



# Public Sector Accounting Reform & Education

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# Outline

PSA  
Reform  
Rationale

Reform  
Evolution

Education  
System in  
the Country

Recent  
Development

Future  
Potential

# PSA Reform Rationale

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## Potential Benefits

- Accurate, reliable, timely and complete information
- Disciplined management
- Improved resource allocation and decision making
- Better checks and balances and oversight over upcoming risks

## Common Facilitators

- Political support and ownership
- Reform strategy and implementation plan
- Coordination and management
- Availability of resources (Human, IT)

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In Georgia: PSA reform is important part of PFM reform strategy

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# PSA Reform - Initial Phase

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- Historically – Cash method was dominant in Georgia
- Treasury’s mandate includes standard-setting function since 2009
- Initially reform covered Central Budget; Since 2017 local governments are also involved in the implementation process.
  - Translating standards
  - Piloting the process in selected organizations
  - Providing trainings
- Since 2021, agencies submit financial reports based on 24 IPSAS standards
- Treasury consolidates and publishes the reports

# PSA Reform Continuation

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- Reform recognition and signs for potential benefits
  - ✓ Closely links with budget planning/execution
  - ✓ Will help to answer Questions:
    - *What resources are currently available for future expenses and to what extent are they subject to restrictions or under what conditions may they be used?*
    - *Has the ability of the organization to provide services, improved or deteriorated compared to previous year?*
    - *Whether financial results and the results defined in the program budget differ and whether these differences are significant?*
- PSA teaching programs become more prominent

# PSA Reform Continuation (2)

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- Challenges ahead
  - ✓ Weaknesses identified by PEFA 2018
  - ✓ Resource scarcity: staff, literature

Primary limitation: Lack of academic literature / detailed handbook in Georgian language that would support the:

- ✓ *Students to study the subject*
- ✓ *Accountants and financial managers within the sector to better understand IPSAS standards and apply them in practice, taking into account Georgian Public Sector specificities*

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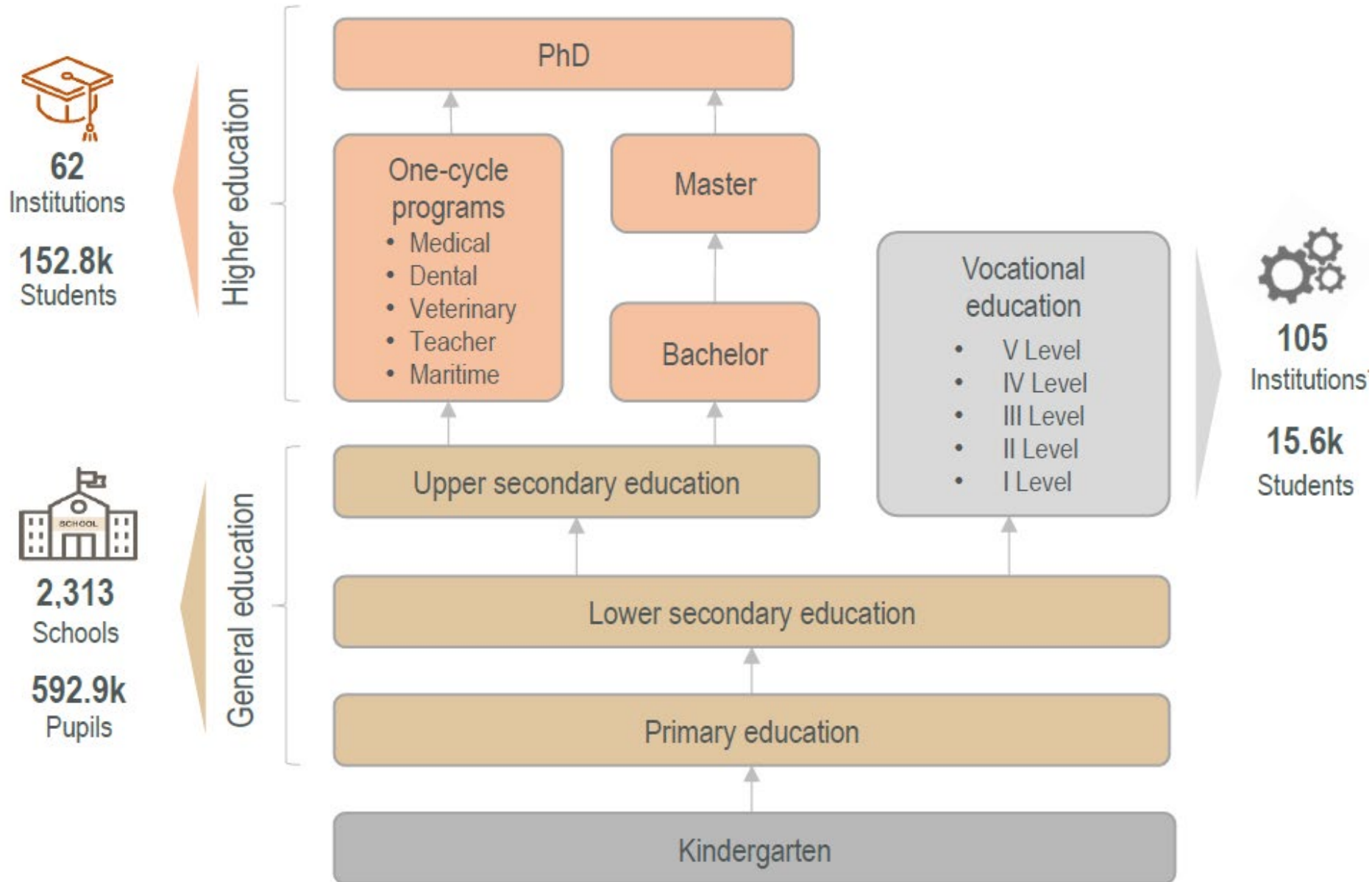
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# Georgia's education system



# Georgia's education system (2)

Education level	Type of institution	# of institutions	Enrollments, '000	Enrollments, %
General education	Public	2,086	530.1	89.4%
	Private for-profit	184	52.9	8.9%
	Private not-for-profit	43	9.9	1.7%
	<b>Total</b>	<b>2,313</b>	<b>592.9</b>	<b>100.0%</b>
Higher education	Public	19	98.8	64.6%
	Private for-profit	29	45.0	29.5%
	Private not-for-profit	14	9.0	5.9%
	<b>Total</b>	<b>62</b>	<b>152.8</b>	<b>100.0%</b>
Vocational education	Public	43	10.1	64.6%
	Private for-profit	57	5.4	34.3%
	Private not-for-profit	5	0.2	1.1%
	<b>Total</b>	<b>105</b>	<b>15.6</b>	<b>100.0%</b>

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# Recent Development

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- Promising areas:
  - ✓ Collaboration precedents with professional organizations
  - ✓ New tool of “IPSAS in a Box”
  - ✓ Strong support from the management of ISU to develop new study programs
  - ✓ Potentials to increase collaboration with universities internationally
  - ✓ Well developed regulatory base can be used for developing study programs

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# Recent Development

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- Promising areas:
  - ✓ Developing syllabus to teach PSA accountants
  - ✓ More structured approach toward organization of PSA education system
    - Various forms: University, MOF Academy, collaboration with PAOs
  - ✓ Better coordination of the education process for accountants in the public sector
  - ✓ Introduction of certification of accountants in the public sector
  - ✓ Introduction of requirements related to the continued education

Thank you for your attention !

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