Presentation’s structure

✓ Objectives
✓ Characteristics
✓ Roles and responsibilities of stakeholders
✓ Assessment modes
✓ Next steps
✓ Online tool overview
Objectives

- Support national and subnational governments in developing efficient and effective PSA systems.

- Help public sector entities to develop an understanding of:
  - Local PSA system and environment,
  - The gap between national and international PSA frameworks,
  - The gap in actual application between national PSA standards and IPSAS.
Characteristics

- It is a free “global good” and a user-friendly web-based self-assessment framework.
- Designed for national and subnational governments but may be also applied by any reporting entity, such as international organizations, central banks, public corporations, and other government agencies.
- Systematically collect information on the current performance of PSA systems, standards, and practices.
- Offer one single tool to measure and report on both: the conceptual and actual implementation of accrual accounting standards for the public sector.
- This two-perspective approach allows identifying any disconnect between the national and international PSA frameworks as well as the level of actual compliance with IPSAS.
Characteristics

✓ Provide inputs for development of a comprehensive PSA reform strategy and roadmap

✓ Use the assessment to develop policy recommendations and action planning to enable further strengthening of PSA systems and practices.

✓ The assessment methodology is similar to the PEFA assessment framework.

✓ The subjects to be assessed are based on the latest set of IPSAS pronouncements, but also go beyond the IPSAS framework by assessing the current status of PSA systems and the state of reform.

✓ The quality of the assessment and its reporting is ensured through multilayer QA arrangements, including an external validation process and the PULSE Check.
Roles and responsibilities of stakeholders

- Lead agency
- Oversight team
- External validation team
- PULSAR team
- Peer reviewers
- Assessment team leader
- Assessment team
- External stakeholders
Assessment modes

✓ Full self-assessment approach, as a primary assessment mode. In this case, the PULSE is undertaken by the lead agency with mandatory external validation.

✓ In exceptional cases, the following two modes are also possible:
  • External assessment mode, which is conducted by external experts; and
  • Blended mode, which combines self-assessment with the assistance of external experts.

✓ The option to choose these modes depends on the jurisdictional situation, including resource availability and institutional capacity.
# Next steps

<table>
<thead>
<tr>
<th>Action</th>
<th>Estimated due date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finalize the development of the online tool</td>
<td>April 30, 2022</td>
</tr>
<tr>
<td>Identify pilot countries (2+2)</td>
<td>May 31, 2022</td>
</tr>
<tr>
<td>Conduct the first round of pilots</td>
<td>December 31, 2022</td>
</tr>
<tr>
<td>Revise the handbook and online tool based on the pilots’ results</td>
<td>March 31, 2023</td>
</tr>
<tr>
<td>Conduct the second round of pilots</td>
<td>September 30, 2023</td>
</tr>
<tr>
<td>Revise and translate the handbook and the online tool</td>
<td>December 31, 2023</td>
</tr>
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</table>
PULSE Online Tool – A secured web portal

PULSE Online Tool

PULSE, the IT support system for PULSAR, which supports the development of public sector accounting and financial reporting frameworks in line with international standards and good practice.
**PULSE Online Tool – Methodology**

Pulse Methodology

<table>
<thead>
<tr>
<th>Pillars</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI-1. Conceptual Framework</td>
<td></td>
</tr>
<tr>
<td>PI-2. Accounting policies, estimations, errors and events after the reporting date</td>
<td></td>
</tr>
<tr>
<td>PI-3. Foreign currency transactions and inflation effects</td>
<td></td>
</tr>
<tr>
<td>PI-4. Financial assets</td>
<td></td>
</tr>
</tbody>
</table>

- **Indicator PI-1: Conceptual Framework**
  - This indicator assesses whether the current conceptual framework adopted by the jurisdiction is consistent with IPSASB Conceptual Framework. This includes key definitions as well as qualitative characteristics.

**Qualification Characteristics**

- The level of conceptual compliance of the regulatory framework in respect to characteristics (QC) and the constraints as described in the IPSASB Conceptual Framework

- The framework defines six qualitative characteristics and all three constraints in

- B: The regulatory framework defines only a minimum of five qualitative characteristics and one constraint in accordance with IPSASB

- C: The regulatory framework defines only a minimum of four qualitative characteristics and one constraint in accordance with IPSASB

- D: Performance is less than required for a C score
This section should provide an assessment of the key elements of the PSA system from conceptual and actual compliance perspectives, as captured by the dimension description and indicators, including the documentation of the current overall IPSAS adoption status and the financial reporting basis. The structure of the section is based on the six pillars as follows:

1. Pillar I: PSA Framework
2. Pillar II: Financial assets & liabilities
3. Pillar III: Non-financial assets & liabilities
4. Pillar IV: Expenses & revenue recognition
5. Pillar V: Financial reporting & consolidation
6. Pillar VI: Reform prerequisites and capacities

In turn, the analysis of each dimension should include the following elements:

1. Performance level explanation and evidence for scoring of each dimension, including conceptual and performance compliance, as needed.
2. Reference to specific supporting document(s), including the page numbers, as needed.
3. Performance change since the previous assessment in case repeated assessments, where applicable.

(30 pages)
# PULSE Online Tool – Assessments’ status

## List of Assessments

<table>
<thead>
<tr>
<th>Options</th>
<th>Identifier</th>
<th>Name</th>
<th>Country</th>
<th>Last Status</th>
<th>Last Step</th>
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<th>% NA</th>
<th>% D*</th>
<th>% Comp</th>
<th>Report</th>
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<tr>
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<td>Georgia</td>
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</table>
## PULSE Online Tool – Users

### Configure users for the evaluation

On this page you can configure users for an evaluation

```
Define users for assessment and report preparation, review and approval. The button will be ENABLED when the following condition meets:

- Define at least one user for Assessment team
```

![Screen shot of user configuration page](image)

<table>
<thead>
<tr>
<th>User</th>
<th>Project leader</th>
<th>Oversight</th>
<th>External Validation</th>
<th>Peer Reviewer</th>
<th>Assessment</th>
<th>Pulsar Team</th>
<th>Authorized viewer</th>
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</thead>
<tbody>
<tr>
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<tr>
<td>Jose Carlos Gutierrez</td>
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</table>
PULS Online Tool – Assessments’ Follow-up

PULS Dashboard

Assessment: M603
Process executed for the period of 22-23
Institution: MFO
Ministry of Finance of Georgia
Country: Georgia
Project Leader: admin admin
Status: ConceptNoteReview
4/2/2022

Concept Note:Draft
Assessment Score: Not yet started
Final Report:
Date Started: 4/2/2022
Elapsed Time: 0h 10m
Calculated since first start of the assessment

For Assessment Team Leader only
A draft of the concept note is being reviewed. Please wait until all reviewers have finished to be able to upload your final version.

Revise Concept Note

Current review status of the concept note

<table>
<thead>
<tr>
<th>Rem.</th>
<th>Finish</th>
<th>Download</th>
<th>Reviewer</th>
<th>Date</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>📌</td>
<td>📌</td>
<td></td>
<td>Dmitri Gourfinkel</td>
<td>4/2/2022 4:21:31PM</td>
<td>FINISHED</td>
</tr>
</tbody>
</table>
# PULSE Online Tool – Concept Note Review phase

## Revise Concept Note
In this page you are able to revise all Concept Note observations and Upload a Final Concept Note.

### Assessment: MFG03
Country: Georgia
Project Leader: admin admin

### Final Concept Note
- [ConceptNote Final1.docx (4 Kb)]

### Upload Final Document

<table>
<thead>
<tr>
<th>Document Uploaded</th>
<th>Reviewer</th>
<th>Comments</th>
<th>Date</th>
</tr>
</thead>
</table>
PULSE Online Tool – Assessment Dashboard

PULSE Dashboard

Assessment: MF 01
This is an assessment

Institution: MFA
Ministry of Finance Azerbaijan

Country: Azerbaijan

Project Leader: admin admin

Status: Assessment
4/2/2022

Concept Note: Draft Final
Approved by Jose Simon Redi on 4/2/2022 12:42:45 PM

Assessment Score:
Conceptual: C Actual: C

Final Report:

Date Started: 4/1/2022
Elapsed Time: 15h 32m

Score Dimensions

Follow up on the assessment

<table>
<thead>
<tr>
<th>User</th>
<th>Role</th>
<th># Dimensions Scored</th>
</tr>
</thead>
<tbody>
<tr>
<td>admin admin</td>
<td>ProjectLeader</td>
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</tr>
<tr>
<td>Dmitri Gourfinkel</td>
<td>Assessment</td>
<td>4</td>
</tr>
</tbody>
</table>

10 # Dimensions Measured 100 %

0 # Dimensions not Measured 0 %

0 # Dimensions D* 0 %

1 # Dimensions NA 10 %

For Assessment Team Leader only
All the dimensions have been measured and we can continue to review the assessment.
PULSE Online Tool – Scoring methodology

- **Conceptual Score**: C+
- **Actual Implementation Score**: C

### Pillars & Indicators

#### PI-1: Conceptual Framework
- 1.1: Qualitative Characteristics (C)
- 1.2: Reporting Entity (C)

#### PI-2: Accounting policies, estimations, errors and events after the reporting date
- 2.1: Accounting policies (D)

#### PI-3: Foreign currency transactions and inflation effects
- 3.1: Initial recognition of exchange differences resulting from foreign currency transactions (C)
- 3.2: End of year reporting of foreign currencies transactions (A)
- 3.3: Compliance with hyperinflation requirements (C)

#### PI-4: Financial assets
- 4.1: Short-term receivables at cost (B)
- 4.2: Financial assets at amortized cost (A)

- # Dimensions Measured: 10 (100%)
- # Dimensions NA: 1 (10%)
- # Dimensions not Measured: 0 (0%)
- # Dimensions NP: 0 (0%)
4.3. Financial assets at fair value through surplus and deficit

Indicator: PI.4. Financial assets

Description:
Dimension 4.3 assesses the extent to which Financial assets at fair value through surplus and deficit are recognized, measured and derecognized in accordance with IPSAS 41 – Financial Instruments. This dimension also covers the receivables and debt instruments designated irrevocably at fair value through surplus and deficit.

Score

<table>
<thead>
<tr>
<th>Conceptual</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>B</td>
<td>B</td>
</tr>
<tr>
<td>C</td>
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<tr>
<td>D</td>
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<tr>
<td>D+</td>
<td>D+</td>
</tr>
<tr>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Financial assets at fair value through surplus and deficit fulfill the requirement of recognition, the three requirements of initial measurement, the three requirements of subsequent measurement, and the four requirements of derecognition.

Financial assets at fair value through surplus and deficit fulfill the requirement of recognition, a minimum of two requirements of initial measurement, a minimum of two requirements of subsequent measurement, and a minimum of three requirements of derecognition.

Performance is less than required for a C score.

Insufficient Information

Not Applicable
Thank you!