

**6th annual seminar of the AIST
(International Association of Treasury Services)**

“State accounting reform and cash management”

Hammamet, 15 and 16 November 2012

In light of the current international climate and the need for sound management, States are rolling out tools to ensure sustainable public finances and accurate reporting of their actions. As a result, owing to the quality of the information it produces, public accounting is central to good public finance management.

The aim of public accounting is not only to accurately and transparently report on a State’s financial situation. It also contributes to decision-making by assessing the leeway that Government departments have. Accounting information therefore allows the repercussions of public policies to be gauged and for improved monitoring of their effectiveness.

To achieve these goals, and with the support of international and regional organisations, many countries are implementing sweeping reforms to ensure high-quality public management and transparency as regards use of public funds, as well as to provide an accurate picture of the State’s financial situation and net worth. Whilst these reforms are the international trend, they can only be conducted by being tailored to fit each country’s own circumstances.

What is more, the impact of the current financial crisis is two-fold, bringing about the need both to introduce in-depth reforms and to comply with prudential rules in securing their funding. Therefore, the instruments required to satisfactorily adapt to financing requirements have to be identified. Moreover, a strategy has to be implemented to ensure their sustainability and the State’s financial continuity on a permanent basis.

The AIST, which is well-aware of the new requirements dictated by the economic and financial crisis, is inviting its members to attend a conference comprised of two parts:

- an **accounting reform** think tank
- an analysis of **State cash management and financing on the markets**

The **topics** will be addressed by experience sharing sessions followed by a discussion.

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I – ACCOUNTING REFORMS

▷ ***The issues***

The last two decades have witnessed a significant shift in both the role and nature of the financial information of States, at the same time as the emergence of accrual-basis financial statements. States have embarked on wide-ranging accounting reforms spurred on by the enhancing of this information, its extended scope, the development of international standards and the significance of forecasting and projections.

The discussions will address these issues and will strive to pinpoint potential answers.

▷ **Implementing accounting reforms**

The broad scope of the reforms means that a review of the various accounting processes is required. Clear standards and accounting policies, adapted to each State's circumstances, bring quality and transparency to the accounting system.

Accrual basis accounting, which is the foundation of accounting reform, improves the quality and facilitates understanding of financial statements whilst fostering comprehensive knowledge of the State's net worth. Each State must carefully prepare the ground and have a gradual implementation schedule for such a system.

There will be presentations and discussions on the measures and arrangements introduced to conduct these reforms so that the various approaches to the topics can be put into perspective and best practices can be shared.

▷ **Auditing and establishing financial statements**

Accounting reform enables stakeholders such as Parliaments, citizens, international organisations and markets to assess the sustainability of public finances and the quality of their management. To this end, it is essential to create conditions in which easily-understandable and easily-usable accounting documents may be established. Furthermore, the explanations in the notes must be sufficiently detailed to facilitate understanding of these documents and enable them to be used.

Similarly, the risks concerning transaction recognition and accounting treatment must be compiled and analysed and an audit system to verify them introduced.

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II – State cash management and financing on the markets

Once the main topic has been discussed, the underlying one of **State cash management and financing on the markets** will be addressed. In the new public finances context, States are being encouraged to optimise their financing and secure their cash. Cash and debt management are intrinsically linked as debt instruments can be used to raise cash and available cash is used to service debts. The State has to meet this financing requirement and introduce an approach enabling it to do so at least cost.

The presentations will draw on the experience of the various participant countries and external speakers will then express their points of view. The latter, who are involved in streamlining public finances, will explain their expectations and the stakes of the reforms in terms of financial governance.

Wednesday November 14th 2012

13h30 Social event

19h30 welcoming cocktail party

Thursday November 15th 2012

Accounting reforms

Morning

8h30 Reception and registration of the participants

9h00 – 9h30 Opening of the seminar

Speech
Speech of the AIST President
Speech of the Tunisian Minister of Finance

9h30 – 10h00 Break

10h00 – 12h00 Challenges and issues of the State accounting reform

Round table – 1 moderator, 3 speakers

Subjects to be tackled:

- The scope of the accounts
- The relations between cash basis accountancy, accrual accounting, cost analysis accountancy
- Valorisation of accounting information
- Prospective information
- IT systems

12h00 – 14h00 Lunch

Afternoon

14h00 – 16h00 The implementation of accounting reforms

- Accounting standards establishment (20 min)
- Opening balance sheet (20 min)
- Tunisian reform process (20 min)
- Debates (60 min)

16h00- 16h20 Break

16h30 – 17h45 The accounts quality and the production of the accounts

- Internal control and risks management (20min)
- The production of the accounts and the appendixes (20 min)
- Debates (45 min)

Friday November 16th 2012

Morning

The management of cash-flow and state borrowing on the markets

9h00 – 10h30 Organizational models

- Organizations overview (25 min)
- The French experience (25 min)
- Debates (40 min)

10h30-10h50 Break

10h50-12h30 Management instrument

- Funding instruments and issuing strategies(25 min)
- Means of active cash management (25 min)
- Debates (50 min)

Afternoon

14h30-16h30 General Meeting