

Practical Issues in Relation to Accounting and Reporting in the Public Sector



REPUBLIC OF ALBANIA
MINISTRY OF FINANCE

Treasury Operations' Department
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Migration Issues

- ❑ Non reconciled data of the migration phase between manual financial statements and electronic ones generated by the automated treasury system where the budget classification code and chart of accounts code are equal, e.g:
 - Wages expenses of the December, 2011 which have the due date of the payment in January, 2012.
 - Utilities invoices which have the due date of the payments in January by the agreement/contract.

Migration Issues

The solution:

- (i) The Parliament have to approve (in the middle of the 2014 year) the revised budget of 2014 year with the added expenses for a month to be possible to record the december wages expense in treasury automated system, which rejects them if there are not available funds.
- (ii) Moving of budgeting to modified accrual basis.

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Migration Issues

- Migration of open balance data for net worth (code 12-Carring result) from 2010 year.
- Accounting of the VAT reimbursement on
 - Current year
 - Previous years-migrationin treasury automated system.
- Design consolidated financial statements methodology for general government units, which have not separate bank account out of TSA different from private sector units which have their own bank accounts.

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Legislation Issues

- By the law no.9936, dated on 2008 "On Management of budget system" the revenues are kept on cash basis. For that reason there are non reconciled data in comparison between manual financial statement and electronic ones generated by automated treasury system.
 - The Ministry of Finance will amend this law during 2014 year to move in modified accrual basis revenues accounting.

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Regulation Issues

- Coverage of the data:
 - General government (GG)
 - GG and self-financing units
 - Public sector
- Consolidation of the GG entities financial statements data by generating of the automated treasury system reports through data warehouse (to be installed ongoing).

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Conclusion:

- ❑ Considering the above listed issues it is helpful to develop a practical guidelines by the best practice to get the proper solution based on the standards.
- ❑ To be include in this guideline the compilation procedures of appropriate data sources.
- ❑ To be include in this guideline the responsible structure (supreme audit) for an audit opinion on accounting statements of the entities.

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Question / Answer

Thank you for your attention!



Please do not hesitate to clarify any non understandable point in your mind!



The end

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