



Russian Federation Experience in Financial Reporting and Consolidation in Times of COVID-19

Anton Dubovik,
Deputy Head
Federal Treasury



July 2020

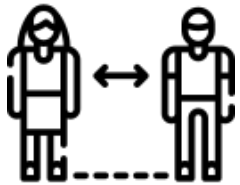


What is the challenge?

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

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

Procedure	In the Past	Now
1	2	3
Frequency of financial reporting	Monthly	Monthly, weekly
Disclosure	Accounts and budget classification codes	Accounts and budget classification codes, actions
Key focus	Stocks, flows, budget execution	Financial and immediate performance of actions
Reporting entities	All beneficiaries of budget resources	Treasury (in respect of financial indicators), line ministries (as regards immediate indicators)



Sample statement of procurement of medical equipment

In the past:

Indicator	Approved	Executed
1	2	3
Resources for procurement of medical equipment	1,000.0	650.0

Now:

Indicator	Approved	Assumed liabilities	Executed	Planned performance (pcs.)	Actual performance (pcs.)
1	2	3	4	5	6
Resources for procurement of medical equipment	1,000.0	800.0	650.0	16	9

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



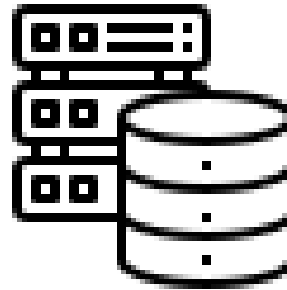
**Ministry of Finance
of the Russian Federation**



**Government
of the Russian Federation**



Federal Treasury



**Single financial reporting-based
monitoring framework**



Line ministries and agencies



Federal Tax Service



Regional governments