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SMART INTERACTIVE TALK

PATHWAYS TO ACCRUAL: INSIGHTS AND LESSONS LEARNED

May 26, 2022

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CONTEXT

Pathways to Accrual is a tool, developed by the IPSAS Board, which intends to assist public sector entities, including national, regional, and local governments, and related governmental entities and international governmental organizations wishing to report on the accrual basis of accounting. It is primarily intended to assist public sector entities transitioning from cash to the accrual basis of accounting, and it may also be useful for entities currently reporting on an accrual basis and considering the adoption of IPSAS.

The tool includes:

- An overview of the wider context in which the transition to the accrual basis of accounting may occur.
- A discussion of various transition pathways that entities choosing an incremental implementation process may adopt.
- Identification of the main tasks associated with recognition of assets, liabilities, revenues, and expenses, including issues and challenges associated with the identification of, as well as measurement of, those elements in financial statements.
- Some implications of adopting accrual basis IPSAS.
- Practical suggestions based on the experience of other entities and jurisdictions.
- Links to other useful guidance and resources.

The main objectives of this webinar are: (i) present the structure and key findings of the tool; (ii) discuss insights and lessons learned from implementation of Public Sector Accounting (PSA) reforms; (iii) discuss IFAC's activities in support of the adoption and implementation of IPSAS; (iv) share country experiences in terms of transitioning from cash to accrual accounting and IPSAS implementation.

The event will be simultaneously translated into Albanian, Bosnian/Croatian/Serbian, Portuguese, Russian, and Spanish.

LOCATIONS AND TIME

- **06:00** – Guatemala City, Managua, San Jose, San Salvador, Tegucigalpa
- **07:00** – Bogota, Lima, Mexico City, Panama City, Quito
- **08:00** – Asuncion, La Paz, Santiago, Santo Domingo, Washington DC
- **09:00** – Brasilia, Buenos Aires, Montevideo
- **14:00** – Belgrade, Podgorica, Pristina, Sarajevo, Skopje, Tirana, Vienna, Zagreb
- **15:00** – Chisinau, Kiev, Minsk
- **16:00** – Baku, Tbilisi, Yerevan

AGENDA | THURSDAY, MAY 26, 2022, 14:00 (CET)

14:00 — **Opening Remarks**

Dmitri Gourfinkel | Senior Financial Management Specialist, PULSAR FinCoP Task Team Leader, The World Bank (Moderator for the event)
Daniel Boyce | Practice Manager, Governance ECA region, The World Bank
Patricia Mc Kenzie | Acting Practice Manager, Governance LAC region, The World Bank
Juan Torres García | Head of the Governmental Accounting Unit, Ministry of Finance of Mexico, Secretary to the National Accounting Harmonization Board of Mexico (CONAC) and FOCAL Chair

14:15 — **PSA reform implementation: IFAC role**

Laura Leka | Principal, Public Sector Initiatives, IFAC

14:30 — **Pathways to Accrual: Key features and insights**

Ian Carruthers | IPSASB Chair, Chair CIPFA Standards
Ross Smith | Program and Technical Director, IPSASB

15:00 — **Country experience: Brazil and Republic of Armenia**

Karen Alaverdyan | Head of Accounting and Auditing Methodology Department, Ministry of Finance, Republic of Armenia
Heriberto Henrique Vilela do Nascimento | Undersecretary of Public Accounting of the National Treasury, Brazil

15:30 — **Questions & Answers**

Juan Carlos Serrano | FOCAL liaison and Sr. Financial Management Specialist, The World Bank

15:45 — **Closing remarks**

Arman Vatyan | PULSAR Program Manager and Governance Focal Point for Central Asia, The World Bank

15:50 — **End of Virtual Workshop**

BIOS OF THE SPEAKERS AND MODERATORS

(in order of appearance)

DMITRI GOURFINKEL

Senior Financial Management Specialist, PULSAR FinCoP Team Leader, The World Bank

Dmitri Gourfinkel is a Senior Financial Management Specialist at the World Bank's Governance Global Practice and has 16 years of professional experience in public financial management and fiduciary compliance in a number of countries. Before joining the Bank in 2007, he held several posts in both national and sub-national governments in Mexico, including Adviser to the Minister of Finance, Chief Adviser to the Deputy Treasurer of the Federation, and Chief Adviser to the Auditor General of Mexico City. Dmitri is a Certified Public Accountant by Mexican Institute of Charter Accountants and holds a master's degree in Public Administration from the Maxwell School of Citizenship and Public Affairs at Syracuse University. Dmitri is the Task Team Leader of the PULSAR Community of Practice on Financial Reporting.

DANIEL BOYCE

Practice Manager, Governance ECA region, The World Bank

Daniel Boyce is Practice Manager for Eastern Europe and Central Asia in the World Bank's Governance Global Practice. His unit covers 11 countries in Eastern Europe, South Caucasus and Central Asia. He is a Certified Public Accountant (CPA) and holds a Bachelor's degree in Accounting from Florida A&M University and a Masters and Ph.D. in Political Science from the University of California, Los Angeles (UCLA). Previously he managed the World Bank's financial management unit for Latin America and the Caribbean. Mr. Boyce is responsible for overseeing quality in the World Bank's Governance work, including operational financial management work and the capacity building activities in public sector management. Themes addressed by the Governance practice include those related to Justice Reform, State Owned Enterprises and Public Financial Management, among others. He also has leadership of regional initiatives related to Public Expenditure Management and Public Sector Accounting.

PATRICIA MC KENZIE

Acting Practice Manager, Governance LAC region, The World Bank

Pat is a Fellow of the Chartered Association of Accountants of England and Wales. She holds a post graduate certificate in Public Financial Management from the Harvard Kennedy School of Government, Executive leadership certificates from Duke University Fuqua School of Business and from the Cambridge University Institute for Sustainability Leadership. With a post-qualification experience in the fields of International Development, Central Banking, Commercial Banking, Oil and Gas Finance, Accounting and Auditing, Pat has worked in three geographic Regions (Latin America and the Caribbean, Middle East and North Africa and East and Southern Sub-Sahara Africa) with diverse clients in Low, Middle Income and OECD countries.

JUAN TORRES GARCÍA

Head of the Governmental Accounting Unit, Ministry of Finance of Mexico, Secretary to the National Accounting Harmonization Board of Mexico (CONAC) and FOCAL Chair

Mr. Torres García, is a certified public accountant with a master's degree in economics from *El Colegio de México*. Mr. Garcia is the current head of government accounting at the Ministry of Finance in Mexico and chair of the National Council of Accounting Harmonization (CONAC by its acronym in Spanish). Previous to his current position, Mr. Garcia performed as Deputy General Director of Securities and Funding Oversight at the Ministry of Finance and as President of the Oversight Commission of the Mexican Institute of Social Security for Public Servants. Mr. Garcia has also performed as Under Treasurer of the Cadaster and as Advisor to the Minister at the Ministry of Finance of Mexico City. Mr. Garcia also held relevant responsibilities in *Financiera Rural* (Mexican Development Bank) and the Mexican Institute of Social Security.

LAURA LEKA

Principal, Public Sector Initiatives, IFAC

Laura Leka is a Principal in IFAC's thought leadership team, focusing on initiatives in support of finance and accounting professionals working in business and the public sector. She was previously an Audit Manager at Grant Thornton, specializing in public sector audit in the UK, and prior to that worked for the Audit Commission. She also spent a year on secondment to the International Integrated Reporting Council (IIRC), where she was responsible for managing their public sector and business network programs. Laura is a member of the Chartered Institute of Public Finance and Accountancy (CIPFA), and holds a Bachelor of Science (Hons) degree in Mathematical Physics from the University of Nottingham (UK).

IAN CARRUTHERS

IPSASB Chair, Chair CIPFA Standards

Ian Carruthers became Chair of the International Public Sector Accounting Standards Board (IPSASB) in 2016, having been a Board Member since 2010. As a Board Member he led IPSASB's work on Long Term Financial Sustainability and alignment between IPSASs and Government Finance Statistics. IPSAS issued during Ian's chairmanship so far include those on Social Benefits and Financial Instruments. Currently in his second term (2019 – 2021), Ian has now been reappointed as IPSASB Chair for a third term through to the end of 2024. After joining HM Treasury from PricewaterhouseCoopers in 1999, Ian played a key role in the UK Government's transition from cash to accrual budgeting and reporting, in particular leading its Whole of Government Accounts programme. He joined CIPFA in 2006. As part-time Chair, CIPFA Standards, Ian has been involved in all these aspects of the Institute's activities, including leading its work on the Role of the Public Services CFO, and the development of the International Framework for Good Governance in the Public Sector in partnership with IFAC.

ROSS SMITH

Program and Technical Director, IPSASB

Ross leads the IPSASB staff team in their work to develop International Public Sector Accounting Standards (IPSAS). Since joining the IPSASB staff in 2013 Ross has led the development and implementation of the IPSASB's governance activities, and the establishment of the IPSASB Consultative Advisory Group. Ross also oversaw the IPSASB's projects related to financial instruments accounting and the development of the IPSASB Strategy and Work Plan 2019-2023. Prior to joining the IPSASB, Ross worked for several years for a big-4 accounting firm in Canada and Japan. Ross focused on complex accounting and audit assignments related to public utilities, industrial companies, and financial institutions. Ross is a Canadian Chartered Professional Accountant.

KAREN ALAVERDYAN

Head of Accounting and Auditing Methodology Department, Ministry of Finance, Republic of Armenia

Karen Alaverdyan has over 13 years of public sector experience in the fields of accounting and audit methodology. In 2013 he became the Head of Accounting and Audit Methodology department in Ministry of Finance of Armenia and was put in charge of the development of financial reporting, auditing, as well as the public sector accounting policies of Armenia. His department's remit also includes coordinating the processes of embedding accrual basis accounting systems in public sector organizations based on Armenian Public Sector Accounting Standard, monitoring their financial statements, as well as translation and publication processes of IFRSs and ISAs and other functions. Karen is also Deputy Chairman of Accounting and Audit Public Oversight Board of Armenia. Karen has become lecturer at Armenian State University of Economics since 2013 and has been lecturing various subjects related to accounting and auditing. He holds PhD degree in economics. He has written several articles on accounting and audit which have been published in different scientific collection.

HERIBERTO HENRIQUE VILELA DO NASCIMENTO

Undersecretary of Public Accounting of the National Treasury, Brazil

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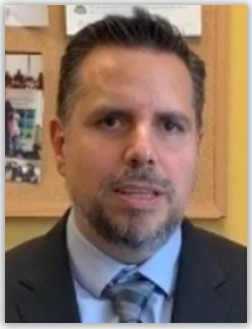
Mr. Heriberto Nascimento is an accountant, specialist in public accounting and public management. He was Manager of Accounting Standards of the National Treasury (2010-2012), coordinator of the Technical Group of Normalization of Accounting Procedures of the Brazilian Federation (2010-2012), responsible accountant of the Ministry of Finance (2013-2017), General Coordinator of Accounting of Federal Government (2017-2021) and currently Undersecretary of Public Accounting of the National Treasury. He is a member of the Convergence Group on International Accounting Standards of the Public Sector of the Federal Accounting Council (CFC).



JUAN CARLOS SERRANO

Sr. Financial Management Specialist, The World Bank

Juan Carlos Serrano is currently Financial Management Coordinator for Andean Countries in the Governance Global Practice of the World Bank, and liaison with the Forum of Government Accountants of Latin America (FOCAL). His experience covers a wide range of areas on PFM reform, with a focus on governance, fiduciary oversight, provision of capacity building to governments, and strategic country-level engagement initiatives. During his tenure at the World Bank, Mr. Serrano has led multiple initiatives across the Latin America region involving a wide range of accountability and oversight institutions, aimed at improving the governance, and implementing transparency and accountability reforms. Before joining the World Bank, Mr. Serrano worked extensively in the Mexican public and financial sectors, working at the Advisory Unit of the Ministry of Finance, the Mexican Banking and Securities Commission, and other international banking institutions. Mr. Serrano is a Certified Public Accountant and holds a Master in Finance from Mexican Autonomous Technological Institute (ITAM). He is an active member of the accounting and auditing profession including active membership in organizations such as the American Institute of Certified Public Accountants (AICPA) and the Institute of Internal Auditors (IIA). He also holds a Certificate in International Financial Reporting from the Association of Chartered Certified Accountants (ACCA) in UK.

ARMAN VATYAN

PULSAR Program Manager and Governance Focal Point for Central Asia, The World Bank

Arman Vatyan, a UK and Canadian chartered accountant, is PULSAR Program Manager and a World Bank Governance Global Practice Focal Point overseeing the implementation of the World Bank's Governance activities in Central Asia including the financial management work program. He has more than 20 years of experience in leading critical financial management initiatives and reforms, including in public sector and corporate accounting and financial reporting, public internal and external audit, financial management information system (FMIS) and public internal control in 24 countries in the Europe and Central Asia, Latin America and Middle East and North Africa regions. He also leads the PEMPAL Internal Audit Community of Practice of 23 countries (since 2008) and other successful regional PFM programs. Prior joining the World Bank he worked at KPMG providing corporate governance, strategic planning, MIS, restructuring, acquisition, and privatization advice to governments and large public interest entities. He has around 20 years teaching experience at ACCA courses and as visiting lecturer at universities, regional and MBA programs.

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