

Minutes of the PEMPAL TCOP Leadership Group meeting, November 5th, 2012.

TCOP Leadership Group held a meeting on November 5th, in Baku, Azerbaijan.

The meeting was attended by: Mimoza Peco (Ministry of Finance, Albania), Vugar Abdulayev (Ministry of Finance, Azerbaijan), David Tsekvava (Ministry of Finance, Georgia), Zaifun Yernazarova (Ministry of Finance, Kazakhstan), Nazguli Duishembieva (Ministry of Finance, Kyrgyzstan), Angela Voronin (Ministry of Finance, Moldova), Andrei Gurovich (Federal Treasury of Russia), Renolid Rubinov (Federal Treasury of Russia), Rustam Boboev (Ministry of Finance, Tajikistan), Natalia Sushko (State Treasury, Ukraine), Elena Nikulina (PEMPAL Program Team Leader, World Bank), Ion Chicu (TCOP resource person, World Bank).

Agenda items discussed:

- 1. Baku TCOP workshop – last minute organizational issues**
- 2. TCOP plenary workshop in April 2013**
- 3. Request of Kazakhstan for a study visit**
- 4. Revision of the TCOP Activity Plan for 2012-2014, in line with the Paris decisions**
- 5. TCOP budget for 2013-2014**
- 6. Issues regarding the use of TCOPempal wikipage**

1. Baku TCOP workshop

The meeting started with a brief update on the current status of preparation of the Baku TCOP workshop. It was reported that all workshop preparation activities had been successfully accomplished.

The meeting participants have supported the final version of the tasks for all three small groups discussion sessions envisaged in the Baku workshop agenda.

2. TCOP plenary workshop in April 2013

TCOP Activity Plan for 2012-2014 envisages organization of a plenary workshop on Financial Management and Control Issues in April 2013. TCOP leaders have confirmed their interest to discuss this topic.

The meeting participants have accepted **Natalia Sushko's** invitation to conduct the workshop in **Kiev, Ukraine**. The workshop will take place on **April 24-26th, 2013**.

The following issues have been proposed to be addressed in Kiev:

- organization of treasury preliminary and current controls;
- delimitation of functions and responsibilities between treasuries and budgetary spending entities;
- methods of reducing the impact of human factor in the treasury current activities;
- conceptual approaches in organizing the treasury control activity;
- use of IT in treasury control;
- issues related to the special (secret) expenditures in treasury operations;
- control of the correctness of data included in treasury reports;
- approaches to the organization of control in the countries with decentralized budget execution system;
- control of accounts held outside TSA. Organization of the cooperation among treasuries and commercial banks in this area.

Natalia Susko has informed the meeting participants about her country's experience in the area of treasury control. Ukraine is ready to share its experience in the area of delimitation of treasury functions and responsibilities, existing problems, etc.

Andrei Gurovich has informed the audience about the Concept of the treasury control developed and approved in the Russian Federation, and has expressed the availability to share this experience with the workshop participants.

Zaifun Yernazarova has shared Kazakhstan's experience in treasury control area, informing the meeting participants about the rules applied in treasury operations in Kazakhstan, gradation of the risks related to treasury payments, depending of various criteria (the amount of transferred sums, payments' destinations, etc.)

Considering the topic of the event, **Elena Nikulina** has proposed to invite the representatives of the PEMPAL IA COP to attend the workshop in Kiev. The meeting participants have agreed to this proposal and an invitation will be submitted to the Leadership Group of this community.

As in the case of Baku workshop, a working group was created for preparation of the Kiev TCOP workshop. Natalia Sushko, Vugar Abdullayev, Zaifun Yernazarova and Angela Voronin have been approved as members of the working group. Additionally, one representative of Russian Federation will be included in this group. Her/his name will be communicated later.

The meeting participants have agreed to hold a TCOP Leadership Group videoconference on December 6st, 2012, where Kiev workshop organizational issues will be discussed. It is expected that by this date TCOP leaders will provide their additional proposals for the specific issues to be discussed during the April 2013 workshop.

3. Request of Kazakhstan for a study visit

TCOP Activity Plan for 2012-2014 envisages a study visit on Public Sector Accounting and Reporting topic. A request to organize such visit in Estonia has been received from Kazakhstan.

Zaifun Yernazarova has informed the meeting participants about the rationale of requesting this visit, including Estonia's successful experience in reforming public sector accounting and reporting. The information regarding preliminary discussions held with Estonian counterparts has been communicated. In particular, Estonian representatives have confirmed the availability to host a 5 member delegation in February 2013.

TCOP Leadership Group has approved Kazakhstan's request for this study visit. At the same time, some additional countries¹ have expressed their interest to join this visit. The meeting participants have proposed to **Zaifun Yernazarova** to clarify Estonian part's availability to host a bigger number of TCOP representatives. All countries which have expressed their interest to join Kazakh delegation will provide the names of their representatives by the end of November 2012.

4. Revision of the TCOP Activity Plan for 2012-2014, in line with the Paris decisions

According to the decisions taken in Paris, a set of proposals for TCOP Activity Plan for 2012-2014 has been developed and presented to the meeting participants. These proposals have been supported by TCOP leaders. The timeframe will be extended by January 2016. The number of small format events will be increased, while plenary workshops will be held once a year, or maximum 3 events in 2 years. The meeting participants have discussed and agreed, also, the performance indicators proposed for assessing the results of TCOP activity.

Andrei Gurovich has proposed to limit the number of countries attending small format events to 3-5 countries. **Zaifun Yernazarova** has proposed to organize study visits and small format workshops in countries available to share their experience in PFM reforms. **Rustam Boboev** has proposed to develop a flexible Plan, allowing the revision of the events' topics, according to the current thematic priorities of TCOP members.

Taking into account the survey intended to be circulated among the Baku workshop participants, in order to identify their countries thematic interests and preferred formats of the events, **Angela Voronin** has proposed to the meeting participants to provide their additional suggestions for the Plan revision, after the results of the survey will be analyzed and circulated among TCOP

¹ Ukraine, Azerbaijan, Kyrgyzstan and Georgia want to delegate their representatives. Russia will cover itself the cost of its representatives participation to the study visit.

leaders. Additional proposals to the Plan, including suggestions for performance indicators, will be provided by TCOP leaders by December 1st, 2012.

Issues related to the TCOP Activity Plan revision will be discussed during the videoconference, scheduled for December 6th, 2012.

5. TCOP budget for 2013-2014

According to the PEMPAL Steering Committee decisions regarding the COPs' budgets indicative parameters, the maximum amount of the COP's budget in 2013-2014 financial year is **US\$ 510.000**. This amount must include the cost of specific COP's participation to the PEMPAL plenary meeting, planned for this period – **US\$ 150.000**.

The cost of events envisaged by the TCOP Activity Plan for 2013-2014 is equal to **US\$ 562.000**, which exceeds the parameters indicated by the Steering Committee (**+US\$52.000**). Also, only **US\$ 130.000** have been allocated in TCOP budget for its representatives participation at the PEMPAL plenary meeting, which is by US\$20.000 less than indicative figures. Taking into account these figures, the TCOP budget for 2013-2014 exceeds (by **+US\$72.000**) the normative established by PEMPAL Steering Committee.

Leadership Group members have confirmed the relevancy of all events included in TCOP Activity Plan for 2013-2014, and have taken the decision to ask PEMPAL Steering Committee to approve the amount of **US\$ 582.000** for TCOP needs in 2013-2014. This request is within the 15% deviation limits allowed by PEMPAL budgeting rules.

6. Issues regarding the use of TCOPempal wikipage

The advantages of TCOP wiki page in communication between the community's members have been clearly confirmed in the process of Baku workshop preparation. They were particularly obvious during the preparation of the thematic survey preliminarily conducted among workshop participants. Taking into account these advantages, the level of use of the wiki page by the Leadership Group members must be increased.

TCOP resource team will provide additional support to members, in order to increase their knowledge in IT communication area.

Main conclusions of the TCOP Leadership Group meeting:

- TCOP plenary workshop devoted to the topic of treasury control will be held in Kiev, Ukraine on April 24-26th, 2013;

- In order to discuss the issues related to preparation of TCOP workshop in Kiev, a Leadership Group videoconference will be held on December 6th, 2012;
- A working group for preparation of the TCOP workshop in Kiev will be created;
- The meeting participants have supported the proposals prepared by resource team for the TCOP Activity Plan revision. Additional proposals and performance indicators will be submitted by TCOP leaders by December 1st, 2012;
- The issues regarding TCOP Activity Plan revision will be discussed during the videoconference of the Leadership Group, scheduled for December 6th, 2012;
- A request for approving the TCOP 2013-2014 budget in the amount of US\$ 582.000, will be submitted to the PEMPAL Steering Committee;
- Additional support will be provided to the Leadership Group members on a needs basis to facilitate the use of TCOPempal wiki page;
- Ion Chicu will prepare and circulate the draft Minutes of the meeting.