



Ministry  
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# Developing Standardised Chart of Accounts

## Polish experience

PULSAR conference

June 4, 2019

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## Charts of accounts in Poland

### Current situation

All public sector entities apply Accounting Act (private sector rules). Entities directly linked to the budget additionally use standardized CoAs and standardized layouts of financial statements.

CoAs are harmonized at the level of general ledger. Entities are allowed to set up analytical accounts and to add additional general accounts if they find it necessary.

Additionally, entities directly linked to the budget apply budgetary classification (classification system separate from CoAs).

In order to optimize data gathering system Budgetary System Reform and Public Sector Accounting Reform have been initiated.



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# Public Sector Accounting Reform

## Aims

- Strengthening of the public asset management system
- Modernization of the way in which financial information is gathered
- Enhancement of the way in which information is presented in financial statements
- Delivery of additional information needed for budgetary and statistical purposes

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# Public Sector Accounting Reform

## Main products

1. Financial reporting reform in public sector aimed at issuing the consolidated financial statement of the state
2. Accounting reform for budgetary purposes aimed at providing support for budgetary process - modernized chart of accounts integrated with the new budgetary classification in the form of one Standardized Chart of Accounts.

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## Accounting system in Poland at entity level

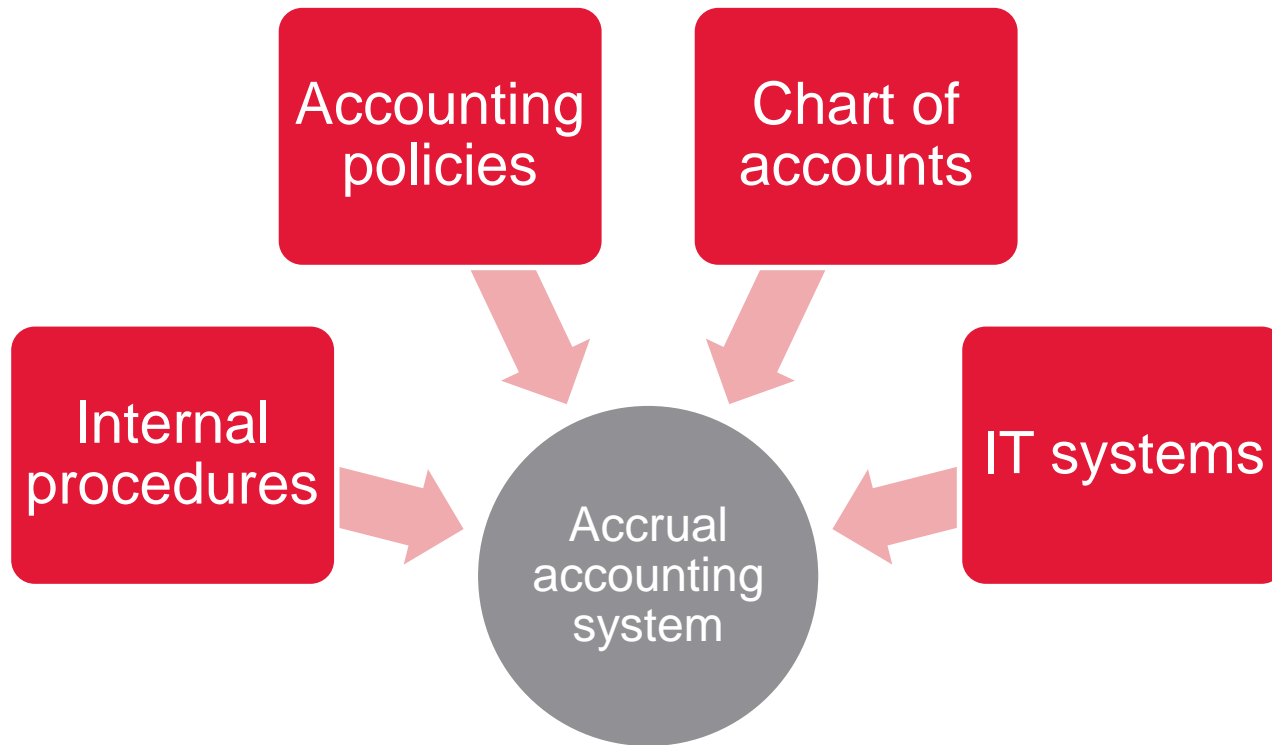




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## Accounting system in Poland at entity level





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25.01.2016

## Public sector accounting in Poland

### Public sector structure vs. accounting

#### State budget

- Budgetary entities
- special purpose funds
- Budgetary institutions
- Executing agencies
- Cultural institutions
- Hospitals
- Universities
- Social security and health funds
- Other State legal entities

#### Local budgets

- Local budgetary entities
- Local budgetary establishments
- Local cultural institutions
- Local hospitals
- Other local legal entities

1. Accounting Act
2. Accounting Act + MoF Regulations (incl. layout for financial statements and **unified charts of accounts**)

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## Public sector accounting in Poland

# Standardised charts of accounts (current structure)

- For the state budget
- For budgets of local entites
- For budgetary entities
- For overseas budgetary institutions
- For central tax authorities
- For local tax authorities



**Budgetary entities**



**Independent agencies  
(legal persons)**





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## Chart of accounts for budgetary entities - structure

MoF regulation on pub. accounting General accounts	Entities decision Analitical accounts	MoF regulation on budgetary clasification Analitical accounts	MoF regulation on performance budgeting Analitical accounts
0 Fixed assets	up to entity's needs		
1 Cash and its equivalents	up to entity's needs	according to the regulation	according to the regulation
2 Settlements	up to entity's needs	according to the regulation	according to the regulation
3 Materials	up to entity's needs		
4 Costs by nature	up to entity's needs	according to the regulation	according to the regulation
5 Costs by function	up to entity's needs		
6 Products	up to entity's needs		
7 Revenues	up to entity's needs		
8 Equity, provisions and results	up to entity's needs		
9 Off balance accounts	up to entity's needs	according to the regulation	according to the regulation



**Purchase  
of services**

**402  
201**

**12  
12**

**75001 4300 BA.009  
75001 4300 K.4344**

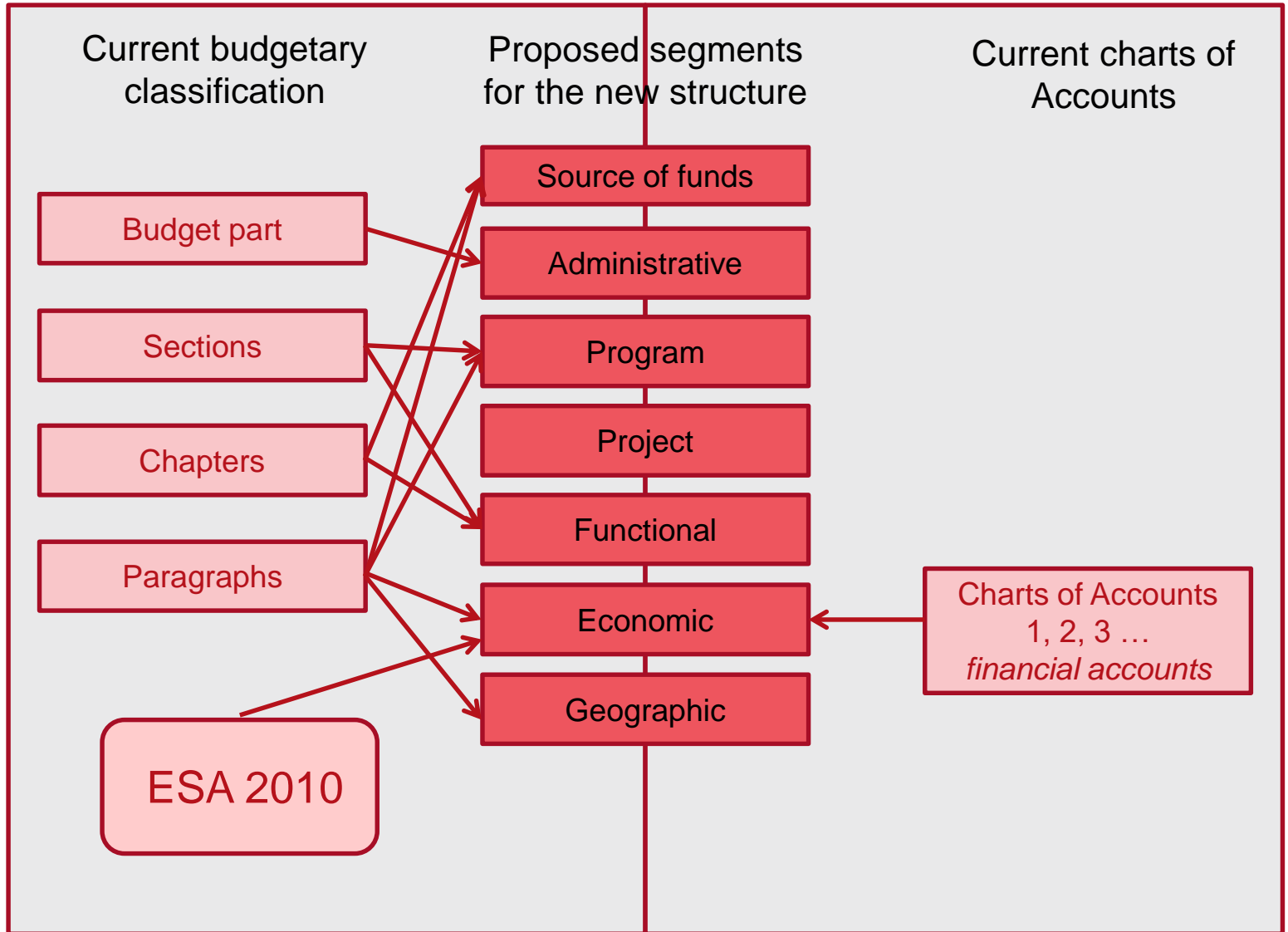
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# Standardized Chart of Accounts – proposed structure





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## Standardized Chart of Accounts

### Characteristics of the proposed structure

- Multidimensional
- Harmonised
  - across entities
  - in terms of terminology
- Coded to facilitate electronic registration and use of data
- Hierarchically structured
- Uniform to a certain level
- Flexible/expandable at the lowest level

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## Standardized Chart of Accounts

### Challenges

1. Addressing differences in budgetary, statistical and financial reporting systems (different aims, definitions, measurement etc.)
2. Clearly defined economic categories – accounting vs. budget vs. statistics (cash – accrual)
3. Suitability for different types of entities in public sector
4. Proper balance between standardization and flexibility
5. Completeness of information vs. information redundancy
6. Enforcement of the proper use
7. IT support (one centralized system vs. standardized format of data exchange between differed systems)
8. Implementation challenges



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**Thank you for your attention!**

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