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Federal Treasury
What is the challenge?
Pandemic and system of government

What goals do we achieve?
Financial reporting as control and decision-making tool

How to organize procedures?
Striking the balance between needs and opportunities when preparing financial statements

What is the outcome?
Situation monitoring framework based on financial reporting
What is the challenge?

Pandemic and System of Government

Increasing budgetary expenditure
(grants, subsidies, social support)

Declining fiscal revenue
(reduced tax revenue, oil market collapse, etc.)

Materialized financial risks
(financial and foreign exchange markets volatility)

Lower manageability
(remote operations or days-off mode)
Financial Reporting as Control and Decision-Making Tool

*Identifying current financial position*
*(accrued tax revenue, assumed and outstanding liabilities)*

*Disclosure of financial settings of policies*
*(amount of financial aid provided to economic sectors and citizens, amounts of public procurement, etc.)*

*Assessing performance of policies*
*(specific performance and its evolution)*
# Striking the Balance Between Needs and Opportunities

<table>
<thead>
<tr>
<th>Procedure</th>
<th>In the Past</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency of financial</td>
<td>Monthly</td>
<td>Monthly, weekly</td>
</tr>
<tr>
<td>reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disclosure</td>
<td>Accounts and budget classification codes</td>
<td>Accounts and budget classification codes, actions</td>
</tr>
<tr>
<td>Key focus</td>
<td>Stocks, flows, budget execution</td>
<td>Financial and immediate performance of actions</td>
</tr>
<tr>
<td>Reporting entities</td>
<td>All beneficiaries of budget resources</td>
<td>Treasury (in respect of financial indicators), line ministries (as regards immediate indicators)</td>
</tr>
</tbody>
</table>
Sample statement of procurement of medical equipment

In the past:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Approved</th>
<th>Executed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Resources for procurement of medical equipment</td>
<td>1,000.0</td>
<td>650.0</td>
</tr>
</tbody>
</table>

Now:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Approved</th>
<th>Assumed liabilities</th>
<th>Executed</th>
<th>Planned performance (pcs.)</th>
<th>Actual performance (pcs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Resources for procurement of medical equipment</td>
<td>1,000.0</td>
<td>800.0</td>
<td>650.0</td>
<td>16</td>
<td>9</td>
</tr>
</tbody>
</table>
Challenges, current issues

**Regulatory control**
*Standard document approval procedures do not work*

**Organizational support**
*Remote operations and delays in document flow require full digitalization of business processes*

**Technological support**
*IT systems not always able to adjust at required speed and in the required direction*
Situation monitoring framework based on financial reporting

Ministry of Finance of the Russian Federation

Federal Treasury

Federal Tax Service

Government of the Russian Federation

Line ministries and agencies

Regional governments

Single financial reporting-based monitoring framework