



PERSPECTIVES FOR
THE FUTURE

SEMIANNUAL PROGRESS REPORT

October 1, 2018 - February 28, 2019

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**PULSAR REGIONAL PROGRAM
SEMIANNUAL PROGRESS REPORT**

**Reporting period from
October 1, 2018 to
February 28, 2019**

Date of the report: March 5, 2019

SUBTASK 1: RAISING AWARENESS OF REFORM RATIONALE

Key Project Data

Subtask title: Subtask 1: Raising Awareness of Reform Rationale (P165094; TFA5779: parallel window)

Duration of project: September 15, 2017 - June 30, 2020

Progress to date

Overall performance of Subtask 1 is on track.

Component 1a – Stocktaking of PSA environment: The preliminary results of the stocktaking exercise were presented at the PULSAR Senior Officials Workshop in November 2018. The first draft of the comparative study was delivered by ZHAW and is in the process of being Bank internally reviewed.

Component 1b – Awareness raising events: The Ministerial Conference (MC) and Senior Officials Workshop (SOW) 2018 were held in Vienna on November 26 and 27, 2018. About 300 delegates including ministers of finance, senior government experts, and representatives of the business, professional and academic communities gathered to discuss the role financial information plays in supporting economic development, regional and global integration of economies, and convergence of income and living standards between poorer and richer countries.

Component 1c – Knowledge creation and sharing: The PULSAR program website, that contains a comprehensive library of PSA related documents and info sites as well as an online forum for community of practice (CoP) participants, is now online under www.pulsarprogram.org. The second Newsletter has been sent out before the Ministerial Conference in November 2018 and can be downloaded from the website. The high-level guide on benefits of public sector accrual accounting has been published in all languages of the PULSAR region and disseminated at the MC.

Conclusions/ lessons learned

N/A

Next steps

The comparative study is planned to be finalized by May 2019 and will be discussed with beneficiaries in an in-country dissemination workshop, following an official peer-review process. The next newsletter has been prepared and will be sent out in the beginning of April. Preparatory work on second phase deliverables is ongoing.

SUBTASK 2: FINANCIAL REPORTING FRAMEWORKS

Key Project Data

Subtask title: Subtask 2: Financial Reporting Frameworks (P165095; TFA5788: parallel window)

Duration of project: September 11, 2017 - June 30, 2020

Progress to date

Performance of Subtask 2 is on track. Overall significant progress has been achieved under the subtask in terms of activities/deliverables, and in terms of progress made towards the objectives of the subtask, particularly: (i) Financial Reporting Frameworks Community of Practice (FINCOP) has been established following nomination from MOFs and Treasuries of 13 PULSAR beneficiary countries; (ii) FINCOP identified priority topics and knowledge products and ranked these in order of importance; (iii) three face to face, including working group, meetings have been organized; (iv) the first thematic virtual workshop has been delivered – branded by FINCOP as Smart Interactive Talk (SIT); (v) the first and second knowledge products have been developed through direct engagement of the FINCOP members, and development of an updated REPF toolkit is being finalized. In addition, a core team of volunteers from FINCOP has been established which is actively consulted on all the FINCOP activities including coverage and scope of the agenda for the FINCOP events.

FINCOP's inaugural meeting was held at a workshop in Vienna on December 12-13, 2017. The workshop considered latest developments in International Public Sector Accounting Standards (IPSAS) as well as progress made towards the introduction of European Public Sector Accounting Standards (EPSAS). Further, participants discussed the PSA reform challenges their countries face, their key priorities as well as the factors that can lead to PSA reform failure. The second FINCOP workshop took place on April 23-25, 2018 in Vienna to explore similarities and differences between GFSM/ESA/SNA and IPSAS/EPSAS; to understand and good practices on sequencing of IPSAS implementation and roadmap development; and to discuss requirements for consolidation of financial statements at the entity and whole of government levels; as well as key developments under the EU EPSAS project.

From 26 - 29 November 2018, several PULSAR events took place in Vienna including the Senior Officials Workshop and the Ministerial Conference. As part of this event, FINCOP organized its third meeting on November 28, 2018. This was a one-day event organized jointly with STAREP, EU-REPARIS respective CoPs. The joint event covered topics of mutual interest including (i) Impact of recent corporate scandals on the accounting profession including

challenges faced in the public sector; (ii) How technology is changing accounting and auditing; (iii) Accounting professions role in the public and private sector: novelties, challenges; and (iv) State-Owned Enterprises (SOEs) in the scope of public accounts: enhancing transparency and improving accountability mechanisms.

A Smart Interactive Talk (“SIT”) on the topic of Accrual Budgeting was delivered on July 10, 2018. This topic had been identified by the FINCOP as one of the priority areas for a virtual meeting. The SIT was run in four languages in parallel connecting 14 video sites and numerous WebEx participants with many questions addressed interactively

The first knowledge product of the FINCOP - Good Practice Template to Public Sector Accounting Reform Roadmap on sequencing of PSA reforms has been developed and published. The product was drafted during the second FINCOP workshop and has been finalized with support from Zurich University of Applied Sciences (ZHAW), FINCOP members and World Bank staff. The document which exemplifies knowledge sharing and collaboration, aims to inform and support governments in preparing and implementing reforms by highlighting key issues. This good practice template summarizes the main considerations to be made in the development of a national reform concept and implementation roadmap. It outlines an overarching framework covering existing practice and thoughts on reform governance.

The second knowledge product identified by FINCOP participants relates to a “Benchmarking Guide of Differences between IPSAS/GFS2014/ESA2010”. This aims to be a conceptual guidance note on the linkages, differences and reconciliation of IPSAS, GFS2014 and ESA2010 aiming to present the role of the two distinct reporting systems and the respective international standards. The guidance note facilitates (i) a common understanding within the PULSAR countries and support the enhancement of reporting of public sector financial reporting and statistics in line with international standards; (ii) identification of differences between those frameworks; and (iii) recommendations on how to manage the differences. Experts from ZHAW have been engaged to develop the product. The knowledge product is to be published shortly and will be presented at a working group meeting of FINCOP in June 2019.

The Report on the Enhancement of Public Sector Financial Reporting (REPF) is a PSA Diagnostic Tool of the World Bank, which is deployed for use in different countries to assess the potential value of adopting IPSAS and compares and assesses the conformity between national public sector accounting standards and IPSAS. The tool is used to identify gaps in standards, practices and environment and informs alignment with international standards. In order to keep the instrument up to date it needs to be regularly updated following the developments of new IPSAS or amendments in the existing standards. An update of the PSA diagnostic tool has also been finalized to bring it in line with developments in IPSAS. The tool will also be presented at the next FINCOP working group meeting in June 2019 and will also

be upgraded to incorporate assessment measures linked to the PEFA accounting and reporting indicator, as well as introduce a scoring model.

Conclusions/ lessons learned

Participants appreciated the use of group work to stimulate discussions and the use of interactive formats for the face to face meetings. The frank and open discussions along with the detailed practical country experiences shared were also greatly valued. Further, the feedback received from the first SIT has been extremely encouraging with participants appreciating the quality of the speakers and the efforts made to make this interactive. To further realize benefits of the program, the participants expressed a need to invite speakers from Supreme Audit Institutions, Public Sector Internal Audit and Budget functions to share their experiences in FINCOP meetings. Further, it was suggested to engage speakers from countries with advanced accrual reporting, such as New Zealand, Australia, Austria and the UK for the more advanced topic of accrual budgeting and to enhance time allocated for networking opportunities. These suggestions are being incorporated for future FINCOP meetings keeping in view cost/benefit considerations.

To continue and reinforce learning outcomes, and based on feedback received from the participants, FINCOP meetings will continue to use group work and interactive sessions to reinforce learning. Pre-reading material will be shared with the participants in advance of face to face and virtual meetings.

Next steps

The PULSAR Financial Reporting Community of Practice (“FINCOP”) will hold a working group meeting from 3-4 June 2019 in Winterthur, Switzerland, which will explore the topic of unified chart of accounts (“UCOAs”) in public sector reporting. The UCOAs used for financial, budget, statistical and performance reporting will be considered during the workshop, and international good practices and experience in designing those UCOAs will be shared and discussed. The progress made in PULSAR FINCOP, including knowledge products developed, will also be presented.

SUBTASK 3: ACCOUNTING EDUCATION AND CAPACITY

Key Project Data

Subtask title: Subtask 3: Accounting Education and Capacity (P165096; TFA5772: parallel window)

Duration of project: September 15, 2017 - June 30, 2020

Progress to date

Overall performance of Subtask 3 is on track. Significant progress has been achieved related to outputs under Subtask 3 as per the Results Framework, particularly: (i) the EDUCOP has convened three face to face CoP events and one virtual event (ii) benchmarking of PSA education was analyzed for strengths, weaknesses, constraints, and opportunities; (iii) the Accrual Based Accounting Minimum Competency Framework for Public Sector Finance Professionals has been finalized and is available on the website (iv) the guide on Educational Pathways for the Public Sector based on IES has been prepared and is being used by the group to assist development of educational pathways at the country level (v) a Good Practice Note highlighting examples of PSA practices within the group is in the process of being drafted (v) and selection of the international consultant for the PSA ToT is being finalized.

The Public Sector Accounting Education Community of Practice (EDUCOP) membership includes representatives from Ministries of Finance, universities, and Professional Accountancy Organizations of beneficiary countries involved in PSA education development. The first two EduCop meetings and the virtual event have been summarized in earlier reports.

The 3rd workshop of the PULSAR EDUCOP took place on November 28-29, 2019 in Vienna. On the first day of the workshop, participants reported progress on development of country level PSA educational pathways. The majority of countries reported that they are following a hybrid approach, whereby existing accounting educational pathways are leveraged to develop public sector accounting education. In order to prepare for the rollout of the PSA ToT, the participants were then present-ed with the mechanics of operationalizing an effective “Training of Trainers” program by the ZHAW School of Management and Law as well as a practical example of ToT rollout by the Austrian Ministry of Finance. Finally, the Ministry of Finance of Austria presented its ongoing PSA education reform project. The second day of the workshop was held jointly with the STAREP EDUCOP and comprised technical learning on developing educational programs in accordance with International Education Standards. In

this session, the recently released Competency-Based Accounting Education, Training and Certification Implementation Guide was presented to the group. Subsequent sessions conveyed guidance for development of Continuing Professional Development Programs, covering such considerations as strategy and structure and determining scope of offerings and course development options. Additionally, the Vienna University of Economics and Business shared information on programs and teaching methods with the group.

The Accrual Based Accounting Minimum Competency Framework for Public Sector Finance Professionals has been finalized and is now available on the PULSAR website.

Conclusions/ lessons learned

Participants appreciate the ability to interact with other PSA education stakeholders and MoF representatives and for many, the PULSAR event was the first time that they were brought together to discuss, collaborate, and coordinate on the topic. The frank and open discussions along with sharing detailed practical country experiences are greatly valued. Other priority topics include development of IPSAS knowledge, development of curriculum, materials, trainers, and certifications, and potential partners/resources. These topics will be addressed in large part through the PSA ToT. Because many representatives from government and universities were not familiar with IES technical content focused on developing foundational knowledge in accounting education, knowledge of IES and related core competencies were focused on throughout EDUCOP delivery. Another priority area included increasing the newly established cooperation between Governments, universities and PAOs. To address this, the establishment of a PSA Educational Committee at country levels has been encouraged. In sharing PSA educational pathways, many countries expressed a need for strengthening dialogue at the country level. In response, the team will strive to support dialogue at the country-level by participating in country-level PSA steering committee meetings.

Next steps

The next EDUCOP event will be held April 8-9 at the Center for Excellency in Finance in Ljubljana, Slovenia. During this session, delegations will update the group on progress with country level education plans and learn more about the mechanics of harmonizing PSA education pathways delivered through various educational providers. A representative from ACCA will present its IPSAS certification program to the group and Ernst & Young will present its recently developed Model IPSAS financial statements. The group will plan for the rollout of the PSA ToT by designing first, second and third level tiers, management and accountability mechanisms, and will be requested to identify first level trainers for the program. Before

concluding the workshop, participants will learn more about the resources and programs available through CEF.

The PSA ToT is expected to rollout in the 2nd quarter of 2019

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