

SUCCESS STORIES



ALBANIA

INVOLVEMENT WITH AND SUPPORT OF PEMPAL

Albania is currently represented on two PEMPAL Executive Committees of the Budget Community of Practice and the Treasury Community of Practice and has also hosted PEMPAL meetings of all three COPs over the last four years on PFM issues related to:

- Liquidity Management and Treasury Controls, with participation of 14 TCOP member countries.
- Selected aspects of program budgeting and performance management, with participation of 21 BCOP member countries.
- Internal audit risk assessment, with participation of 11 IACOP member countries.



Gelardina Prodani
Secretary General, Ministry of Finance of Albania

"Discussing common public finance issues with my peers has been a tremendous benefit to me both professionally and personally. It helps my work to identify and share good practices not only from BCOP member countries, but OECD and other Ministries of Finance from around the world."



The former Chair and now Deputy Chair of the BCOP, holds the highest administrative position in MoF in Albania and regularly uses PEMPAL to gain advice on best practices in PFM reforms. For example, in a study visit she attended to examine budget transparency reforms in South Africa, she was impressed with the induction manuals used for administrative officers that outlined delegations, functional, legal and administrative obligations and accountabilities of budget, treasury and internal audit professionals within the National Treasury of South Africa. She has since initiated a similar reform in the Albanian MoF with the introduction of such manuals scheduled after 2017.

Albania MoF has also used PEMPAL to inform the development of the medium-term strategy for PFM reform to ensure it is based on international good practice as gained through BCOP and TCOP activities. PFM Strategy for 2014-2020 was approved by the Decision of Council of Ministers no.908, dated on December 17, 2014, and is under implementation.



Mimoza Pilkati
Director, Treasury Operations Department, General Directorate of Treasury, Ministry of Finance of Albania

"Such meetings not only result in productive discussions and the establishment of valuable work relationships, but are a key driver and input to Albania's reform program. It is necessary to maintain close cooperation with members of our huge PEMPAL family that enables experience exchanging in the area of PFM and ex ante control."

"These achievements make us feel proud as the member of the huge PEMPAL family and we rely on PEMPAL to ensure we make positive progress."

Involvement in PEMPAL has been an essential tool in the development of the PFM Strategy

in particularly to progress reforms that resulted in normative acts to support payment of taxes through an automated treasury IT system, and the establishment of e-taxation. This also included development and revision of normative acts on Albania’s procedures of closing accounting period; VAT; e-payments and customs automation. Albania also introduced treasury system software to record multi-year commitments. Experience gained by the experts of the Ministry of Finance of Albania during the PEMPAL events provided a substantial contribution into implementation of these reforms. For example:

- the meeting in 2012 in Baku, Azerbaijan about accounting, financial reporting and chart of accounts showed how a critical element of the Public Financial Management Framework should be able to be changed—particularly in the context of an Integrated Financial Management Information System (IFMIS)—to respond to changes such as reorganization of government and changing needs;
- the meeting in 2013 in Kiev, Ukraine dedicated to treasury controls helped to formulate the following elements of the Albania’s Strategy: reimbursement of VAT through automated treasury system and relationship between public procurement database with automated treasury system;

- the meeting in 2014 Tbilisi, Georgia, dedicated to practical issues related to accounting and reporting in public sector, helped Albania colleagues to think through approaches to addressing the operational challenges during reform implementation;
- the meeting in Ankara, Turkey familiarized the participants with the Turkish model of an integrated financial management information system, Albanian participants found in the Turkish experience valuable lessons related to the improvement of state budget planning, generation of the budget execution data by the automated treasury system on the activities and outputs, and the processes involved in submitting to Parliament for approval the financial statement data on accrual basis of accounting; and
- the meeting in Moscow, Russia dedicated to fiscal transparency and accountability, examined key reform challenges and stimulated internal discussion in Albania with high level experts on solutions for declining performance, and the tools to be used for increasing budget transparency (from recommendations from the International Budget Partnership); along with the potential value added with considering GFS Guidelines for IPSAS.

TCOP Plenary meeting: “Selected Issues in Liquidity Management and Treasury Controls”, Tirana, Albania, May 2015





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