

Attachment 1.

Public Finance Management Reform Action Plan, 2009

Activity Description	Completion	Resource ¹
Update the reporting methodology for the LEPLs according to the GFSM2001 Classification	June	BD, TS
Receive the 6 months reports from the LEPLs and consolidate based on updated methodology	August	TS
Treasury single foreign currency is fully operational	December	TS, IT
State agencies deposit management system upgraded to accommodate the new functional requirements	March	TS, IT
Electronic treasury system is fully functional	December	TS, IT
Install the financial data software to provide easy access to the information on the International capital and money market operations	October	TS
Develop draft liquidity management guidelines	March	TS
Training of staff in liquidity management	May	TS
Prepare the study of the value-added of IPSASs and develop an action and implementation plan for transition to IPSAS	December	TS
Study tour in the countries with the best international accounting practices	December	TS
Study tour in the country with the best practice in PFMS	September	TS, BD
Produce the national accounting standards and draft necessary amendments to the Georgian legislation	May	TS

¹ MoF structural units: TS-Treasury Service, BD-Budget Department, FPD-Financial Policy Department, RS-Revenue Service, IA-Internal Audit Unit

Develop necessary changes into the legislation in order to establish new accounting procedures	October	TS
Prepare and publish official Georgian translation of IPSAS	May	TS
Design accounting training strategy and training materials for accounting in IPSAS for public sector accountants	December	TS
Prepare the functional and technical specification for the PFMS (approved by TS)	March	TS
Improve budget planning through establishing new macro modeling software (test regime)	December	FPD
Conduct trainings for FPD, BD for better macro forecasting	December	FPD
Improve the budget circular forms and develop guidelines and instructions to improve overall medium term budgeting	June	BD
Develop new format of BDD document	March	BD
Prepare the draft Government's regulation, which will define the timeline for developing BDD	March	BD
In order to develop BDD document, organize meetings with state spending units to provide them with consultations and give recommendations to them about the MTEF and their reflection in BDD/Annual Budget	July	BD
Identify strategies and priorities of 5 self-governance cities through BDD and make them compatible with MTEF	December	BD
Provide consultations to pilot ministries on performance indicators that should be reflected into the BDD and Budget documents	December	BD
Review MTEF process through the interviewing stakeholders	June	BD
Establish MTEF for additional budget spending units	December	BD
Establish MTEF on regional level and for 5 self-governing cities	December	BD
Five pilot government spending units submit more detailed information on strategic directions, costing, and	December	BD

performance indicators

Develop new budget execution reporting forms which will include performance check	December	BD
Assist local budgets switch to GFSM-2001 classification and accounting	December	BD
Improving of the format of local budgets	April	BD
Prepare preliminary SWAT study of the current budget legislation	May	BD
Hire consulting firm and prepare a draft legislation	November	BD
Consult with Parliament and Chamber of Control of Georgia on a draft code	December	BD
Develop capital budgets for four pilot ministries and include into the annual budget law as an information	November	BD
Improve capital budget form and reflect it in the budget circular	November	BD
Creation and establishing of the local budgets software	October	BD, IT
Improve the ministry of finance website content with regard the budget in order to increase public awareness	April	BD
Establish a Q&A service for the persons interested in budget issues	April	BD
Analyze the activities and budgets of the existing LEPLs for their further optimization	December	BD
Create database of LEPLs	December	BD, IT
Following the best international practices provide financial-budgeting staff with seminars and trainings; also develop special manuals to improve budget formulation, execution and analyses processes	November	BD, IAU
Approve GoG internal audit strategy	March	IAU

Preliminary changes into the charters of the ministries' structural units in order to reflect the internal audit provisions	September	IAU
Approve a government act on establishing a internal audit harmonization unit	March	IAU
Prepare the internal audit related legal initiatives	June	IAU
Preliminary training of the corresponding ministries structural units in internal audit	October	IAU
Development of the standard charter for the internal audit units, where the responsibilities, accountability and scope of work will be defined clearly	October	IAU
Elaborate of the internal audit standards, code of ethic and general guideline	December	IAU
Prepare two analyses by the MoF internal audit unit based on the international standards	December	IAU
Establish a legal request for the information protection through backuping, virus protection, etc.	May	IAU, IT
Further develop tax disputes resolution system through the establishing of tax appeals service within the MoF	July	FPD
Create taxpayer awareness framework and draft necessary legal changes	July	RS
Enhance administration through the establishing modules for non-payers non-filers	July	RS, IT
Establish e-leaning	August	RS, IT
Include all taxes into e-filing system	December	RS, IT
Establish joint training system together with the Ministry of Interior for RS employees	February	RS
Establish electronic information exchange system between the banks and the RS	July	RS
Establish customs audit	November	RS

Fully develop the necessary legislation for risk-based customs control	November	RS
Gold list becomes functional	March	RS
Risk assessment tax audit system starts functioning	June	RS
Develop necessary sub-legislation in order to facilitate major changes to the Tax & Customs codes	June	FPD, RS