

GROUP 1

1. Economic classification and Chart of Accounts Integration Methods. Advantages and Disadvantages of Each Method.

- ▶ The group discussion has revealed two methods of integration: 1 – “rigid ties with the budget codes” (economic classification + CA)
- ▶ Opinion of *Moldova and Kyrgyzstan*.
- ▶ 2 – “flexible ties with the budget codes”
- ▶ Opinion of *Russia and Kazakhstan*.
- ▶ Multiple possibilities allowed in implementation of both methods have their advantages, because it is possible to select codes from the total number. (*Tajikistan*).
- ▶ Meaningful are two offered methods of integration, to be determined by each country in the context of the reforms it conducts. Two integration methods must prevail in selection process. Choice made in favor of one of the methods will ensure automatic reconciliation. Use of transition tables is not recommended, as they lead to degradation. (*John Zohrab*).

2. Difficulties and Risks in Implementation of Uniform Chart of Accounts (UCA)

1. Changing political situation. Insufficient responsibility of leaders in decision-making. Low potential in implementation of reform. Priority is to implement UCA instead of the current six charts of accounts (*Moldova*).
2. Combination of two methods of accounting: cash and accrual (*Kyrgyzstan*).
3. Problem of potential (low salary and qualification of personnel). Methods of implementation: pilot or immediate transition. (*Tajikistan*)
4. Losses in information quality (correctness of reports, promptness of reporting and the risk that the users will not have an authentic and timely information on budget implementation (*Kazakhstan*))
5. Scrupulously developed procedures of information system will reduce all possible risks of UCA implementation (*John Zohrab*)

3. Comments and Recommendations on Tajikistan's draft Chart of Accounts

- ▶ 1. The participants have discussed the draft UCA for the public management sector of Tajikistan and have pointed out that the draft is optimistic and meant for a long term.
- ▶ The participants have advanced the following recommendations:
 - ▶ – to distinguish accounts by cash method and accounts by accrual method in CA (*Moldova*)
 - ▶ –to divide the UCA into two charts: one for the Treasury and one for the public institutions. At the same time, within UCA for public institutions, to distinguish accounts to be used by those public institutions that are not part of consolidated financial reporting, as well as accounts to be used by budget administrators that are part of consolidated financial reporting (*Kazakhstan*).

Thank you for attention!

