

Group 1

Practice related to implementation of accounting standards in the public sector

**Armenia, Belarus, Georgia, Moldova, Kazakhstan,
Kyrgyzstan, Montenegro, Russia, Tajikistan,
Uzbekistan**

Tbilisi, February 10-12, 2014.

Timeliness of the topic for newly joined countries

- **Armenia** – in the Parliament the Law on Public Accounting is being discussed
- **Kyrgyzstan** – the law envisions transfer to international standards
- **Montenegro** – a decision was made to convert to the accrual method, the strategy is being developed at present
- **Uzbekistan** – the action plan has been approved, the standards are being elaborated

Progress in achieving outcomes of the group work

- **Expected outcome 1:** Available experience on analyzing differences between the current national methodology and international standards has been disseminated and summarized

Progress: Experience of Russia with respect to analysis of differences has been discussed

Plans for the future: to get familiar with similar experience of other countries (Armenia, Kazakhstan, Georgia, Tajikistan), further exploration of the Russian approach, making a summary of the experience (recommendations, notes)

Progress in achieving outcomes of the group work

- **Expected outcome 2:** Experience of the colleagues has been taken into consideration in the course of development of strategies and plans for implementation of standards in Belarus, Montenegro and Moldova,

Progress: The countries that are working on strategies and implementation plans received useful information and got new ideas in the course of group discussions in Tbilisi

Plans for the future: A meeting of the working group in fall 2014 in Minsk for the purpose of collective discussion of the draft strategies and draft implementation plans

Progress in achieving outcomes of the group work

- **Expected outcome 3:** Recommendations were presented to the colleagues from Georgia concerning improvement of their implementation plan

Progress: It has been fulfilled, the progress has been discussed, as well as plans of Georgia.

Proposals on improvement:

- to unify approaches to reporting for all levels and types of funds (including extra budgetary funds of budget recipients)
- To improve further the budget classification (the segment of sources of financing)
- To complete work on the Chart of Accounts and to provide for its application through the new information system
- To examine a possibility of concentrating in the Treasury of all funds of budgetary institutions
- To examine a possibility of creating a centralized state resource on public payments as a part of the treasury system

Progress in achieving outcomes of the group work

- **Expected outcome 4:** The experience of countries with respect to unification of financial statements (documents) using the cash method and the accrual method has been analyzed, the best practices in this area have been identified

Progress: Kazakhstan has presented the practical guidance on application of IPSAS

Plans for the future: To collect and analyze existing forms of financial statements of participating countries, to disseminate among members of the working group and to study materials provided by Kazakhstan

Additional issues for future discussions

- Interconnection between financial statements and budget planning
- Joint discussion with the group on assets of regulation of accounting for non-financial assets (register – balance sheet)
- Discussion of the recent developments of IFAC, IPSASB (exposure drafts) on further improvement of international standards
- Getting familiar with European Standards (EPSAS)

Additional expected outcomes

- Development of a document that would summarize the recommended practice for elaboration, approval and implementation of the national standards on the basis of IPSAS (based on the results of the meeting in Minsk)



Calendar Time Schedule

- **April 2014** – exchange of examples of existing reporting with subsequent generalization
- **Spring - summer** – series of video conferences of the working group
- **Fall 2014 (October ?)** – a meeting of the working group in Minsk

