

# Education and Public Sector Accounting Reform

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# Outline

- > PSA Reform Rationale
- > Reform Evolution
- > Education System in the Country
- > Recent Developments
- > Future Potential

# PSA Reform Rationale

## Potential benefits

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

upcoming risks

## Common Facilitators

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

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

# PSA Reform Initial Phase

## Potential benefits

- > Historically - cash method was dominant in Georgia
- > Treasury's mandate includes standard-setting function since 2009
- > Initially Reform covered Central Budget: since 2017 local government involved in the implementation process

Translating standards

Piloting the process in selected organization

Providing trainings

- > Since 2021, agencies submit financial reports based on 24 IPSAS standards
- > Treasury consolidates and publishes the reports
- > Treasury serves 1450 organizations. This number will increase to 4100 by the end of the year.

# PSA Reform Initial Phase

- > 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 expense, to what extent are 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?*

*Do financial results and the results defined in the program budget differ and are these differences significant?*

- > PSA teaching programs become more prominent
- > Treasury consolidates and publishes the reports

## PSA Reform Continuation (2)

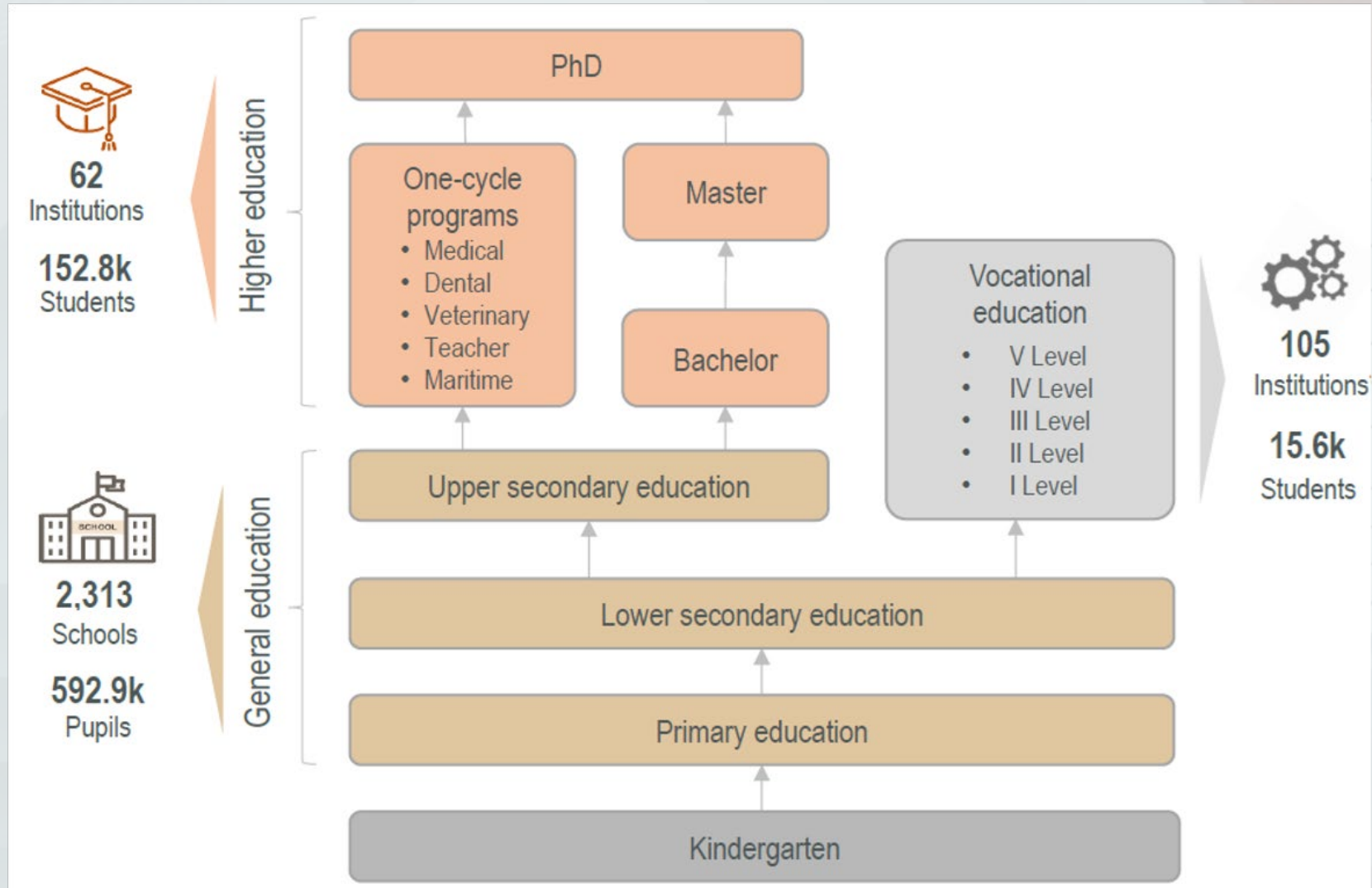
### Challenges ahead

- > Weaknesses identified by PEFA 2018
- > Resource scarcity: staff, literature

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

- > 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 specification.

# 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>



# PSA Reform Initial Phase

## Promising areas

- > Collaboration precedents with professional organizations
- > New tool of "IPSAS in a Box"
- > Strong support from the management of Universities to develop new study programs
- > Potentials to increase collaboration with the universities internationally
- > Well developed regulatory base can be used to develop study programs

# PSA Reform Initial Phase

## 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 requirements related to the continued education

# PSA Reform Initial Phase

## Promising areas

- > Enhancement of the competence-based curriculum
- > Support and improvement of the competence-based teaching and learning methods at the university
- > State support for the new program development that will be tailored to the public sector accounting
- > Continuous professional development for the University academic staff
- > Public sector accountants' certification

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# Thank You

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