



PERSPECTIVES FOR
THE FUTURE

SEMIANNUAL PROGRESS REPORT

April 10, 2020 - October 15, 2020

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**PULSAR REGIONAL PROGRAM
SEMIANNUAL PROGRESS REPORT**

**Reporting period from
April 10, 2020 to
October 15, 2020**

Date of the report: October 15, 2020

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, 2022

Progress to date

Overall performance of Subtask 1 is on track.

Component 1a – Stocktaking of PSA environment: The final version of the report was published on the PULSAR website in May 2020. This was comprised of the results of the stocktaking exercise, which included self-assessment perception survey filled in by representatives of the PULSAR beneficiary countries. This study shows that the PULSAR countries can benefit from many strengths that will facilitate current and future PSA reform ambitions. In particular, there exists a broad knowledge base and technical expertise in financial planning and budget execution. The concept of accrual accounting is familiar to all jurisdictions, either because of historical developments and/or ongoing reform efforts. Nonetheless, the survey reveals significant limitations of current accounting systems including IT accounting systems. Different jurisdictions still operate on cash-based accounting systems with the primary focus on producing budget execution reports. The study identifies different challenge clusters, relating to political support, institutional, available resources, technical and human capacities. The study reveals different opportunities to overcome these challenges, including peer learning and rapid feedback loops, common accounting traditions and cultural backgrounds, which facilitate development of joint solutions for common challenges. The fact that a majority of PULSAR countries have embarked on an accruals journey, bears the potential to further strengthen existing peer learning communities and to coordinate joint reform efforts. Apart from the main report, the team is also preparing individual country sheets, which will be published after receiving consent from PULSAR countries.

Component 1b – Awareness raising events: During the reporting period no awareness raising events took place. Dissemination of the final report on comparative study has been made virtually via Newsletter. *“Good practice paper on drivers of public sector accounting reforms”* - the final version is under preparation for publication. The paper aims to help governments

implementing public sector accounting reforms to identify, consider and nurture drivers of such reforms, provides listing of various drivers including technical and non-technical, shows case studies from couple of countries based on interviews, and results of study visits (conducted under different IPSAS related projects).

Component 1c – Knowledge creation and sharing: The PULSAR program website, that contains a comprehensive library for PSA related documents and info sites as well as an online forum for both EDUCOP and FINCOP participants, is available online under www.pulsarprogram.org. The website is continuously updated with information on upcoming and past PULSAR events including presentations and other learning materials, knowledge products translated into main languages of PULSAR. The most recent knowledge products were the updated version of the *“Report on enhancement of Public Sector Financial Reporting toolkit (REPF) - Diagnostic Tool”*, and *“Stocktaking of Public sector Accounting and reporting Environment in PULSAR Beneficiary Countries”*. The Library provides also links to other external publications related to PSA. During the reporting period the team has prepared a plan to enhance PULSAR website to meet more demands inter alia to include video-content from virtual events and communications with social media. The plan will be implemented in the forthcoming period. The PULSAR Newsletter including news, information on the most recent publications, virtual events has been prepared and distributed in the first week of July 2020.

Next steps

Following the publication of the Study on Stocktaking of PSA Environment, the team is also preparing individual country sheets which will be published after receiving consent from PULSAR countries. The next newsletter will be issued by November 30, 2020. New paper *“Good practice paper on drivers of public sector accounting reforms”* will be finalized and published in the next period. The preparatory work (preparation of concepts and detailed TORs) will start on the deliverables including scientific products and knowledge creation and sharing: research paper to identify benefits of accrual based Public Sector Accounting as compared to the basic cash-based budget execution reports, PSA Financial Reporting Transparency Guide, PSA Communication Toolkit.

Due to COVID-19 pandemic the organization of the PULSAR events for high level officials is moved to March 2021. In lieu of face-to-face meeting, virtual events promoting latest publications will be organized to engage PULSAR participants.

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, 2022

Progress to date

The overall performance of the subtask 2 is on track; however, given the ongoing COVID-19 pandemic the FINCOP team moved toward using virtual working format, including organization of periodic SITs and intensification of delivery of knowledge products.

Significant progress has been achieved under the subtask in terms of activities/deliverables, and 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) five face-to-face, including working group, meetings have been organized; (iv) five Smart Interactive Talks (SITs) has been delivered; (v) three knowledge products have been developed through direct engagement of the FINCOP members, and the planned update of the REPF toolkit has been finalized; (vi) FINCOP team established collaboration with Forum of Accountants General of Latin America (FOCAL), who were actively participating in the latest FINCOP events. In addition, core team of FINCOP volunteers has been established. This team is actively consulted on all of the FINCOP activities, including coverage and scope of the agenda for the FINCOP events.

Face-to-face meetings

#	Title	Discussion topics	Venue	Date
1	Inaugural meeting	<ul style="list-style-type: none">• Latest developments in IPSAS• Progress made towards EPSAS introduction	Vienna, Austria	December 12-13, 2017
2	Second workshop	<ul style="list-style-type: none">• Similarities and differences between GFSM/ESA/SNA and IPSAS/EPSAS	Vienna, Austria	April 23-25, 2018

#	Title	Discussion topics	Venue	Date
		<ul style="list-style-type: none"> Sequencing of IPSAS implementation and roadmap development Requirements for consolidation of financial statements at the entity and whole of government levels 		
3	Third workshop, jointly organized by STAREP and EU-REPARIS CoP, that took place during Senior Officials Workshop and the Ministerial Conference	<ul style="list-style-type: none"> Impact of recent corporate scandals on the accounting profession How technology is changing accounting and auditing The accounting profession's role in the public and private sectors SOEs in the scope of public accounts: enhancing transparency and improving accountability mechanisms 	Vienna, Austria	November 26 – 29, 2018
4	Fourth workshop	<ul style="list-style-type: none"> Similarities and differences between GFSM/ESA/IPSAS frameworks; International practices in unified Chart of Accounts CoA linkages with IFMIS and typical challenges in rollout 	Winterthur, Switzerland	June 3-4, 2019
5	Fifth workshop	<ul style="list-style-type: none"> Fixed asset management IFMIS implementation in the public sector 	Vienna, Austria	November 21-22, 2019

It is worth mentioning that the sixth face-to-face event was originally scheduled to take place in Minsk, Belarus, May 27-29, 2020 to discuss: (i) consolidation of financial statements at different levels of government; and (ii) impact of accrual accounting on budget reporting. However, it was postponed because of the ongoing COVID-19 pandemic. It is expected that, depending on the development of the ongoing situation, the event may take place in Vienna at the end of CY21.

Smart Interactive Talks (SITs)

Five following SITs have been delivered since FINCOP establishment, using KUDO platform. It worth noticing that the four latest SITs were organized and delivered jointly with EDUCOP since the beginning of the COVID-19 pandemic as a new format for PULSAR activities during the health crisis time. All SITs were delivered in English offering simultaneous translation into three PULSAR official languages: (i) Albanian; (ii) Bosnian/Croatian/Serbian; and (iii) Russian. The two latest SITs also offered simultaneous translation into Spanish for FOCAL colleagues.

#	Title	Platform	Date
1	Accrual Budgeting	KUDO	July 10, 2018
2	How to develop financial reporting and budget literacy programs	KUDO	May 26, 2020
3	Balance Sheet Approach in Times of COVID-19	KUDO	June 23, 2020
4	Financial Reporting and Consolidation in Times of COVID-19	KUDO	July 7, 2020
5	COVID-19 Intervention Assessment Tool	KUDO	October 5, 2020

Knowledge product

The following four knowledge products have been delivered under FINCOP so far:

#	Title	Date
1	Good Practice Template to PSA Reform Roadmap on sequencing of PSA reforms	June 2018
2	Updated version of the REPF (Report on the Enhancement of Public Sector Financial Reporting) Diagnostic Tool	February 2019
3	Benchmarking Guide of Differences between IPSAS/GFS2014/ESA2010	June 2019
4	Multipurpose (unified) Chart of Accounts (MCoA) for financial, budgeting, statistical, performance, and management reporting purposes	August 2019

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. The participants also expressed a need to invite in the future 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 UK. These suggestions are being incorporated for future FINCOP events keeping in view cost/benefit considerations. The recent collaboration with FOCAL network and presentation of experiences of Latin American countries have been considered as an important step forward toward globalization of FINCOP agenda.

To continue and reinforce learning outcomes and, based on feedback received from the participants and taking into account ongoing pandemic situation, FINCOP events will continue to use groupwork and interactive sessions to reinforce learning.

Next steps

FINCOP jointly with EDUCOP and FOCAL teams will continue organizing virtual events (SIT) on monthly basis. The topics to be covered by the SITs would be related to: (i) business continuity and capacity building during the times of COVID-19; (ii) debt reporting and transparency; and (iii) sustainability reporting, among others.

In terms of the knowledge products, the following deliverables are planned to be developed during the next few months:

#	Product	Due date
1	Paper on fixed asset management	October 30, 2020
2	Paper on IPSAS first time adoption	February 28, 2021
3	Book on PSA reform status in PULSAR beneficiary countries	June 30, 2021
4	PULSE assessment tool	December 31, 2021

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, 2022

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 IPSAS Training of Trainers (ToT) Program for the core group of trainers from PULSAR participating countries was completed. A total of seventy-nine (79) participants were trained by ACCA and the end of course assessment pass rate was 97%. The persons trained were from the Ministry of Finance, universities involved in accounting programs, Professional Accounting Organizations or Government training academies. Four training sessions were completed as follows:

Language	Location	Status
English	Vienna	Completed in October 2019
Albanian	Tirana	Completed in November 2019
Bosnian/Serbian/Croatian	Sarajevo	Completed in December 2019
Russian (#1)	Batumi	Completed in January 2020

Following the IPSAS ToT program, the participants enrolled to do the online ACCA IPSAS Certification Program. This is an ongoing program that should be completed by the end of December 2020 and to date, over 50 trained participants have attained the ACCA IPSAS certification;

(ii) the EDUCOP has adapted to the current context as per COVID-19 restrictions and has moved to virtual events, a modality that is expected to continue for the near future. At least one event was conducted each month, either as an EDUCOP event or as a joint FINCOP/

EDUCOP event¹, further events are being shaped taking into account a recent survey done in July 2020;

(iii) The EDUCOP has convened four face to face Community of Practice events before the pandemic. Membership includes representatives from Ministries of Finance, universities, and Professional Accountancy Organizations (PAO) of beneficiary countries involved in PSA education development. Agendas for each of the events are available in the PULSAR website;

(iv) Benchmarking of Public Sector Accounting (PSA) education in the participating countries was analyzed for strengths, weaknesses, constraints, and opportunities;

(v) An Accrual Based Accounting Minimum Competency Framework for Public Sector Finance Professionals has been developed and is available on the website;

(vi) A guide on Educational Pathways for the Public Sector based on IES has been developed, is available on the website and is being used by the group to assist development of educational pathways at the country level; and

(vii) a Good Practice Note highlighting examples of PSA practices within the group is in the process of being drafted.

Conclusions / lessons learned

Participants continue to appreciate the ability to interact with other PSA education stakeholders and MoF representatives and see this as a useful way to stimulate discussions, collaboration, and coordination on the topic. The opportunity that these events provide for sharing detailed practical country experiences is greatly valued. Moreover, the recent collaboration with other networks such as FOCAL (Latin-American Network of Government Accountant Generals) has provided further opportunities for learning experiences from other regions. Other priority topics include development of IPSAS knowledge, development of curriculum, materials, trainers, and certifications, and potential partners/resources. These topics were addressed in large part through the PSA ToT. Because many representatives from government and universities were not familiar with IES technical content, there was a focus on developing foundational knowledge in accounting education, IES and related core competencies throughout EDUCOP's 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

¹ There were 5 Smart Interactive Talks organized during this period: April 30: "Is cash still the king?"; May 18: "Scaling up the ACCA IPSAS Certification Program and Public Sector Education"; May 26: "How to develop Financial Reporting and Budget Literacy Programs"; June 23: "Balance Sheet Approach"; July 7: "Financial Reporting and Consolidation in times of COVID-19".

country-level by participating in country-level PSA steering committee meetings. The joint EDUCOP/FINCOP Smart Interactive Talks and the incorporation of other regional networks such as FOCAL are considered good practices and will be continued.

Next steps

The group is currently planning the post IPSAS ToTs processes including scaling up IPSAS training to the member country programs and cascading the ToT to the next level of trainers. This could be done at country / regional level in consultation with PULSAR member countries. These activities are not part of the ACCA contract and could involve consultancy support to the member countries. Other activities under consideration are (i) a brainstorming session with CoP members on ways to better support them through EDUCOP; (ii) more frequent virtual workshops for country specific work with focal points from Government teams; (iii) a potential knowledge product on 'IPSAS education' in post covid19 world; and (iv) the continuation of webinars and virtual meetings not only for EDUCOP but also joint EDUCOP/FINCOP activities.

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