

Public sector accounting - Albania



1

- The legal framework for public sector financial accounting and reporting is complex, fragmented and ambiguous;
- There is a degree of uncertainty regarding the precise number of public sector entities and this would need to be resolved in conjunction with any planned steps for consolidation of financial statements;
- There are no specific public sector accounting standards for the government sector.
- Most economics graduates choose to enter the private rather than public sector because of a significant difference in remuneration between the two sectors;

Public sector accounting - Albania



2

- There is no professional education and qualification offered in the fields of public sector finance and accounting;
- There is also no professional body in Albania for public sector finance staff;
- There is no requirement for finance and accounting staff in the public sector to undertake regular relevant continuing education.
- There is no code of ethics for accountants in the public sector. However, there is a code of ethics for public sector internal auditors issued by the MOF.

Public sector accounting - Albania



3

● *Project “Development of Public Sector Accounting and Financial Reporting” (2018-2023)*

- Development of public sector accounting and financial reporting in line with IPSAS;
- Development of MoFE capacities and of professional accounting skills for public accounting practitioners;

[Albania]

Public Sector Accounting Education Pathway



4

| | |
|--|---|
| Nature of Pathway (Option A, B, or C) | Pathway A. PAO (provides continuous professional education for the development of accounting professionals). Ministry of Finance and Economy in collaboration with ASPA (will provide all PSA specific education and on-the job-training) |
| Members of Educational Pathway Committee | Representatives from Ministry of Finance and Economy and other stakeholders (for example State Audit Institution/ Universities/ Professional Accountancy Organization, ecct). |
| Identified Constraints and Challenges | <ul style="list-style-type: none">• The improvement and update of the public sector accounting curricula (based on the IPSAS) for the master level and the introduction of the principles of public sector accounting in the bachelor level;• The lack of professional competences based on IES for public sector accountants;• The lack of the human resources (for providing trainings for IPSAS), information technology (accounting programs), budget (supported by World Bank Project); educational materials;• Collaboration between all stakeholders. |
| Next steps | <ul style="list-style-type: none">• Technical capacity building for the Financial Reporting Unit and Central Harmonization Unit (CHU) at the MoFE;• Development of professional accounting skills and a sustainable public sector accounting training and certification mechanism. |



| Technician | University Bachelor Level | University Master Level |
|---|---|---|
| <ul style="list-style-type: none">• They fill various operational accounting roles in a public sector environment.• There is a need to develop the professional accounting skills of finance staff in budget entities as there is no tradition of modern accounting profession and regular training in the public sector.• The development of the professional accounting skills will be provided through a sustainable public sector accounting training and certification mechanism by:<ul style="list-style-type: none">• Local institution;• International institutions (collaboration). | <p>Providing different courses regarding the public sector in general and public sector accounting in particular, such as:</p> <ul style="list-style-type: none">• Introduction of Public sector accounting;• IPSAS fundamentals;• Public Finance Management Introduction;• Fundamentals of Budgeting and Management Analysis; | <ul style="list-style-type: none">• Professional Master program on Public Administration and• Professional Master of Accounting and Auditing.• We plan to introduce advanced public sector accounting courses based on IPSAS and other related subjects in all universities in our country. |



Professional Accountancy Organization

Government Training/Finance Academy

Certification/Qualification

Continuing Professional Development

- PAO provides continuous professional education for the development of accounting professionals;
 - PAO will be a potential partner in development of IPSAS knowledge, development of curriculum, materials, trainers and certification (based on its experiences with the private sector)
- According to the current structure of the MoFE, the CHU is in charge of the public accounting methodology while the Treasury will implement the standards in the Treasury System and for the financial reporting.
- defining institutional responsibilities and setting up a work plan for the newly created Financial Reporting Unit (Treasury and the CHU;
 - training of a selected number of financial professionals to obtain an internationally recognized professional qualification certificate;
 - training of a sufficient number of trainers through the train of trainers approach (ToT),

PAO (qualification of private sector accountants)

For public sector (Ministry of Finance and Economy) - institutionalization of a local training and certification program at a local institution to ensure the sustainability of the development of public accounting skills in the long-run.

Collaboration with PAO, ASPA, universities, international recognized institutions.

Ministry of Finance and Economy in collaboration with ASPA, universities will provide trainings and continuing professional development to maintain competencies.