



## Control authorities of treasury bodies in the part of preparation and submission of financial budgetary statements

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## Regulation on the State Treasury Service of Ukraine

*(Decree of the President of Ukraine of April 13, 2011, No. 460/2011)*

The Treasury of Ukraine is part of the system of executive power bodies and was established for the purpose of implementing the state policy in the area of treasury maintenance of budgetary funds.

**One of the major tasks of the Treasury**

Consolidation and preparation of reports on execution of the state, local and consolidated budgets and submission of reports to bodies of legislative and executive power in the scope and within terms that comply with the budget legislation. Compilation and presentation to local financial bodies of reports on execution of local budgets.

## Regulatory Framework

- The Budget Code of Ukraine
- The Law of Ukraine On Accounting and Financial reporting in Ukraine
- The Decree of the Cabinet of Ministers of Ukraine “On Approval of the Procedure for Submitting Financial Statements”
- Orders of the Ministry of Finance of Ukraine




of 28.12.2011 No. 1774 “On organization of work on compiling by the STSU of reports on execution of the Consolidated budget of Ukraine, of the State Budget of Ukraine and of budgets of the Autonomous Republic of Crimea, of oblasts, of the cities of Kiev and Sevastopol”

of 30. 01.2012 No. 60 “On organization of work on compiling by the STSU of reports on execution of local budgets”

of 24. 01.2012 No. 44 “On approval of the Procedure for compiling financial and budget reports by budget controllers and recipients of budgetary funds”

## Technological regulation on the function “Accounting and Preparation of Reporting”

- Consists of 6 processes, out of which 2 processes regulate questions of preparation of reports, in particular
  - ☐ compilation of reports (consolidated reports) on execution of the state budget, the consolidated budget and consolidated budgets of senior budget controllers
  - ☐ Compilation of reports on execution of local budgets






## **Main Provisions of the Budget Code of Ukraine that Regulate Preparation of Reports**

- Reporting on execution of the state budget of Ukraine (estimates of budgetary institutions) includes financial and budgetary reporting.

Financial reporting is prepared in accordance with the national accounting standards (from 01.01. 2015)

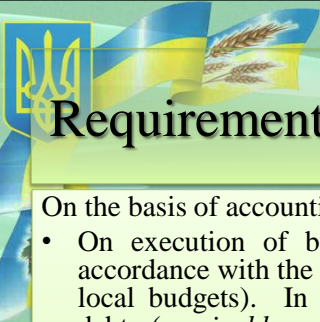

Budgetary reports show the situation with execution of the budget, contain information broken down according to the budget classification.

Forms of reporting and the procedure of filling them in are set by the Ministry of Finance of Ukraine.



## **Main provisions of the Budget Code of Ukraine that regulate preparation of reporting**

- Consolidation, preparation and submission of reports on execution of the State Budget of Ukraine is done by an executive power body, which provides for the state policy in the sphere of treasury administration of budgetary funds, i.e. by the Treasury .
- Reporting on execution of the State Budget of Ukraine
  - ☐ operational
  - ☐ monthly
  - ☐ quarterly
  - ☐ annual



## Requirements to preparation of reports

On the basis of accounting data

- On execution of budgets – by Treasury bodies (accounting in accordance with the Chart of Accounts for execution of the state and local budgets). In addition, Treasury bodies prepare a report on debts (*receivables and payables*) on the basis of reports of budget controllers.
- On execution of estimates – by budget controllers (according in accordance with the Chart of Accounts for budgetary institutions).

Financial and budgetary reports should contain information on all carried out transactions.

Financial and budgetary reports of budget controllers should correspond to similar data from accounting and reporting of the Treasury bodies.

## Operational Reports are presented to the management of the Treasury and to executive power bodies

Operational reports, their forms, terms, are determined by the internal document of the Treasury

Operational reports

- ❖ **daily**
- ❖ **weekly** (*an operational report on execution of the total fund of the state budget*)
- ❖ **each ten days** (*operational data on receipts of certain taxes, charges and other mandatory payments in Ukraine*)
- ❖ **monthly**

Are prepared by structural units of the Treasury within the competence of each one of them (the Treasury, territorial offices of the Treasury)

On a daily basis, the Department of Consolidated reports prepares on the basis of reports of the Treasury:

- Report on execution of budget revenues
- Report on cash execution of budget expenditures
- Balance of treasury operations






## Monthly Reports

are submitted to the Supreme Council of Ukraine, to the President of Ukraine, to the Cabinet of Ministers of Ukraine, to the Chamber of Accounts and to the Central Executive Power Body, which ensures formation of the State Budget Policy (to the Ministry of Finance of Ukraine)

**Not later than the 15<sup>th</sup> day of the month following the reporting month** – on execution of the State Budget of Ukraine

**Not later than the 25<sup>th</sup> day of the month following the reporting month** – aggregated indicators of reports on execution of budgets, information: on protected expenditures of the State Budget; on use of money from the reserve fund of the State Budget; on use of funds of the State Regional Development Fund; on performed operations related to state debt management; on provided state guarantees.

**Not later than the 1<sup>st</sup> day of the second month following the reporting month** – a report on budget debts.




## Quarterly Reports

are presented to the Supreme Council of Ukraine, , to the President of Ukraine, to the Cabinet of Ministers of Ukraine, to the Chamber of Accounts and to the Central Executive Power Body, which ensures formation of the State Budget Policy (MoFof Ukraine)

**Not later than 35 days after the end of the reporting quarter**

- Report on the financial situation (balance sheet) of the State Budget of Ukraine
- Report on financial results of execution of the State Budget of Ukraine
- Cash flow statement
- Report on execution of the State Budget of Ukraine (including reports on execution of indicators pursuant to forms in annexes to the Law on the State Budget of Ukraine)
- Report on the situation with the state debt and the debt guaranteed by the state
- Aggregate indicators on execution of budgets
- Report on overdue debts of economic entities to the state on credits (loans) taken under state guarantees
- Report on payments related to execution of warranty obligations by the state
- Information on performed transactions related to public debt management
- Information on granted state guarantees
- Information on the situation with local debts and debts warranted by the autonomous Republic of Crimea, territorial debt communities on granted local warranties
- Explain the situation with execution of indicators of the State Budget and local budgets during the reporting period



## **Annual reports on execution of the Law on the State Budget of Ukraine**




**not later than April 1 of the year following the reporting year**

- Are submitted by the Cabinet of Ministers of Ukraine to the Supreme Council of Ukraine, to the President of Ukraine and to the Chamber of Accounts
- Composition of the annual report on execution of the Law on the State Budget of Ukraine is determined by the Budget Code of Ukraine (Article 61 of the Budget Code of Ukraine)






## **Annual reports on execution of budgets**

- Preparation and presentation to the Ministry of Finance of Ukraine of annual reports on execution of budgets by the Treasury of Ukraine is done in accordance with the annual Schedule Plan, which is approved by the Order of the Ministry of Finance of Ukraine
- The schedule plan distributes duties between the Treasury of Ukraine and the Ministry of Finance of Ukraine, sets terms for preparation of annual report and an explanatory note by the Treasury of Ukraine, by the Ministry of Finance of Ukraine and by senior budget controllers




# **Annual reports on execution of budgets**

**Are approved by the  
Decree of the Supreme Council  
of Ukraine**



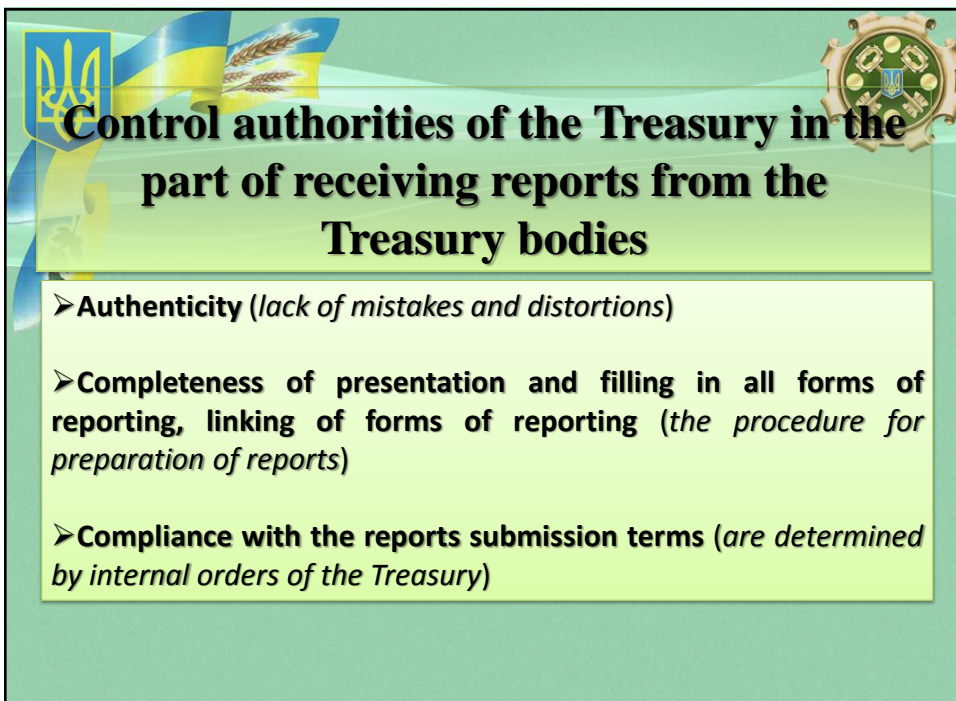
# **Reports on execution of budgets**

- **Financial**
  - ✓ Report on the financial situation (balance) of the budget
  - ✓ Report on financial results of execution of the budget
  - ✓ Cash flow statement
- **Budgetary**
  - ✓ Report on execution of the Consolidated Budget of Ukraine
  - ✓ Report on execution of the State Budget of Ukraine
  - ✓ Report on execution of budgets of the autonomous Republic of Crimea, of oblasts, of the cities of Kiev and Sevastopol
  - ✓ Report on budget debts
  - ✓ Information on execution of protected budget expenditures
  - ✓ Report on use of funds from the Budgetary reserve fund
  - ✓ Report on the situation with the state debt and the debt guaranteed by the state
  - ✓ Report on overdue debts of economic debts of economic entities to the state on credits (loans) taken under state guarantees
  - ✓ Report on payments related to execution of warranty obligations by the state
  - ✓ Information on granted state guarantees
  - ✓ Information on granted local guarantees
  - ✓ Information on the situation with local debts and debts warranted by the autonomous Republic of Crimea, territorial debt communities on granted local warranties
  - ✓ Reports on execution of indicators pursuant to forms of annexes to the Law on the State Budget of Ukraine



## Reports of budgetary controllers

- Financial statements (*quarterly and annual*)
  - 1) Balance sheet
  - 2) Report on results of financial activities
  - 3) Cash flow statement
- Budget reports (monthly, quarterly, annual)
  - 1) Report on receipt and use of funds (general purpose fund, special fund)
  - 2) Report on debts on budgetary funds



## Control authorities of the Treasury in the part of receiving reports from the Treasury bodies

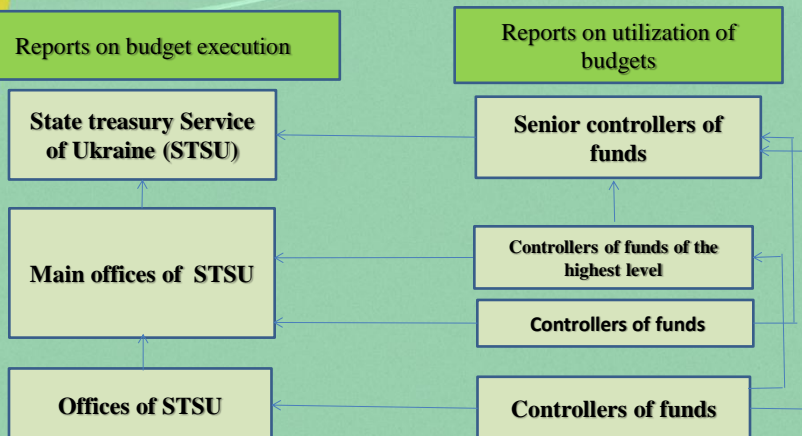
- **Authenticity** (*lack of mistakes and distortions*)
- **Completeness of presentation and filling in all forms of reporting, linking of forms of reporting** (*the procedure for preparation of reports*)
- **Compliance with the reports submission terms** (*are determined by internal orders of the Treasury*)






## Control authorities of the Treasury in the part of receiving reports from budget controllers and recipients of budgetary funds

- **Legality** (*compliance with the provisions of the budget legislation*)
- **Authenticity** (*lack of mistakes and distortions*)
- **Presentation and filling in of all forms of reporting, linking of forms of reporting** (*procedure for preparation of reports*)
- **Correspondence to similar accounting and reporting data of the Treasury** (*planned indicators, receipts, cash expenditures, registered financial liabilities*)
- **Timeliness of presenting reports** (*compliance with the schedule for presenting reports within the terms set by the normative and legal acts*)

## Flows of presenting reports








**Authorities of the central executive power body, which implements the state policy in the sphere of treasury administration of budgetary funds on control over execution of the budget legislation (the Treasury)**

- Are determined by Article 112 of the Budget Code of Ukraine

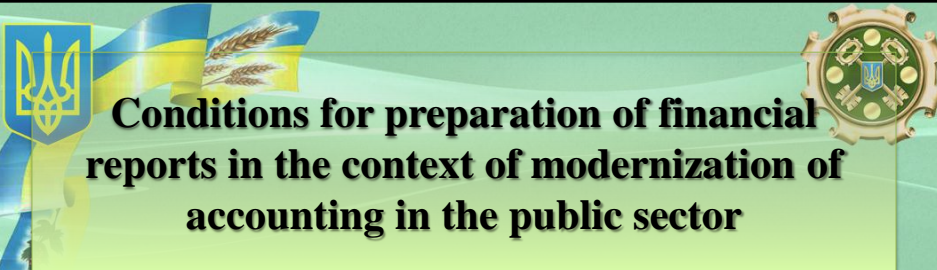
Exercise of control over the following:

- 1) Accounting for all receipts and expenditures of the state and local budgets, preparation and presentation of financial and budget reports
- 2) Correspondence of estimates of controllers of budgetary funds to budget breakdown indicators
- 3) Correspondence of budget commitments taken by controllers of budgetary funds to relevant budget allocations, to the passport of the budgetary program
- 4) Correspondence of payments to the accepted budget commitments and corresponding budget allocations



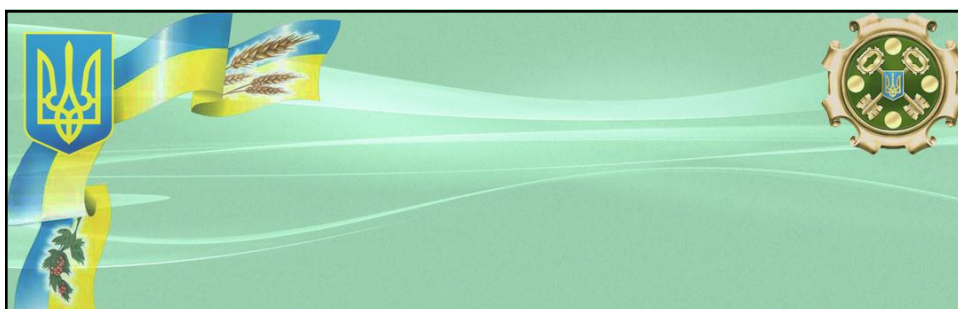
**Improvement of reporting**

- ☐ Introduction of national accounting standards in the public sector
- ☐ Improvement of methods of preparation and consolidation of reports



## **Conditions for preparation of financial reports in the context of modernization of accounting in the public sector**

- Complex of activities on elaboration of methodological support for implementation of the reformed system of accounting and reporting in the public sector
- Determination of the components of information, rules and procedures of consolidation of accounting data of budgetary institutions
- The need of creation
  - 1) of the common regulatory and reference accounting base
  - 2) of the common software product



## **THANK YOU FOR ATTENTION**