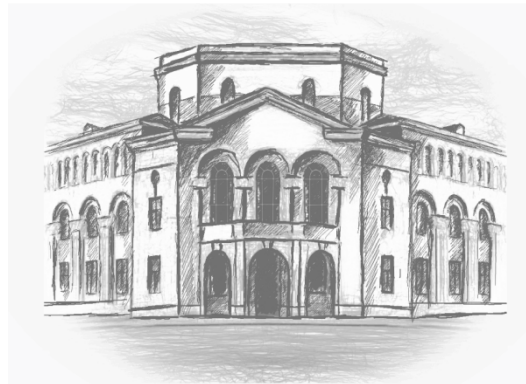




PSA REFORM PROGRESS AND THE STATUS OF PULSE ASSESSMENT IN ARMENIA

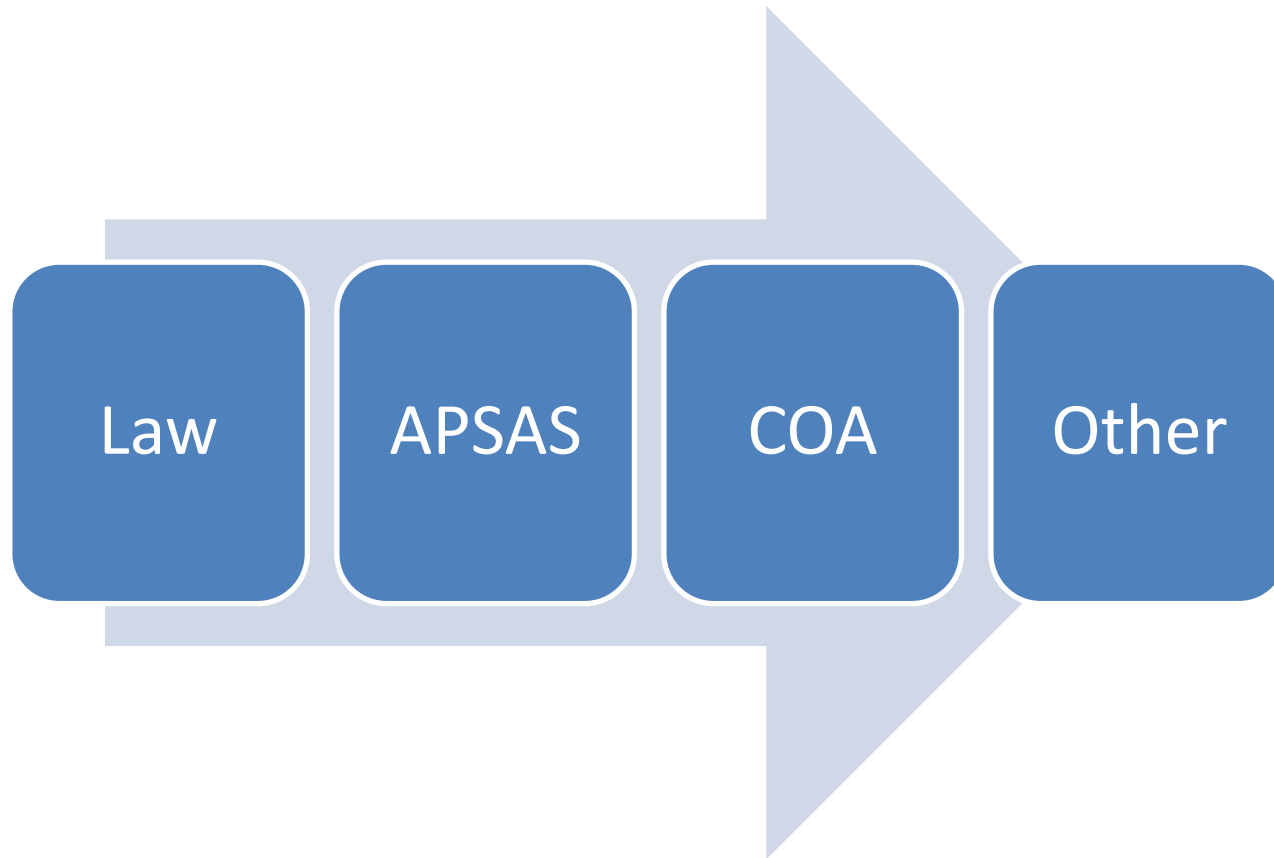


MAIN GOALS OF THE REFORM

Accounting system based
on various concepts



LAUNCH OF THE REFORM

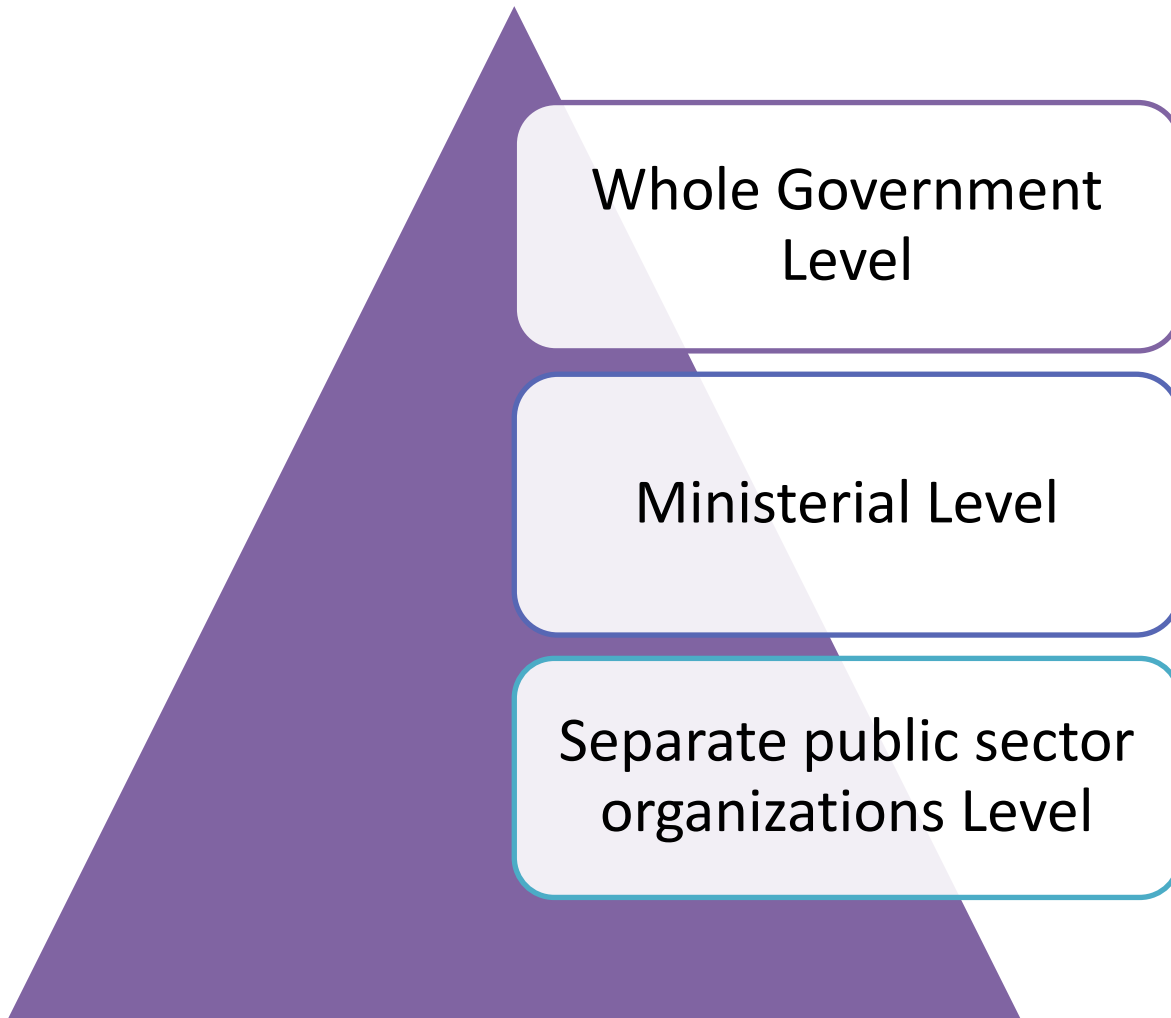


APSAS

- Existing alternatives: IPSASs or new national standard
- National accrual based standard based on IPSASs and IFRS for SME structure
 - Measurement options
 - Useful life of PPE
 - Impairment etc.



STAGES OF THE REFORM



CHALLENGES

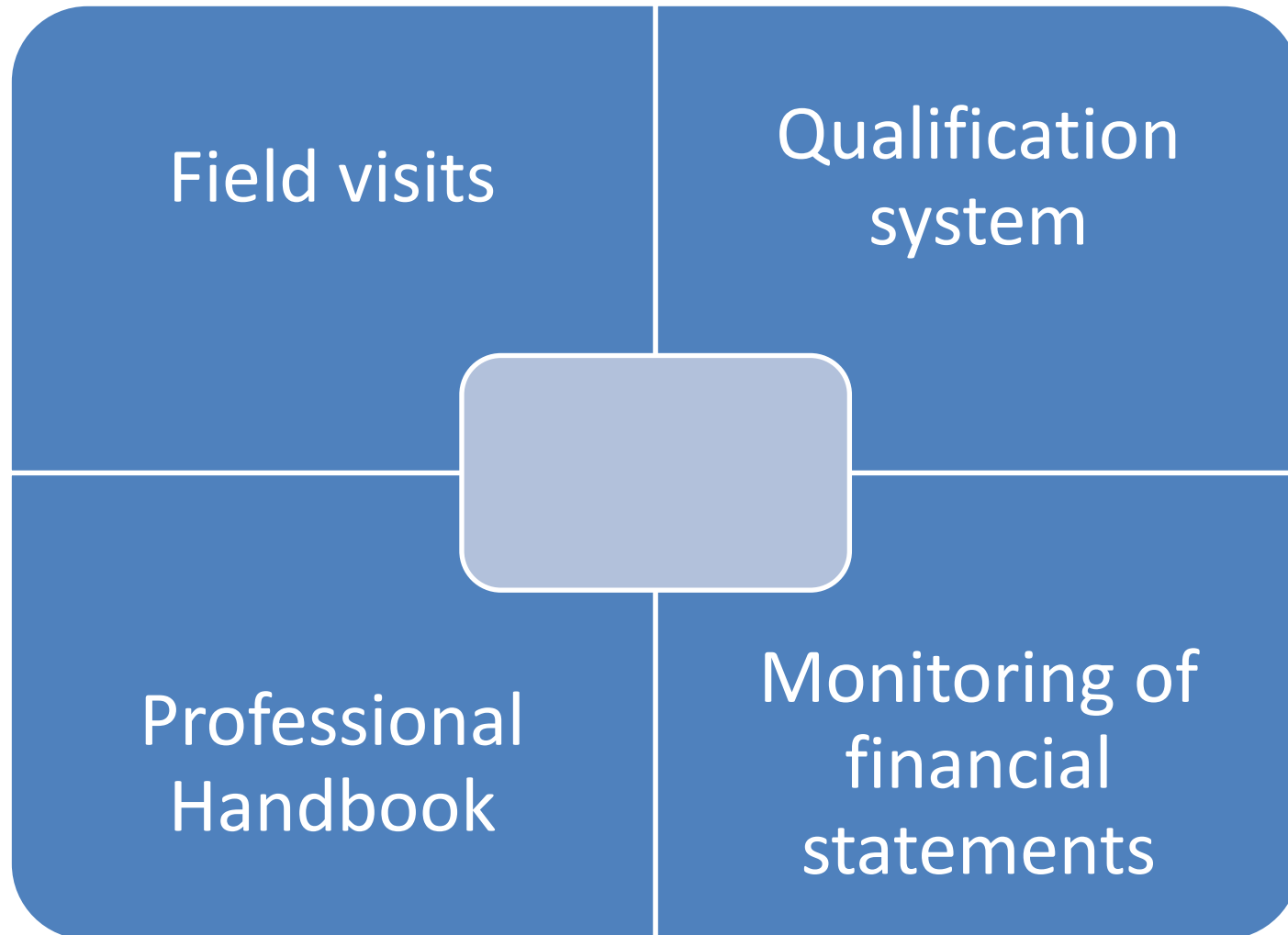


Professional skills
of accountants

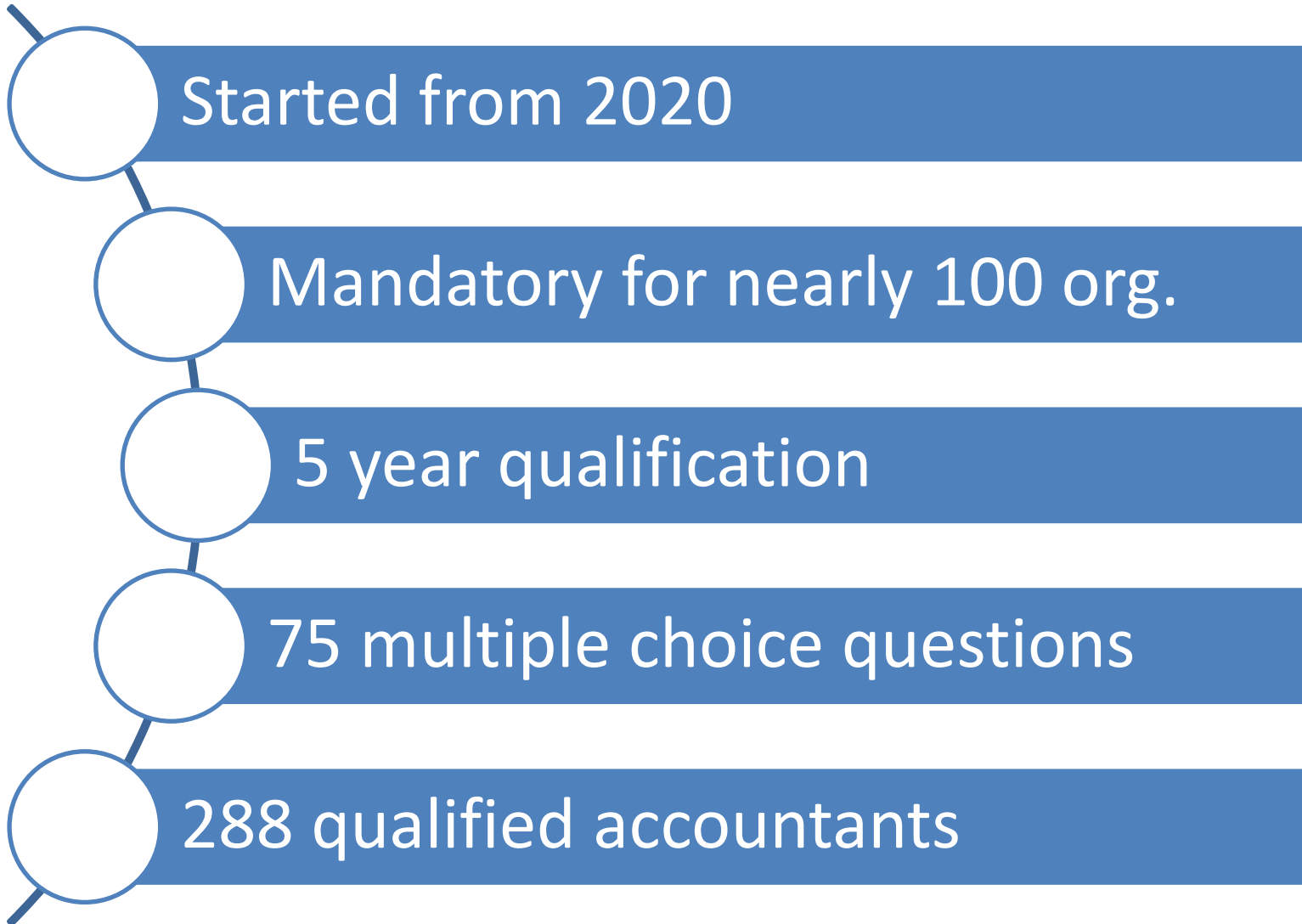
The diagram features two large blue arrows pointing in opposite directions, one to the left and one to the right. They are connected at their inner ends by a white, curved, ribbon-like shape that resembles a page being turned. The left arrow contains the text 'Professional skills of accountants' and the right arrow contains 'Consolidation issues'. A solid blue circle is located in the bottom right corner of the slide.

Consolidation issues

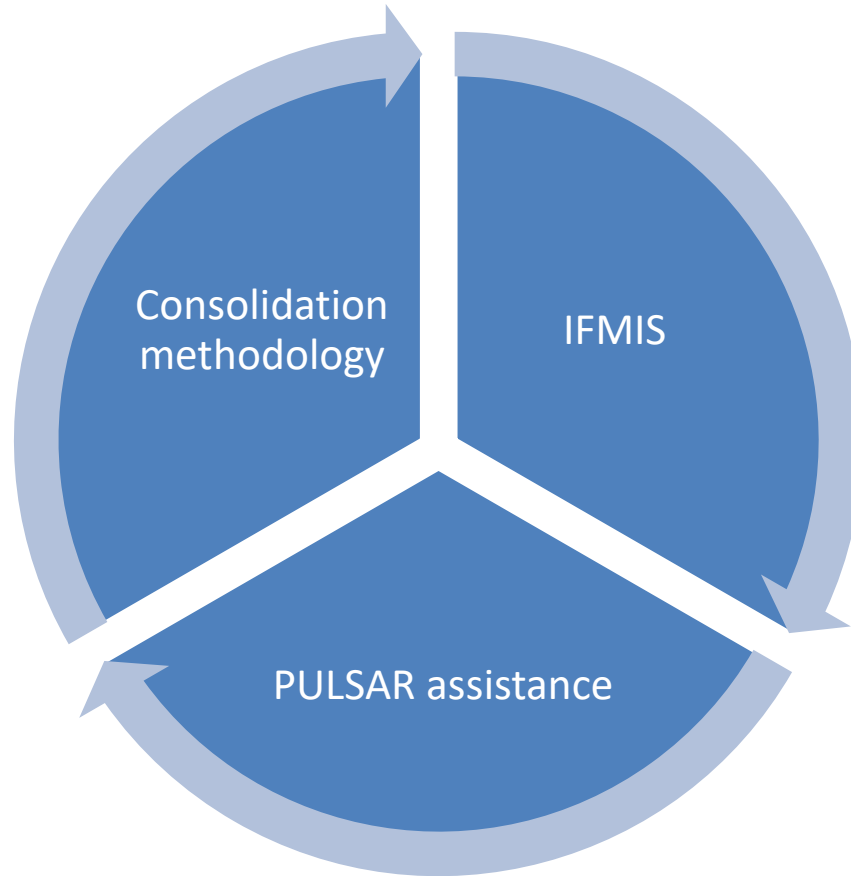
STEPS TAKEN-1



QUALIFICATION SYSTEM



STEPS TAKEN-2



IFMIS



ACCOUNTING MODULE



Centralized accounting maintenance

Automatic preparation of financial, budget execution and statistical (GFS 2014) reporting

Preparation of interim consolidated financial reports (at the level of ministries) and consolidated financial reports at the whole government level

PULSE ASSESSMENT PURPOSE

- aims at supporting the Government of Armenia in the development of efficient and effective accounting system
- will evaluate the quality of the PSA system
- monitor the progress and level of the conceptual and actual implementation of accrual accounting standards for the public sector and compliance of accounting standards for the public sector with IPSASs



ASSESSMENT SCOPE AND METHODOLOGY

- The assessment will be conducted in accordance with the PULSE 2021 Framework methodology.
- The assessment will cover 6 components:
 - legislative regulation of the PSA,
 - accounting and reporting of financial and non-financial assets;
 - accounting and reporting of financial and non-financial liabilities;
 - accounting and reporting of expenses and income;
 - financial reporting preparation systems;
 - dynamics of reforming the PSA system.



COVERAGE

	Public sector entities that will be covered by the PULSE assessment
1.	The Office of the President of the Republic of Armenia
2.	National Assembly Staff of the Republic of Armenia
3.	Audit Chamber of the Republic of Armenia
4.	Ministry of Finance of the Republic of Armenia
5.	Urban Development Committee of the Republic of Armenia
6.	State Supervision Service of the Republic of Armenia
7.	Corruption Prevention Commission of the Republic of Armenia
8.	One State Non-Commercial Organization



MODE OF THE ASSESSMENT

- Full self-assessment approach:
 - with involvement of experts from the key managers of national government and
 - with support from external consultants and including the external validation process.
- Ministry of Finance will be the lead implementing entity.



ASSESSMENT SCHEDULE

#	Activities	Result	Deadline
Planning			
1.	Establishment of the external validators team, which will be also acting as peer reviewers for purposes of this pilot assessment.	Team confirmation	01.06.2023
2.	Preparation of the PULSE concept project (CN)	CN project	01.06.2023
3.	Approval of CN	Final revision of CN	15.06.2023
Rating			
4.	Conduct training on PULSE methodology	Training is delivered	15.07.2023
5.	Data collection and interviews	All necessary data received	15.07.2023 – 15.09.2023
6.	Conduct external validation of the initial assessment data	Received review of external validators	01.10.2023
7.	Completing the assessment process based on feedback from external validators	Finalization of the assessment taking into account the proposals of validators	15.10.2023
Reporting			
8.	Preparation of the draft PULSE report	Draft PULSE report	01.11.2023
9.	Conducting review of the draft PULSE report	Received review of external validators	05.11.2023
10.	Update the PULSE draft report	The PULSE report was refined, taking into account the suggestions of external validators	10.11.2023
11.	Conducting a PULSE check of the PULSE report	PULSE report verified	20.11.2023
12.	Further update on the PULSE report	Improved the PULSE report	30.11.2023
13.	Approval of the final PULSE report	PULSE report	07.12.2023
14.	Discussion of the main conclusions of the report and the next steps regarding the implementation of the PSA reform	Determination of the next steps regarding the implementation of the PSA reform	15.12.2023
15.	Dissemination of the PULSE report	The PULSE report is published	15.12.2023



ASSESSMENT MANAGEMENT

- **The lead agency** is the MoF
- **The assessment team** is led by the assessment team leader – official from the MoF and upon necessity will include local experts to support the assessment process
- **The oversight team** is comprised of Deputy Minister of the MoF who chairs the oversight team
- **The external validation team** is comprised of 2 PFM/PSA experts (international and national)
- **The Pulsar team** is comprised of the World Bank officials and consultants, who are involved in the implementation of the PULSAR Program
- **Other PULSE counterparts** that are involved in the PSA activities in Armenia include the Government of Armenia and development partners (The World Bank)



PULSE REPORT STRUCTURE

- *Executive Summary*
- *Introduction*
- *Background information about the country and the PSA environment*
- *The results.* The structure of the section is based on the six pillars as follows:
- *Pillar I* – Assessment results of Conceptual Framework, which contains an assessment of compliance with IPSAS framework.
- *Pillar II* – Assessment results of financial assets and liabilities accounting
- *Pillar III* – Assessment results of non-financial assets and liabilities accounting
- *Pillar IV* – Assessment results of the expenses and revenues accounting.
- *Pillar V* – Assessment results of the financial reporting and consolidation
- *Pillar VI* – Assessment results of efficiency of the PSA systems and dynamics of PSA reforms.
- *Findings and recommendations*
- The final PULSE report will be published on the MoF webpage and the PULSAR website and will be available to public without a requirement to register and free of charge.



THANK YOU

