



PULSAR

Financial Reporting Community of Practice (FINCOP)

5th Workshop

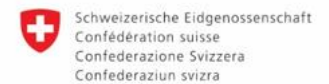
Vienna, Austria, November 21-22, 2019

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Public Sector Accounting and Reporting Program

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Swiss Confederation

Federal Department of Economic Affairs,
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Big Data and Analytics



Big Data and Analytics -- Human behavior and decision



Big Data and Analytics – Supervised machine learning



Big Data and Analytics – Unsupervised machine learning



Color Sorting & Counting Toddler Toys: Skoolzy Butterfly Kids STEM
Educational Math Manipulatives & Montessori Materials Activities - 75pc
Matching Game for 2 3 4 5 Year Old Boys & Girls Toy Counters -
B0767MPYQV
Image 3 of 7

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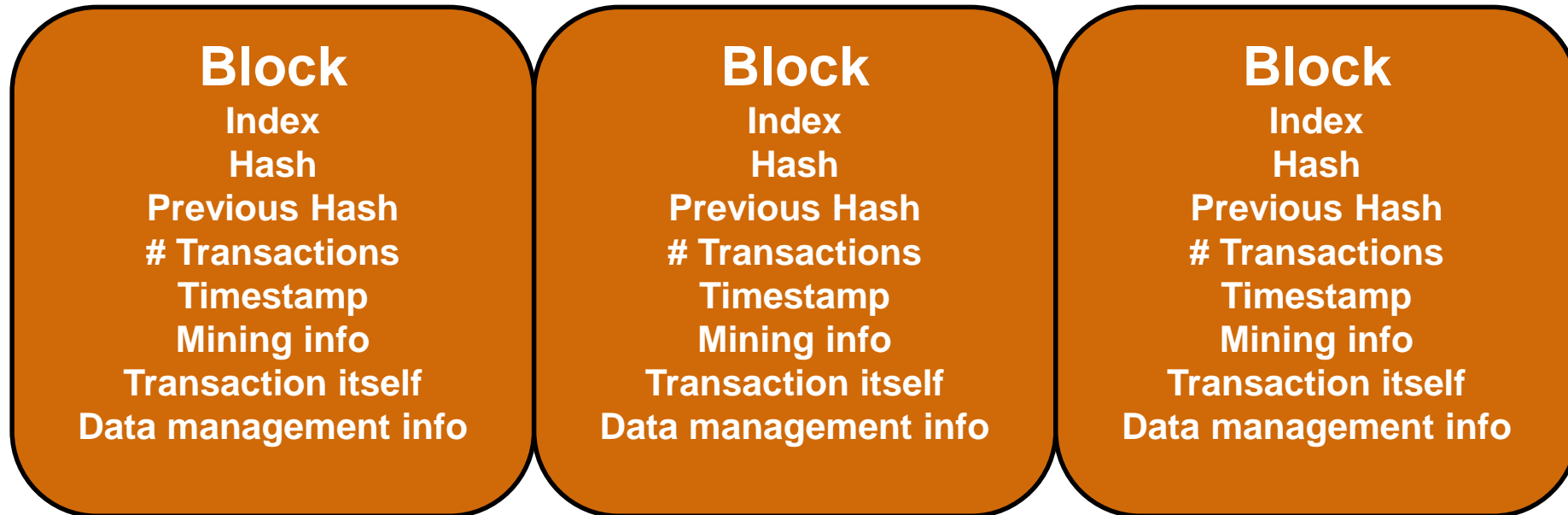
Cloud



Blockchain



A block chain (simplified)



Internet of Things







EYE OF SCIENCE/ SPL

Making it faster and easier for you to implement...



- Digital transformation traps
- Data governance gaps
- Business climate benefits
- Idea acceleration centers
- People pipeline and capacity-building

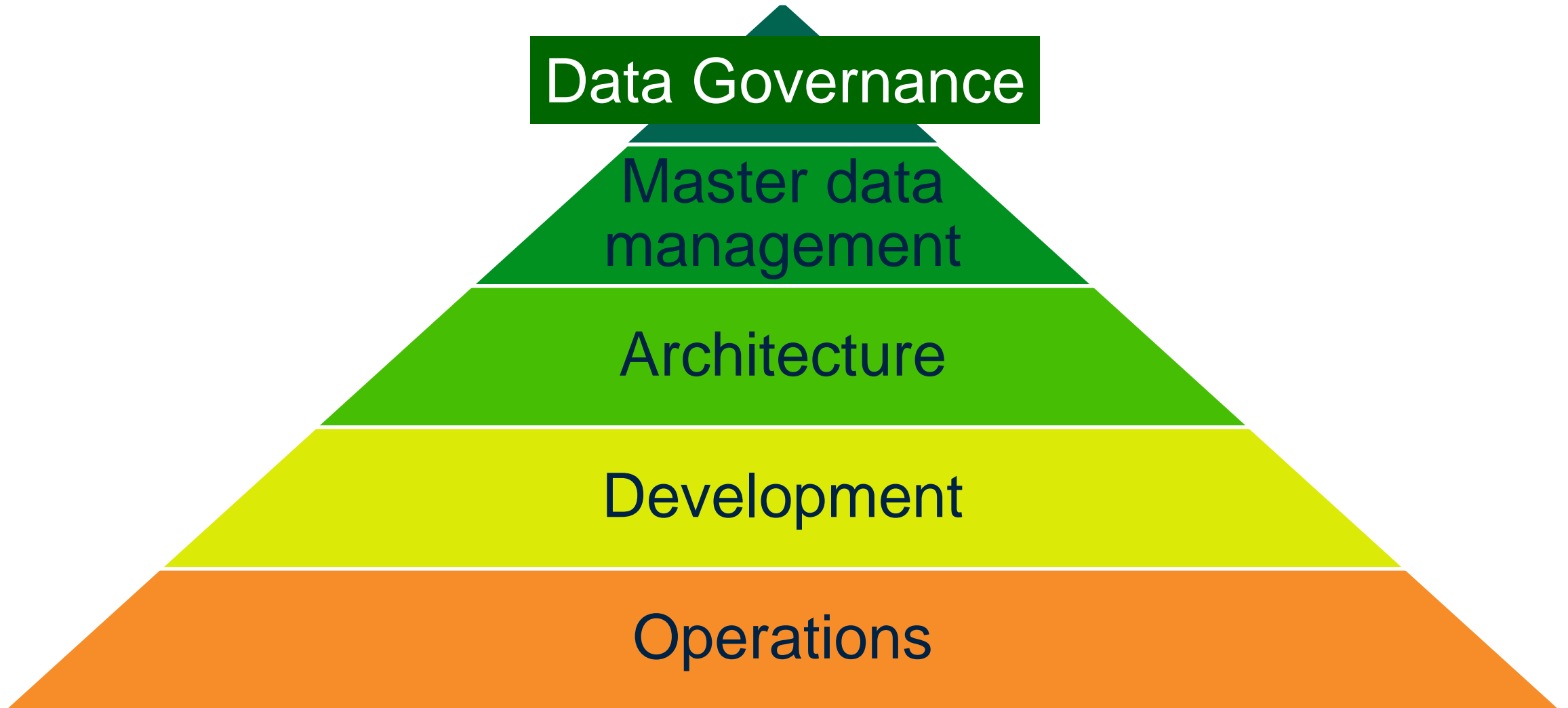


Digital transformation traps



- Splintered projects
- Projects becoming about IT stuff, rather than business outcomes
- Lack of end-to-end process clarity
- Lack of data connections
- Lack of quality *management*
- Lack of engagement of a range of business and IT perspectives
- Lack of expertise/capacity-building and retention
- Not thinking ahead to actual *use* of a system in a changing environment

Connecting data dots –
makes business process improvement and management accounting faster and
easier



Accounting to make it easier for governments to create and measure value



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- Activity-based cost and benefit accounting for:
 - Initiatives and programs (e.g., tourism, environmental, job creation, economic development)
 - Donor-funded initiatives
 - Government/ministry reorganizations
- Critical dependencies on:
 - Data government and master data management pyramid
 - Business process improvement – internal and external – user experience (“UX”)

UX (User experience) – making citizens and visitors happier and (maybe) tax compliance cool



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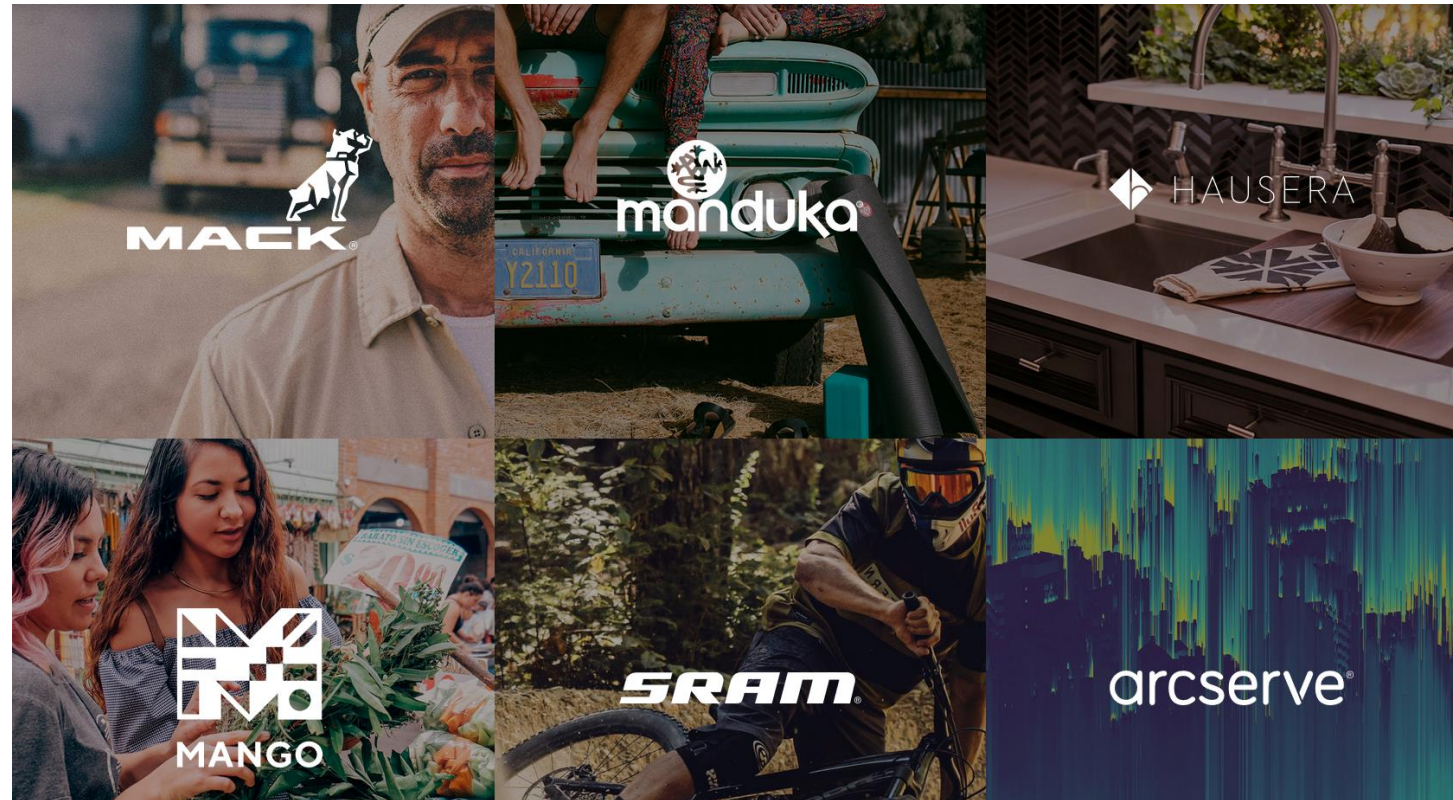


Photo credit: officeofexperience.com

To avoid project failures, solve people and process issues first



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Process - business

Process & data management improvement
Technology fit

Process - project management

Scope full system
Budget full scope
Stop scope creep
PM consistency

Expertise:
Knowledge-building
Hire, train, retain
TQM

People

TQM = Total Quality Management

Country business climate benefits



- Closing the “infrastructure gap” with the right tool for the job -- operational risk management (and political), not financial risk management
- Accountability and transparency
- Reducing cost of business and prices to consumers through business process improvements opportunities
 - Higher return on investment
 - Lower retail prices

Idea acceleration center -- for internal innovation AND catalyzing economic growth



People pipeline and capacity building



**45-65 TECH
BOOT CAMP**

Back-up



Few thoughts on fraud



- This systems/root cause initiative is primarily about performance, not compliance or fraud
- Where fraud is encountered, it can be viewed by type of enabler:
 - Accidents
 - Pure ignorance (not intentional fraud, but bad outcome)
 - People tricked because they are ignorant of process or expectations
 - Duress
 - Everyone else is doing it
 - Passive, going along with others
 - Active, instigating
 - Malicious
 - Financial motive
 - Nonfinancial (revenge or political) motive
- Responses
 - Culture change (see Mr. Kim's presentation)
 - Automation to reduce opportunities for human discretion that enables fraud
 - Criminal prosecution

The Fraud Prevention Game



- How it's played in 1 day
 - Teams of 8 people, 2 partners playing each of 4 roles (depending on number of people could have more roles).
 - Each team at a round table, focused on a single, assigned process
 - Teams composed of a diversity of people, from the process area and cross-functional areas such as IT and audit. Also diversity of thought – creatives, emotionals, analyticals
 - Segments: 1) opening and concepts, 2) the Fraud Prevention Game itself (often including lunch), 3) immediate action items to prevent fraud, 4) review with sponsors, and 5) awards by table for deepest process understanding, most creative scenarios, and best action items.
 - Action items go beyond enforcement to embrace: 1) business process automation to reduce manual intervention and 2) culture change advocated by Mr. Kim of Korean government and UNDP.
- Ongoing benefits:
 - Action items prevent fraud, improve quality of business process/customer service, and cut cost
 - Teams of 8 promote team-building across silos, build trusted advisor relationships, and speed implementation of action items/prevention steps
 - Train the trainer approach builds replication across government – capacity building on steroids
- See more in [The Operational Risk Handbook](#)