

Integration of the Budget Classification and the Chart of Accounts (experience in the field of reforms of PEMPAL member countries)

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Main Reasons and Prerequisites:

- ❖ Requirements of international organizations (external donors, PEFA – Public expenditures and financial accountability, GFSM 2001)
- ❖ The need to improve finance management in the fiscal sphere
- ❖ Simplification of budgeting, accounting and analysis procedures in the budget sector
- ❖ Unified consolidated statements
- ❖ Comparability of statements from different countries
- ❖ Implementation of information systems

Public Expenditure Management Peer Assisted Learning Network (PEMPAL)

Starting from 2012, TCoP encouraged its members to establish small working groups to share experience and to develop common plans.

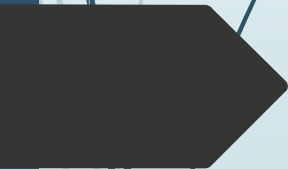
- ❖ November 2012, Azerbaijan – a working group on the CA/ BC (Georgia, Azerbaijan and Ukraine + Russian Federation and Moldova)
- ❖ April 2013, Kiev – a meeting of the working group for presenting countries' experience in the sphere of CA/ BC reforms
- ❖ 2014 - document “The best practices in development of the Chart of Accounts in member countries”.
- ❖ 2018 - establishment of a new working group, which is comprised of representatives of Azerbaijan, Belarus, Moldova and the Russian Federation

Principles for Efficient Elaboration of the Chart of Accounts

- ❖ Completeness.
- ❖ Level of detail.
- ❖ Mutual exclusion of segments of the Chart of Accounts.
- ❖ Non-redundancy.
- ❖ Internal consistency.
- ❖ Scalability.
- ❖ Single structure.

Structure of Segments of the Recommended CoA


Source of Funds	Organisation	Function	Project	Location	Economic	Program
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This Structure of Seven Segments Facilitates Accomplishment of a Number of Main Tasks Related to Reporting, Accounting and Management:

- ❖ **Consolidation of classification and reporting**
- ❖ **Common reports for analysis and internal control**
- ❖ **Fiscal reporting, including the main government report, fiscal balance, and macro fiscal reports;**

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- ❖ Reporting on budget execution and a possibility to ensure in the integrated financial management information system (IFMIS) control over cash both in terms of appropriations, budget allocations and assumed obligations;
 - ❖ Statistical reporting (GFSM 2001)
 - ❖ A possibility for a single recording of transactions



Additional information

<https://www.pempal.org>

Section: Treasury Community of Practice

<https://www.pempal.org/event/treasury>