practices and instruments to be able to monitor indicators on processes and business results, significant for achieving higher level government indicators. The participants also noted the importance of political support and clear communication mechanisms for successful implementation of performance budgeting reforms.

Materials can be found at:

PEMPAL workshop

<https://www.pempal.org/events/program-and-performance-budgeting-working-group-workshop-and-meeting-oecd-senior-budget>

OECD Performance and Results Meeting

<https://www.dropbox.com/sh/ci5hx7gr8vtdyl/AABYba0pJIQ41EF6XuijOCEma?dl=0>

TCOP: Thematic videoconference “Risks Management in Treasury Operations”

Date: DECEMBER 13, 2016

Location: Videoconference

Twenty seven participants from 8 countries (Azerbaijan, Belraus, Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, Moldova, Russia and Tajikistan) took part in a two hour videoconference on the subject of risk management in the Treasury. Mr. Alexei Solodov, Head of Department of Internal Control (Audit) and Performance Evaluation of the Federal Treasury of Russia delivered a presentation, followed by questions from participants.

The objectives of the meeting were to provide the TCOP members with information on the Russian Federation's experience in the treasury operations risks management. The videoconference served as a good start for launching the discussions on this topic within the TCOP.

The main results of the meeting included participants' familiarisation with the Russian Treasury approaches in management of the risks related to treasury operations. The presentation delivered by Mr. Solodov helped participants to understand how the Russian Treasury has established the risk classification system, applied it to processes, and how the system generates management and monitoring reports. It was demonstrated how the risk classification is determined: risk prone activities are highlighted, then the specific areas of risk are identified, and finally, the risk activities or

events are given a classification. Participants learned also how the Russian Treasury determines the criteria for selecting which risks to monitor or mitigate, how the treasury system identifies risks, is there possibilities to identify the risks earlier than when payments are entered into the system, does the system interact with other systems etc.

Materials can be found at: <https://www.pempal.org/events/tcop-thematic-videoconference-%E2%80%9Crisks-management-treasury-operations%E2%80%9D>