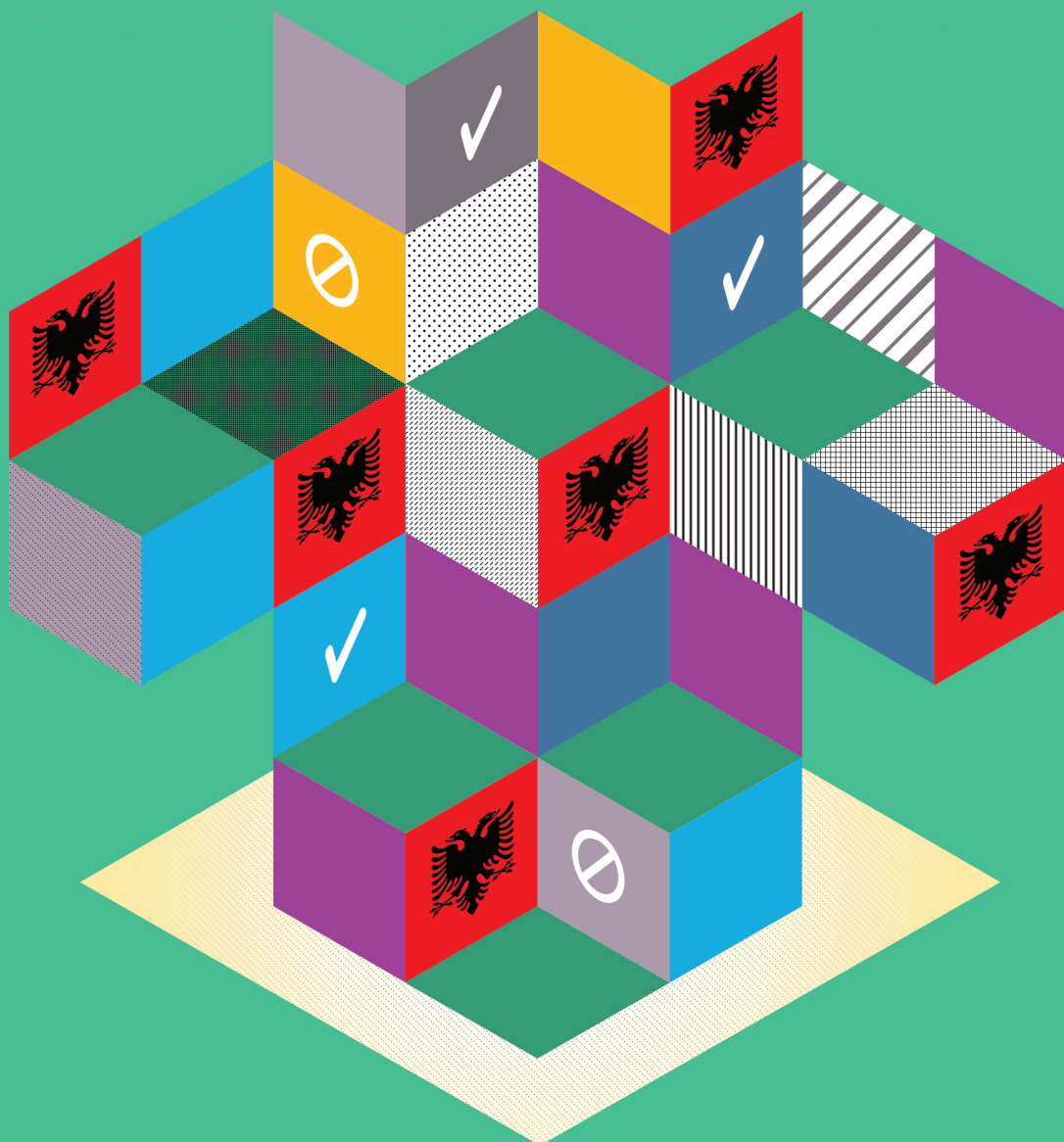


STOCKTAKING OF PUBLIC SECTOR ACCOUNTING  
AND REPORTING ENVIRONMENT  
IN PULSAR BENEFICIARY COUNTRIES

COUNTRY FACT SHEET:  
ALBANIA



# CFRR»

**Centre for Financial  
Reporting Reform**



**WORLD BANK GROUP**

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# PULSAR

The Public Sector Accounting and Reporting Program  
Web: [www.pulsarprogram.org](http://www.pulsarprogram.org)

In cooperation with:

Zurich University  
of Applied Sciences



**School of  
Management and Law**

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# COUNTRY FACT SHEET: ALBANIA

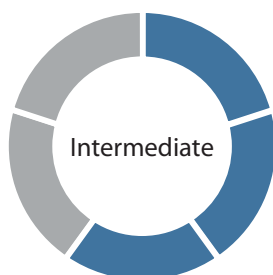


## SELF-ASSESSMENT

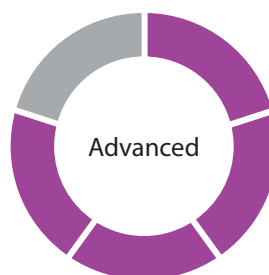
GOVERNMENT  
BUDGETING CYCLE



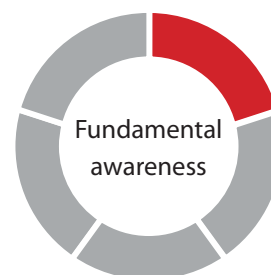
ACCRUAL ACCOUNTING  
PRINCIPLES



FINANCIAL MANAGEMENT  
INFORMATION SYSTEMS



IPSAS  
ACCRUAL



## BUDGET

- Budget available to public
- Recognition Basis
- Method of Publication
- Regular in-year budget reporting
- Comparability of budget execution reports and financial reports
- Envisaged budget reforms

**Yes**

**Cash transitioning to accrual**

**Separate from Financial Statements**

**Yes**

**Yes**

**Accrual**



## ACCOUNTING

- Recognition Basis
- Current accounting basis and reporting standard
- Financial reporting standard setter
- Coverage of Consolidation

**Cash transitioning to accrual**

**Legal and sublegal acts of the Ministry of Finance and Economy**

**Ministry of Finance**

**Ministries & other federal/ central government departments, Agencies, Social security fund(s), Regional and/or local government, SoEs**

*Envisaged Accounting reforms*

- Accounting basis
- Reporting standard

**Accrual**

**IPSASs adopted indirectly via national standards**

## AUDIT

Risk-based methodology and professional standards exist

SAI opinion is provided

Professional license or education required for audit personnel

SAI conducts compliance audits

SAI conducts performance audits

External auditors have specific expertise in national public sector accounting standards

**Yes**

**SAI provides opinion according to the regulation framework in force, usually provided by the MoF**

**No**

**Yes**

**Yes**

**No**

## CAPACITY DEVELOPMENT & PROFESSIONAL EDUCATION

The PAO contains a unit, membership tier, or committee focused on the Government Sector

Government sector accountants subject to minimum CPD requirements

Standards and/or frameworks that are followed in the delivery of PSA education

**No**

**No**

**Bologna Process (European Higher Education Area), CIPFA**

## GOVERNMENT FINANCIAL STATISTICS

International GFS Guideline

Reconciliation between GFS & financial statement

Frequency of GFS reporting

**GFSM 2014**

**Yes**

**Annually**

## FINANCIAL MANAGEMENT INFORMATION SYSTEMS

Elements of IFMIS

Entities' degree of autonomy

IT governance standards

IT system used for consolidation

**Budget preparation and execution, treasury single account, debt management, accounting & reporting**

**Entities report directly to the treasury administration**

**There are guidelines and minimum criteria for software**

**Consolidation under a dedicated IT system such as an IFMIS**

## INSTITUTIONS & REGULATIONS

*Mechanisms for implementation of standards & guidelines related to Public Financial Management*

Financial reporting requirements	<b>Law, Regulation, MoF circular</b>
SoEs	<b>IFRS &amp; National Accounting Standards</b>
CFS	<b>Law, Regulation &amp; MoF circular</b>
External audit requirements	<b>Law, Regulation, INTOSAI</b>

*Required to follow a code of conduct*

Internal auditors	<b>Yes</b>
Public sector accountants	<b>No</b>

## PFM REFORM PLAN OR STRATEGY

**Albania has approved the Public Financial Management Strategy (2014 - 2020) which provides the reform in the public accounting, regarding the implementation of IPSAS and effective internal control**

## ACRONYMS

<b>CIPFA</b>	Chartered Institute of Public Finance and Accountancy
<b>IFMIS</b>	Integrated Financial Management Information System
<b>SAI</b>	Supreme Audit Institution
<b>CFS</b>	Consolidated Financial Statement
<b>CPD</b>	Continuing professional development
<b>GFS</b>	Government Financial Statistics
<b>IFRS</b>	International Financial Reporting Standards
<b>IPSASs</b>	International Public Sector Accounting Standards
<b>MoF</b>	Ministry of Finance
<b>PAO</b>	Professional accountancy organization
<b>PSA</b>	Public Sector Accounting
<b>SoEs</b>	State-owned Enterprises



## THE PULSAR PROGRAM IS

MANAGED BY:




**CFRR**   
**Centre for Financial  
Reporting Reform**



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