



# Concept of the new Public Finance Management Information System of the Republic of Belarus (AIS)



## Objective of Developing FMIS

- ❖ Improving efficiency of public finance management by enhancing methodological, information, technical, technological and analytical approaches to public finance planning, execution and accounting, as well as decision-making in the area of public finance management at all levels of the budget system of the Republic of Belarus



KEY CURRENT CONSTRAINTS OF THE AUTOMATION OF PUBLIC FINANCE  
MANAGEMENT AND WAYS OF ADDRESSING THEM

“ASFR” main constraints

- broad range and diversity of application packages
- complicated mechanism of their interoperability
- territorial distribution of databases for each level of the budget
- different implementation of solutions of application packages
- not all the processes of financial and economic management in spending units are automated
- budget execution is not linked to financial and economic performance of government agencies budget funds recipients (BFRs)
- automation has not been completed to ensure implementation of the budget data transparency to a broad range of stakeholders

What needs to be achieved

Tasks

- ensuring integration of all information resources of the budget system (republican and local) needed for decision-making
- ensuring that AIS data are comprehensive, updated and integral and are promptly received
- ensuring integrity of technical and technological approaches to AIS design and development
- ensuring AIS flexibility in case of change of methodological approaches to public finance management in the Republic of Belarus
- ensuring the uniform methodology of budget planning and execution, accounting and personnel management at all levels of the budget system of the Republic of Belarus
- creating instruments of information and analytical support for PFM decision-making
- developing automated services for provision of information about the budget and its execution to the citizens of the Republic of Belarus;
- ensuring secure and reliable use of information resources in line with the assigned powers



MAIN FOCUSES OF FMIS DESIGN AND DEVELOPMENT

Focuses	Expected result
<b>CENTRALIZED APPROACH TO DESIGN OF AN INTEGRATED PUBLIC FINANCE MANAGEMENT SYSTEM OF THE REPUBLIC OF BELARUS</b>	<ul style="list-style-type: none"> <li>▪ streamlining and regulating of record keeping, including accounting and managerial record keeping for all budget types</li> <li>▪ enhancing efficiency and effectiveness of financial performance of the executive authorities, local executive and administrative bodies and spending units</li> <li>▪ improving transparency and reliability of accounting and managerial reports, reducing time for submission, ensuring prompt access to the accounting data of the spending units at the republican as well as local levels</li> </ul>
<b>USE OF SINGLE REGULATORY AND REFERENCE INFORMATION AT ALL LEVELS OF THE BUDGET SYSTEM</b>	<ul style="list-style-type: none"> <li>▪ ensuring comprehensiveness and inter-linkages of the data contained in various registers and classifiers as well as one-time input of the data into the single system, the use of the shared republican classifiers</li> </ul>
<b>TRANSITION TO LEGALLY SIGNIFICANT ELECTRONIC DOCUMENT MANAGEMENT</b>	<ul style="list-style-type: none"> <li>▪ active use of electronic document management and ensuring receipt of the documented information</li> </ul>
<b>ENSURING TRANSPARENCY AND PUBLICITY OF INFORMATION</b>	<ul style="list-style-type: none"> <li>▪ establishing the mechanisms of public control over the activities of the executive bodies of the Republic of Belarus in order to improve performance and quality of decision-making</li> <li>▪ increasing accountability of the executive bodies of the Republic of Belarus</li> </ul>

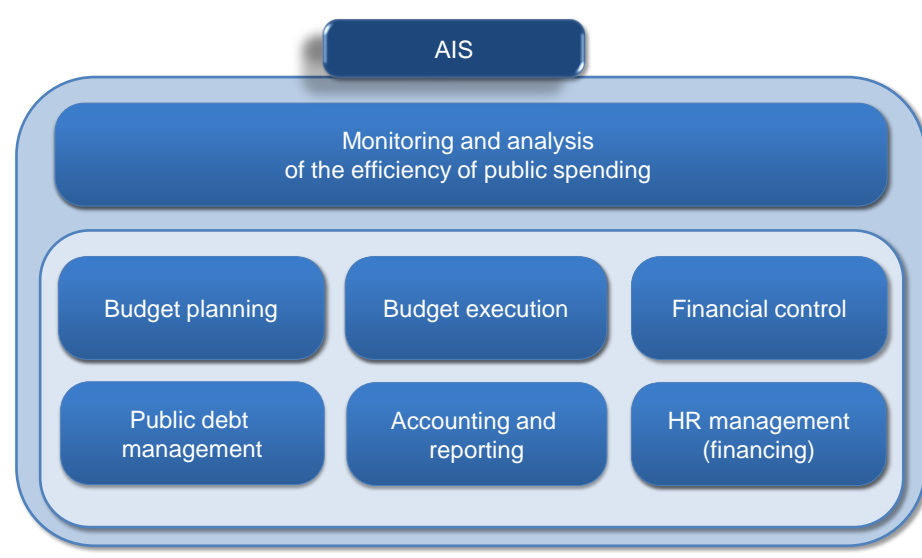


AIS principles

- 1 Centralized approach to data storage and processing
- 2 Use of modern technologies
- 3 Uninterrupted and reliable functioning
- 4 Ensuring data security
- 5 AIS continuity relative to "ASFR"
- 6 AIS flexibility, adaptability and user friendliness
- 7 Data relevance, reliability and consistency
- 8 Reduction of hardcopy document circulation
- 9 Ensuring integration with other information systems
- One-time input of information
- Ensuring that the information on the budgets and their execution is updated and accessible to the citizens of the Republic of Belarus



FMIS FUNCTIONAL DESIGN





OBJECTIVES/FEATURES OF NEW AIS

BUDGET PLANNING

Proposal

- Multiple options for producing calculations and draft budgets by expenditures, revenues and budget deficit financing sources
- Use of different methodologies in formulating the draft budget by revenues and expenditures, planning the allocation ceilings and preparing budget estimates by the budget funds administrators and spending units
- Possibility of loading the data on socioeconomic indicators of the regions (particularly the data received from the Ministry of Taxes and Levies and the National Statistical Committee)
- Use of different calculation methodologies for each revenue type
- Maintenance of the single register of expenditure commitments at all budget levels
- Preparation of program documents
- Setting tasks for delivery of public services (works)
- Preparation of the estimates of a spending unit based on the volume of services (works) to be delivered
- Automated generation of the Annexes to the Budget Law
- Multiple options for planning and calculation of intergovernmental transfers, including general purpose transfers, subventions and other intergovernmental transfers
- Maintenance of reference directories of the original data for calculation of intergovernmental transfers
- Calculation and storing of coefficients and indicators used for determining the amounts of intergovernmental transfers
- Recording of quarterly revenue distribution by the levels of the budget system in line with the intergovernmental fiscal retention rates
- Automated entry of the general purpose transfers, subsidies, subventions calculated in the draft budget by expenditures/revenues to avoid repeated data input

Results

- Linking strategic and budget planning
- Performance-orientation of the budget
- Creating a single source of information on planned and allocated general purpose transfers, subventions and other intergovernmental transfers



OBJECTIVES/FEATURES OF NEW AIS

BUDGET EXECUTION

Proposal

- Receipt of prompt information on revenue and expenditure execution of the republican and local budgets based on the data in the centralized warehouse
- Automation of maintenance (editing) of the budget breakdown by revenues, expenditures and deficit financing sources of the respective budget
- Automation of preliminary control of procurement done by spending units
- Automation of the processes of blocking budget allocations for the planned and current procurement procedures
- Recording operations of the extra-budgetary funds
- Automation of accounting and monitoring of the transactions of spending units financed from own-source revenues
- Unified methodology of accounting in the treasury bodies for the execution of the republican and local budgets, the budget of Social Protection Fund
- Accounting for the execution of local budgets in the Financial Departments

Results

- Improved efficiency of the use of budget allocations
- Preparation of consolidated reports on budget execution



**OBJECTIVES/FEATURES OF NEW AIS**  
*TAX POLICY AND BUDGET REVENUES*

Proposal

- Establishment of the institute of administrators of non-tax budget revenues:
  - formation of the register of the revenues
  - designation of the government agency responsible for each revenue source (revenue administrator)
- Support of accrual method in revenue accounting
- Providing revenue administrators with a service to administer budget payments in the single centralized system
- Projecting cash gaps in the process of budget execution (timeline, amount and duration)



Result

- Increased collection of non-tax revenues
- Balanced budget



**OBJECTIVES/FEATURES OF NEW AIS**  
*PUBLIC DEBT*

Proposal

- Single package covering the data on:
  - the signed agreements on loans attracted under the government guarantees and guarantees of local governments
  - the government securities
  - the securities issued by local governments
- Estimation of the amount of debt liabilities and associated risks
- Daily control and audit of debt and financial assets management



Result

- Public debt planning
- Improved efficiency of using public debt management instruments including:
  - restructuring of borrowings
  - consolidation of loans
  - conversion of public borrowing and external debt



## OBJECTIVES/FEATURES OF NEW AIS

### FINANCIAL CONTROL

#### Proposal

- Integration with the republican system for planning and conducting inspections. Conducting control and oversight activities by selection of entities to be inspected based on the actual information on their budgets execution
- Preparation of documents for inspections
- Automation of generation of analytical (information) notes, memos, reports, summaries of findings
- Generation and recording of documents related to identified violations
- Use of the updated information on budget execution in preparing control agencies rules

#### Result

- Improved efficiency of planning the control and inspection activity
- Availability of the updated information for inspectors prior and during an inspection
- Improved performance of the control and inspection agencies



## OBJECTIVES/FEATURES OF NEW AIS

### HR MANAGEMENT

#### Proposal

- Centralized recording of data on civil servants and staffing of the spending units at all levels of the budget system
- Automated preparation of statistical information based on the primary staff records
- Formation of the single source of staff data for all levels of the budget system
- Formation of the centralized promotion register of civil servants of all government agencies on all levels of the budget system



#### Result

- Avoiding duplication of data entry and errors in records for staff reallocation between spending units
- Formation of the single register of position categories and the reference book of positions
- Less time required for staff selection for available vacancies
- Improved efficiency of staff training and retraining



OBJECTIVES/FEATURES OF NEW AIS

ACCOUNTING AND REPORTING OF A BUDGET SECTOR ORGANIZATION

Current (main) application packages

- Accounting of budget execution by spending units including:
  - accounting of the flow of material values in warehouses
  - accounting of foreign currency transactions
  - calculation of wages
- Accounting in rural and village councils



Proposal

- Unification and standardization of accounting operations
- Establishment of the centralized accounting system for all levels of the budget system
- Unified accounting methodology for all spending units
- Single chart of accounts
- Establishment of parallel (analytical, managerial or off-balance) accounting of assets and economic transactions
- Integration of the accounting processes and the process of preparation of financial and other reporting information
- Support of centralized approach to calculating wages
- Support of the single methodology of calculating wages by positions and categories of positions

Result

- End-to-end recording of budget execution transactions and authorization of expenditures of the spending units by integrating functional components of the accounting and execution of the budget
- Automated preparation of consolidated reports on execution of the budget of the Republic of Belarus



New features of data warehouse

Centralized data warehouse

**Analysis of results and indicators of financial and economic performance of the government agencies and spending units of the Republic of Belarus**

**Evaluation of effectiveness and efficiency of the budget spending**

**Ability to download the data from MoF's AIS in machine-readable format**

**Analytical data processing (use of BI), ability to make forecasts through «what-if» inquiries**



AIS ADVANTAGES

Functional

- Linking strategic and budget planning.
- Performance orientation of the budget.
- Improved efficiency of budget spending.
- Establishment of the institute of budget revenue administrator.
- Improved performance of control and inspection bodies.
- Creating a single register of position categories and the reference book of positions.
- End-to-end recording of budget execution transaction and authorization of spending units expenditures.
- Automated preparation of the consolidated reports on execution of the budget of the Republic of Belarus.
- Creating the basis for establishing the single wage computing center.
- Linking wages to performance.
- Higher speed and accuracy of planning, analysis and reporting; improving efficiency of decision-making.
- Ability to conduct analysis based on the primary data.

Organizational

- Prompt data submission.
- Reliability of data.
- Minimization of the system support costs.
- Improved reliability and efficiency of managerial decision-making.
- Support of the current and prospective business tasks.
- Provision of applied services to the users.
- Support to PFM process.
- Reduction of hardcopy document circulation between all participants of the budget process.

Technical

- Reduced redundancy of the stored data.
- Elimination of inconsistency in the stored data.
- Multiple use of the data.
- Enabling data standardization.
- Real-time work of the users.
- Scalability.
- Reliability.
- Security.
- Balanced load.
- Active data warehouse.



STAGES OF AIS DESIGN AND DEVELOPMENT

Before the start it is needed to ensure:

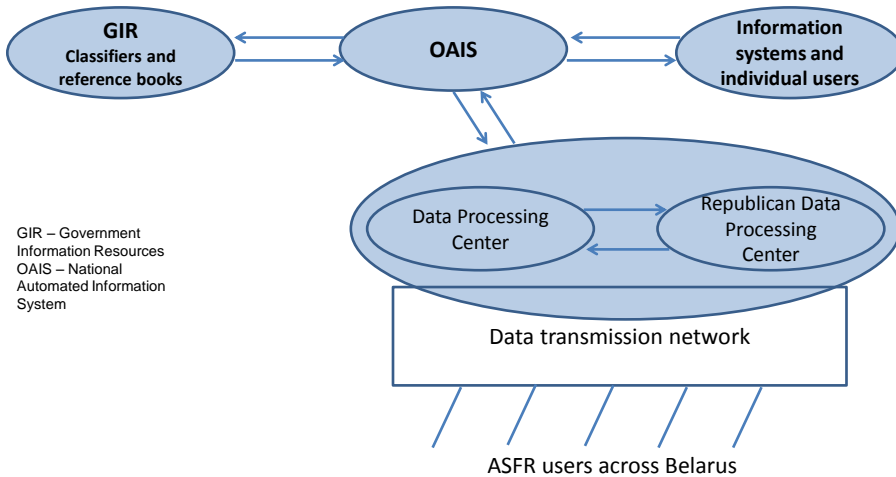
- Development of the uniform methodological approaches to public finance management at all levels of the budget system
- Development and approval of the legal acts creating the legal framework for budget process improvements
- Development and approval of the institutional and administrative documents, development of the project management arrangements, setting up working groups and their collaboration procedures







### TECHNICAL DESIGN OF NEW AIS



### EXPECTED OUTCOMES OF AIS DEVELOPMENT AND IMPLEMENTATION

- establishing of the single information space and integration of various information resources on all levels of the budget system of the Republic of Belarus required for PFM decision-making
- establishing of the objective system of criteria and evaluations ensuring coordination of different governance levels
- providing senior officials of the MoF with comprehensive, reliable and timely information on the public finance execution, including execution on all tiers of budget system, execution of the state earmarked funds, state extrabudgetary funds, as well as own source resources of spending units of all levels of the budget system
- improved transparency of the budget process and efficiency of budget allocations. Establishing a direct link between the budget expenditures and concrete results consistent to the pre-set strategic objectives
- ability to receive actual analytical information on all levels of the system operation



EXPECTED OUTCOMES OF AIS DEVELOPMENT AND IMPLEMENTATION  
(continued)

- prompt comprehensive monitoring, analysis and control at all levels of program implementation (daily, tactical and strategic)
- establishing of the uniform methodology of budget planning, budget execution, accounting and personnel management at all levels of the budget system of the Republic of Belarus
- ensuring comprehensiveness, reliability, consistency and integrity of PFM data used by the government agencies with the purpose of improve efficiency of decision-making
- improved timeliness and justification of strategic managerial decisions aimed at improving performance of government agencies
- timeliness and accessibility of the information on the budget and its execution for the citizens of the Republic of Belarus
- adoption in the area of public finance management of legally significant secured electronic document management



THANK YOU