



# **Kosova's Journey to IPSAS and GFS**

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## **Ministry of Finance of the Republic of Kosovo**

In Republic of Kosovo, except other State Agencies and Departments, within Ministry of Finance there are two bodies responsible for ensuring sound PFM:

- Kosovo State Treasury and
- Central Harmonization Unit



## **Kosova State Treasury (1/2)**

- Treasury Department was established just after the war (2000) during UNMIK Administration with direct support by US Treasury.
- By the Law on Public Finance Management and Responsibilities', Treasury has a substantial autonomy within the Ministry of Finance
- Kosova State Treasury has over 75 experienced employees, well trained by different partners/donors (IMF, USAID, World Bank etc.)
- KFMIS/Core System has over 1,500 users (BO)

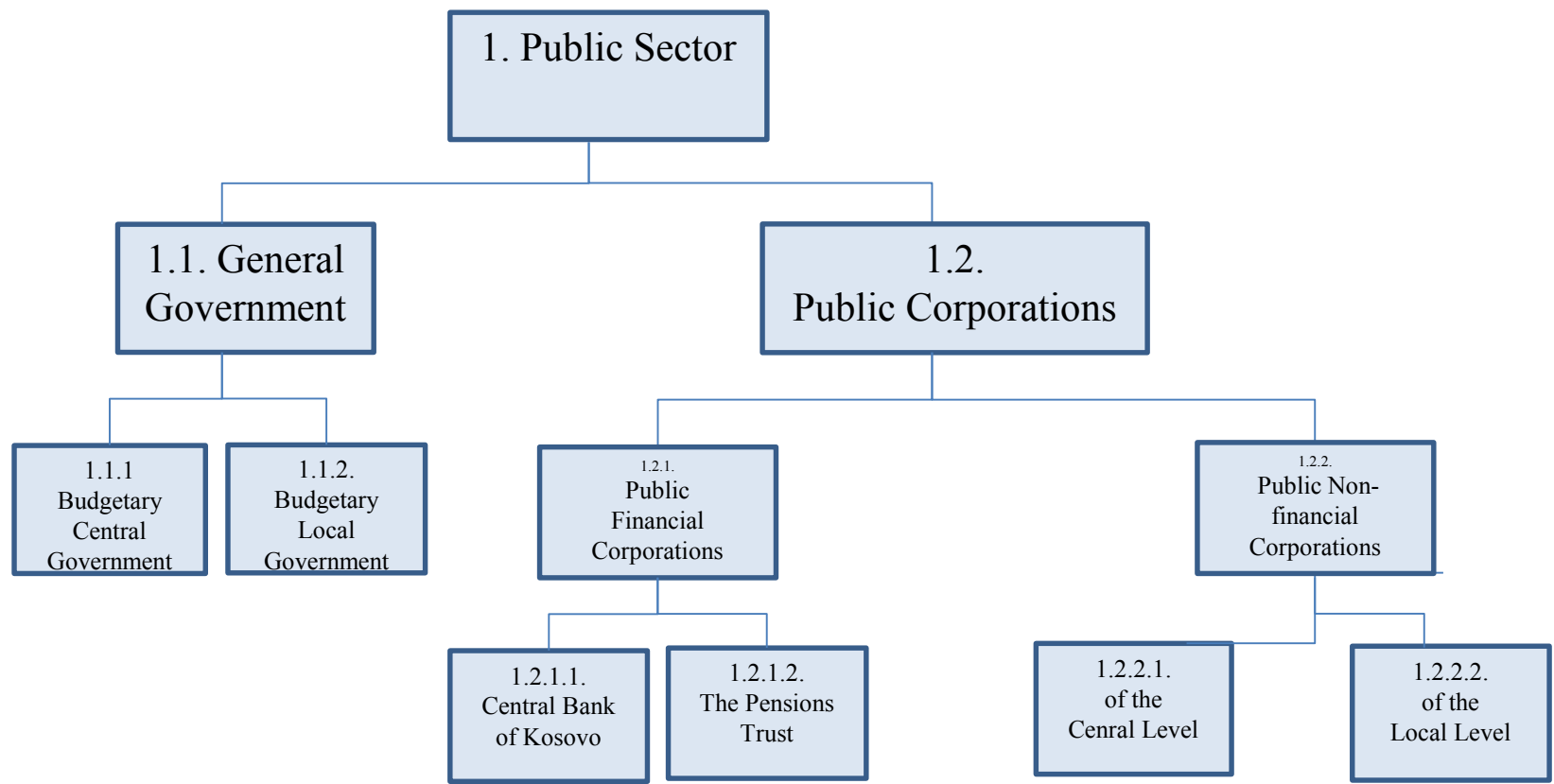


## Treasury of State/Kosova Treasury (2/2)

- Kosova State Treasury responsibilities are split into four main so called functions:
  - Cash and Debt Management
  - Operations and System Management
  - Accounting, Reporting and Monitoring
  - IT and Administration Support
- *Payroll Management (Over 88,000 public servants) - extended role of Treasury*



# Public Sector in the Republic of Kosova





## Main Facts of Treasuries Journey in IPSAS,GFS...

- Since 2004 Treasury has adopted International Public Sector Accounting Standards (IPSAS)
- Applies Cash basis accounting principles
- Operates through Treasury Single Account (1999)
- Applies unified Chart of Accounts on budget planning, budgeted executing and reporting
  - *Chart of Accounts, Budget execution and reporting are on the responsibility of Treasury*
- Reporting on General Government according to GFS (Government Finance Statistics Manuals)



[https://en.wikipedia.org/wiki/International\\_Public\\_Sector\\_Accounting\\_Standards](https://en.wikipedia.org/wiki/International_Public_Sector_Accounting_Standards)

**Kosovo** – Having adopted the cash-basis IPSAS in 2004, the Republic of Kosovo was among the first countries in the world to issue financial statements complying with the cash-basis IPSAS. These financial statements are available in web page MoF:

<https://mf.rks-gov.net/Page.aspx?id=1,29>



Treasury on 2007 has prepared and published its Manual on Accounting and Reporting Procedures/Instructions to be followed by Budgetary Organizations (BO)

<https://mf.rks-gov.net/>





KFMIS/Kosovo Financial Management System includes authorized users (approx. 1,700) of all BO's to have access as authorized and perform their role towards public budget spending, recording and reporting.

Training and Certification Unit within Treasury operates under System Management for all users. All users (existing or new) need to be trained and certified in advance by Treasury, by getting respective technical skills on the specific financial module(s).

Only one role can be exercised per user into KFIMS.



Kosova is in the process of harmonizing the GFSM 2014 (Government Finance Statistics Manuals) as the latest version of IMF for General Government and Kosovo Chart of Accounts.

Accounting and Reporting on the General Government is responsibility of Treasury within MoF, which includes also High frequency reports to IMF windows.

Kosova is very much thankful to all partners which had directly supported with technical assistance on this journey (US Treasury, IMF, USAID, Word Bank).



## Fiscal Data Reporting: Kosovo (March 2018 vs. March 2018)

# Status of Fiscal Data Reporting – March 2015

		IMF		World Bank / IMF	Eurostat	
	<i>Register of Government Units</i>	<i>High Frequency Fiscal Data International Financial Statistics</i>	<i>Annual GFS Data Government Finance Statistics Yearbook</i>	<i>Quarterly Public Sector Debt Statistics Database (QPSD)</i>	<i>Excessive Deficit Procedure (EDP)</i>	<i>National Accounts Data</i>
Kosovo	x	x	x	x	no data yet	no data yet
Kosovo	✓	✓ <sup>1</sup>	✓	✓	no data yet	4

# Status of Fiscal Data Reporting – March 2018



# Bridge table CoA/GFS and ESA codes

CoA	DESCRIPTION	PERSHKRIMI	GFSM2014Y	GFSM2014S	ESA	ESA SDMX
11110	GROSS SALARIES THROUGH PAYROLL	PAGAT NETO PËRMES LIS.PAGAVE	211	21	D.11	D.11GA
11115	PAGESA PER SINDIKATE	PAGESA PER SINDIKATE	211	21	D.11	D.11GA
11201	PAGESA NETO-PUNE JASHT ORARIT	PAGESA NETO-PUNE JASHT ORARIT	211	21	D.11	D.11GA
11202	PAG.NETO-PUNE ME ORAR SHKURTU.	PAG.NETO-PUNE ME ORAR SHKURTU.	211	21	D.11	D.11GA
11203	PAG.NETO-PUNE NE NDERRIM.NATES	PAG.NETO-PUNE NE NDERRIM.NATES	211	21	D.11	D.11GA
...	...	...	...	...	...	...
13130	DIR.TRAVEL EXP.INSIDE COUNTRY	SHPENZ.UDHË.ZYRT.BRENDA VENDIT	22	22	P.2	P.2
13131	MEDITJA UDH.ZYRT.BRENDA VENDIT	MEDITJA UDH.ZYRT.BRENDA VENDIT	22	22	P.2	P.2
14022	MIRËMB.NDËRT.ADMINIST.AFARISTE	MIRËMB.NDËRT.ADMINIST.AFARISTE	22	22	P.2	P.2
14023	MIRËMBAJTJA E SHKOLLAVE	MIRËMBAJTJA E SHKOLLAVE	22	22	P.2	P.2
14024	MIRËMBAJTJA OBJEKT.SHENDETSORE	MIRËMBAJTJA OBJEKT.SHENDETSORE	22	22	P.2	P.2
14030	MAINT.OF ROAD INFRASTRUCTURE	MIRËMBAJTJA E AUTO RRUGEVE	22	22	P.2	P.2
...	...	...	...	...	...	...
21110	SUBSID.TO PUBL.OWNED ENTITIES	SUBV.PËR ENTITETET PUBLIKE	251	251	D.319	D.319
21120	SUBS.TO PUBLI.CULT.ENTITIES	SUB.PËR ENT.PUBL.KULT(TEA.BIB)	2631	26	D.319	D.319
21200	SUB.TO NON-PUBL.ENTITIES	SUB.PËR ENTIT.JOPUBLIKE	252	252	D.39	D.39
23110	PAYMENTS FOR SEKT.E BLEGTOREIS	PAGESAT PER SEKT.E BLEGTOREISE	252	252	D.39	D.39
...	...	...	...	...	...	...
31110	RESIDENTIAL BUILDINGS	NDËRTE SAT E BANIMIT	3111	31	P.51G	P.51G
31120	BUSINESS BUILDINGS	NDËRTE SAT ADMINISTRAT.AFARISTE	3111	31	P.51G	P.51G
31121	EDUCATION BUILDING	OBJEKTET ARSIMORE	3111	31	P.51G	P.51G
31122	HEALTH BUILDING	OBJEKTET SHËNDETËSORE	3111	31	P.51G	P.51G
31123	CULTURAL BUILDING	OBJEKTET KULTURORE	3111	31	P.51G	P.51G



## **Central Harmonization Unit (MoF)**

Apart of other responsibilities, by Law is responsible for Internal Control of Public Finances in the hierarchy of accountability.

- Is responsible to train and certify all public sector internal auditors
- Until now, there are over 85% licensed public sector internal auditors
- PFM Reform/ Internal Control of Public Finances
- SIGMA



## **Mid-term plans 1/2**

Kosova is planning to start preparations for the reform on public sector accounting by aiming to shift to the international accrual-based accounting standards.

This process is aimed to start happening gradually in the medium term perspective (3-5 years), by addressing the following :

- Time needed and resources to be allocated,
- Legislation changes,
- Technical developments/configurations,
- Advanced technical assistance and expertise,
- Trainings and capacity developments, etc.



## **Mid-term plans 2/1**

Technical assistance and support is needed, while WB/Pulsar is playing an important role in experience sharing and best practices of other countries.

Restructure current Training Bodies with intention to establish a Training and Certification Center for Public Accounting and Auditors, in partnership with Education/Academy and Professional Association is possible for added value/extra value proposition.

Certification to be required only for key financial roles, and to maintain the license update on periodical basis.





Thank you for your attention

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