

الاستحقاق المحاسبي
Accrual Accounting



Reforming & IPSAS Implementation





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VISION 2030 OVERVIEW



2030 vision was introduced in April 2016 by Crown Prince Mohammed bin Salman Al Saud to achieve King Salman Ibn Abdulaziz Al Saud's directions with the aim of diversifying and expanding the economy's competitiveness.

MY PRIMARY GOAL IS TO BE AN EXEMPLARY
AND LEADING NATION IN ALL ASPECTS, AND I
WILL WORK WITH YOU IN ACHIEVING THIS
ENDEAVOUR...

Custodian of the Two Holy Mosques
King Salman Bin Abdulaziz Al-Saud

The vision themes

Vision 2030 on the nation's intrinsic strengths:



The heart of the Arab and Islamic worlds



Investment powerhouse



The hub connecting three continents

The groundbreaking agenda of vision 2030 is build on three pillars



Thriving Economy



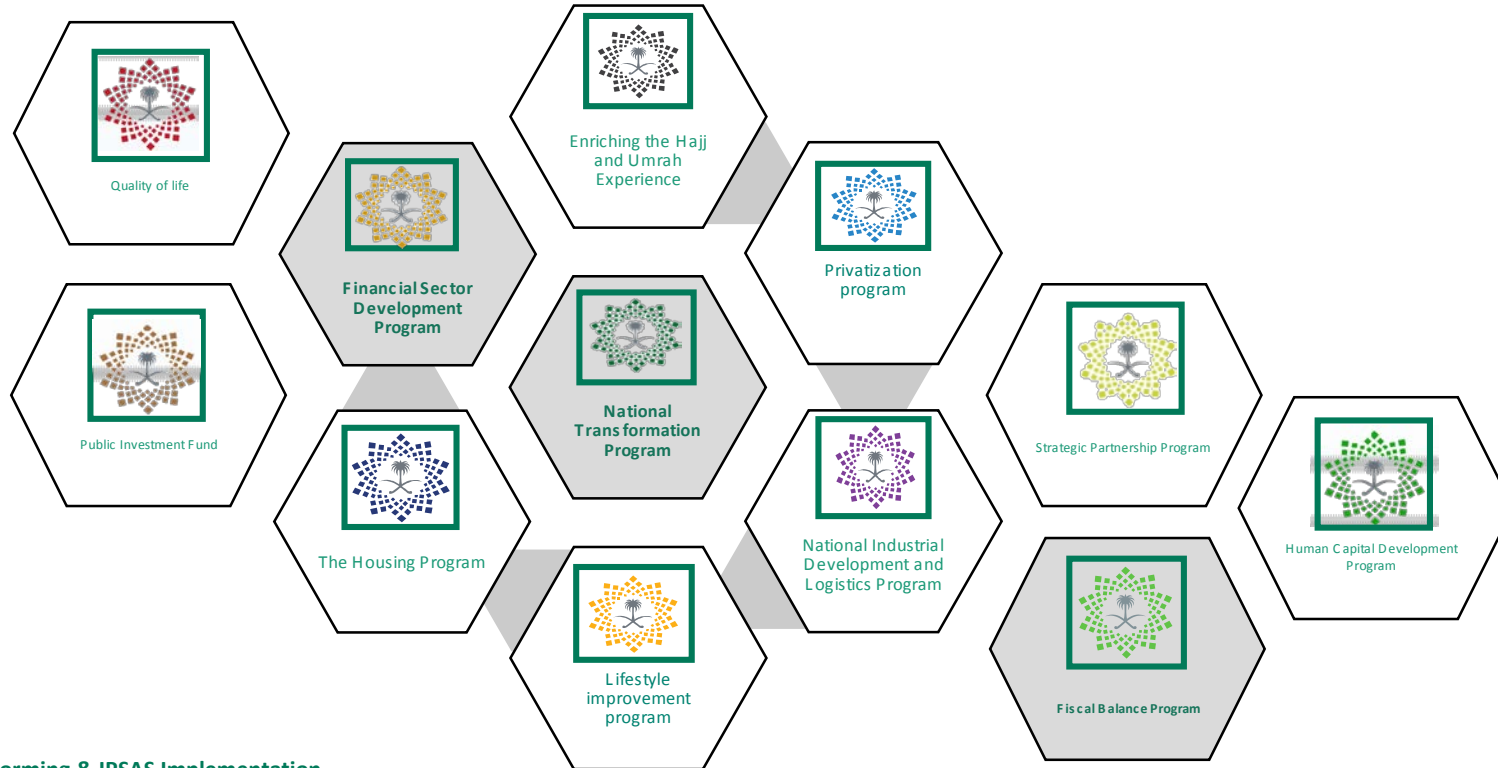
Vibrant Society



Ambitious Nation

VISION 2030 OVERVIEW

The 13 vision realization programs that have been designed to achieve Vision 2030 and represent the economic pillars for advancing Saudi Arabia as a leading global figure



VISION 2030 OVERVIEW



The vision progress



PRIVATIZATION



**GIGA-PROJECT-
LAUNCHED
NEOM**



**VALUE ADDED
TAX (VAT)**



**CITIZENS ACCOUNT
PROGRAM**



**FORMATION OF
AN ANTI-
CORRUPTION
COMMITTEE**



FOREIGN INVESTORS



**ROLE OF
WOMEN**



LIFESTYLE



Ministry of Finance Strategy Alignment with Vision 2030

STRATEGY DEVELOPMENT

A detailed and comprehensive study was undertaken to prepare the strategy.



20 reports from
leading
organizations



Benchmarking with
Other
Countries



Conducted more than
40 workshops &
seminars for internal
assessment



وزارة المالية
Ministry of Finance



Conducting interviews
with
multiple governmental
Ministries and agencies



Review the
related context
and economic
outlook
(Vision 2030)



Vision, Mission and Value

Vision



A leading ministry that enables Saudi Arabia to be among the world's **15 largest economies by 2030** through a distinct financial system.

Mission



Developing effective financial policies and managing financial resources to achieve economic growth stability, financial sustainability, increasing spending efficiency, and strengthening partnerships with the private sector through effective governance; as well as supporting the Kingdom's influence on the regional and international financial community.

Values



Transparency

Commitment

Partnership

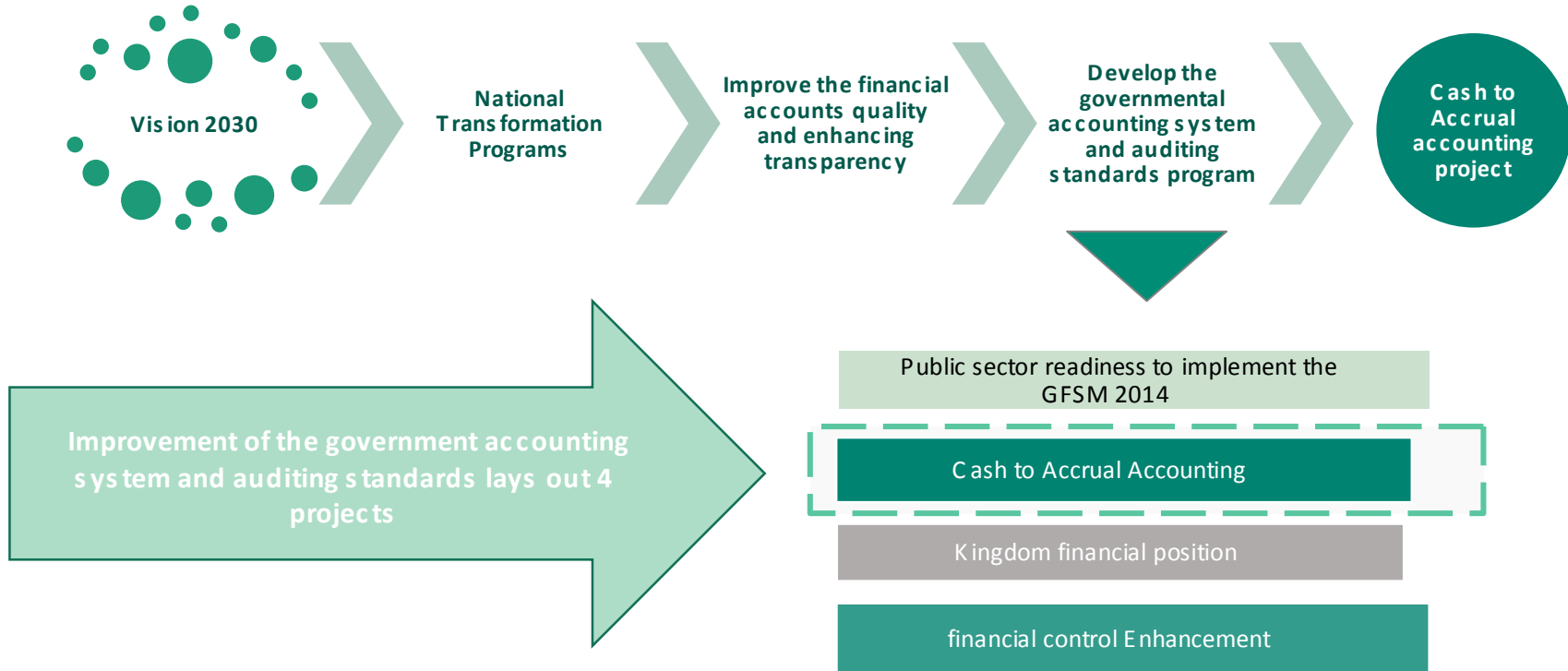
Accomplishment



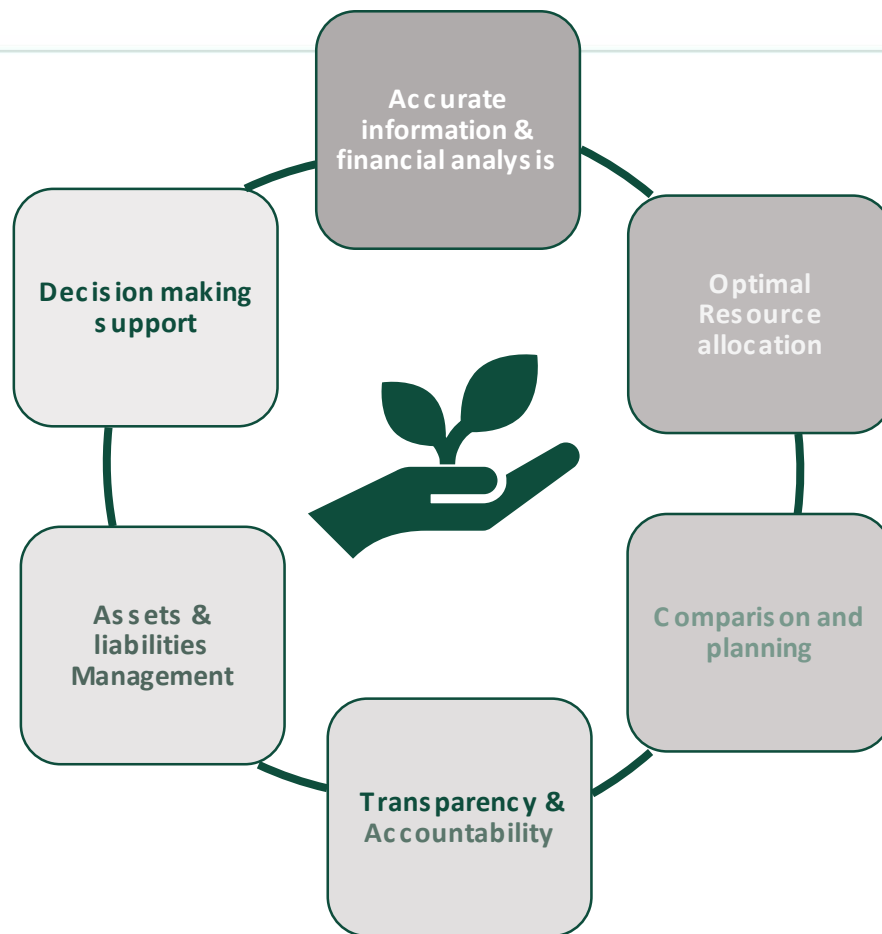
CASH TO ACCRUAL ACCOUNTING PROJECT



The significance of cash to accrual accounting project within the vision 2030



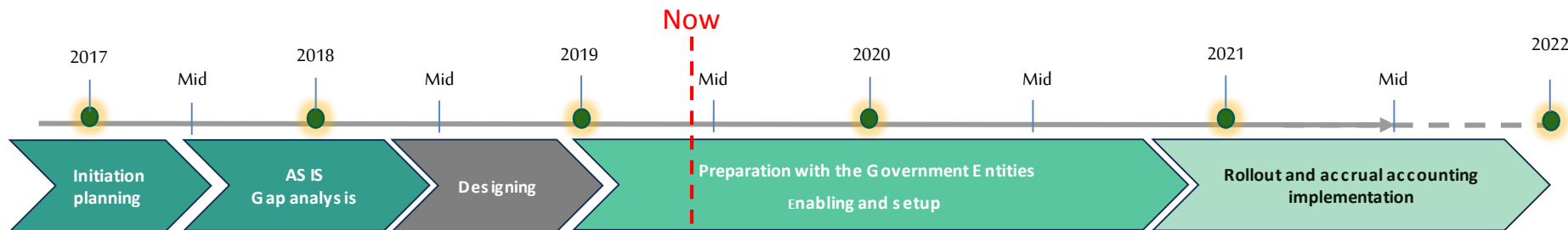
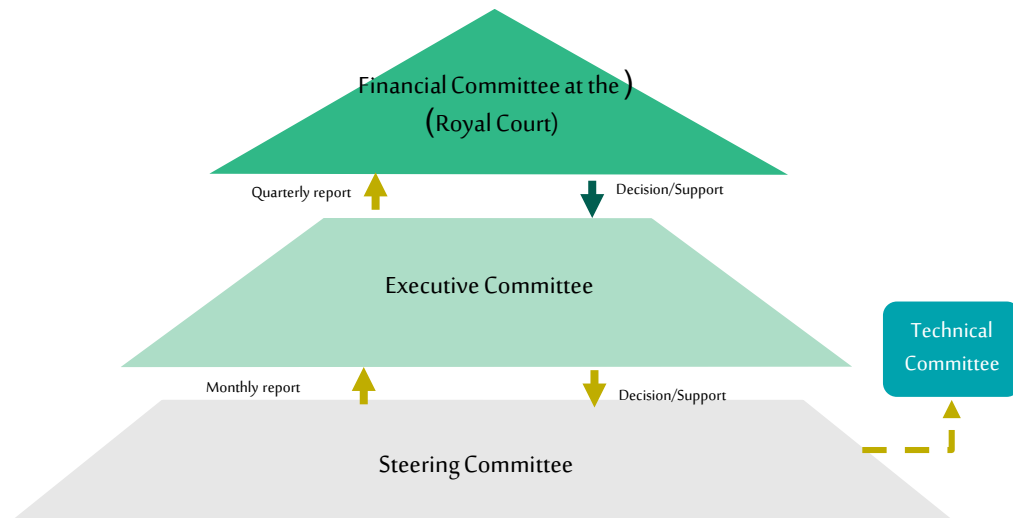
C 2A STRATEGIC OBJECTIVES



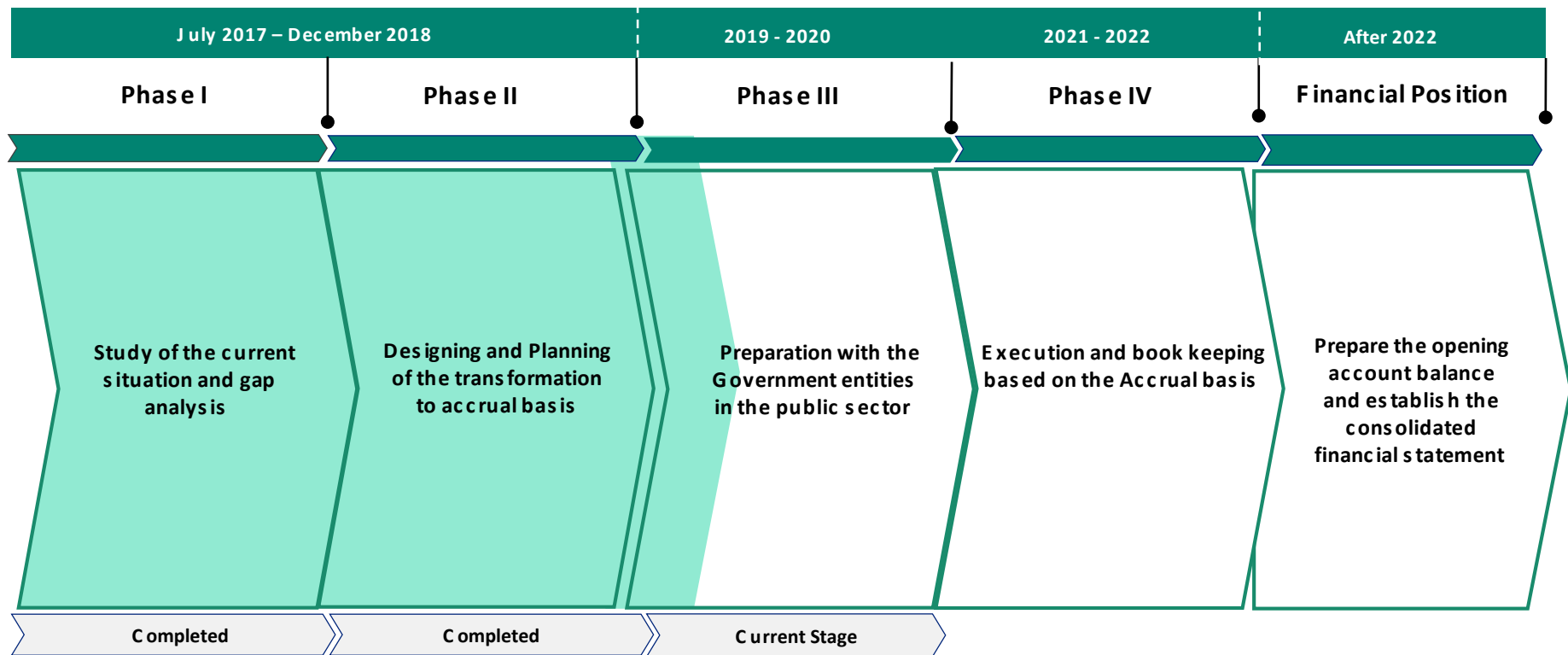
PROJECT GOVERNANCE

Royall decree was the trigger of this project in order to achieve the strategic objectives of vision 2030 in enhancing the public financial sector.

High involvement, commitment and Authority support.



PROJECT PHASES



PROJECT COMMITTEES

Develop the general framework, governance, controls, standards and procedures related to counting and valuation of assets and liabilities.

Central Committee for counting and valuation of assets and liabilities

Review the accounting policies and guidelines in the public sector and ensuring their completeness, suitability , formulation, and applicability.

Focus Group

Plan and supervise the project in order to achieve its objectives.

Steering Committee

Contribute to the change management cycle and support the transformation to accrual accounting

Financial Managers Committee

Study, evaluate and approve the materials related to the training of human resources working in financial in public sector.

Training Committee

Study of the International public sector accounting standards, policies, and procedures (IPSAS)

Technical Committee

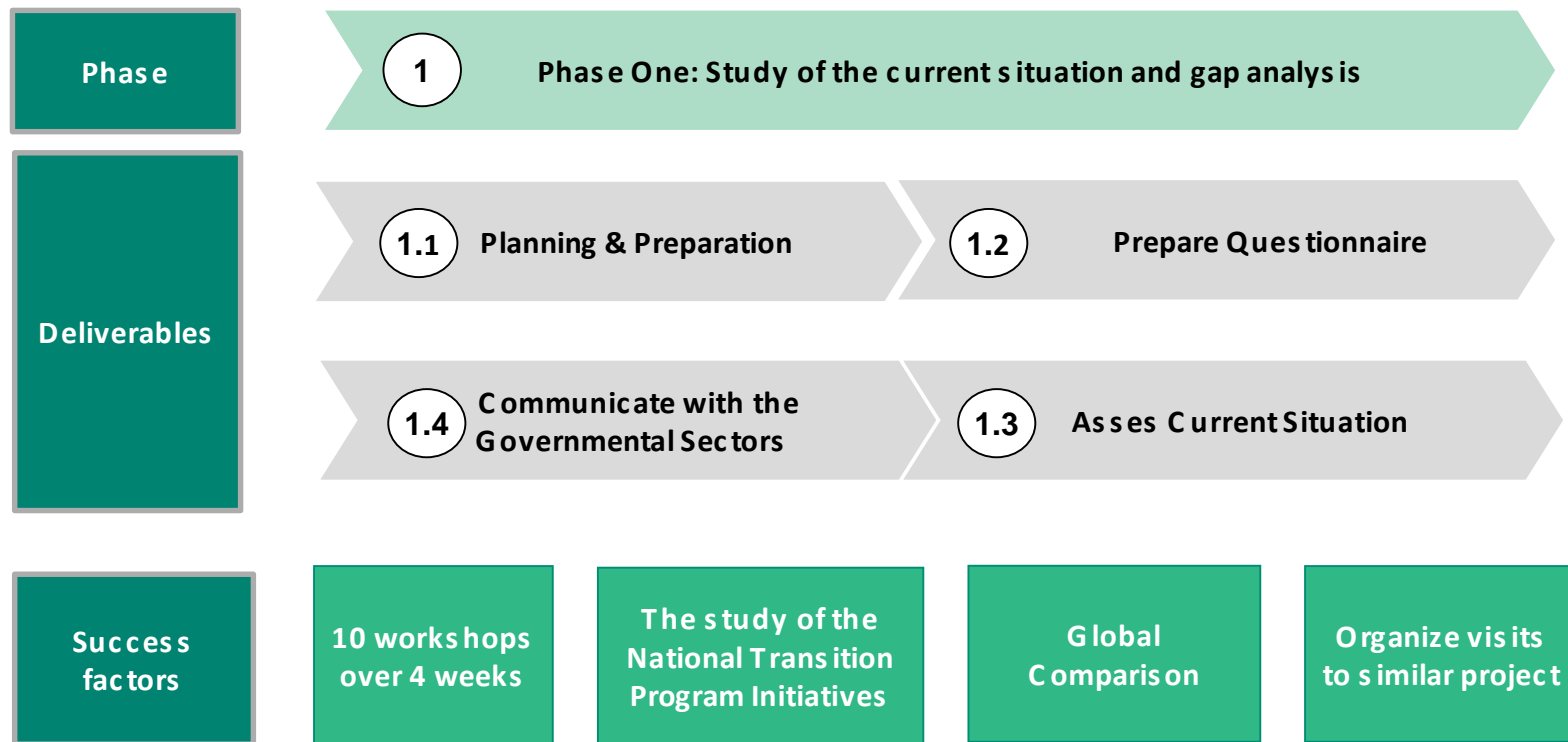


Believe,
Commitment, value
added



Phase one: AS IS & Gap Analysis study

PHASE ONE: ASSESSMENT OF THE CURRENT SITUATION



INTERNATIONAL BENCHMARK

1

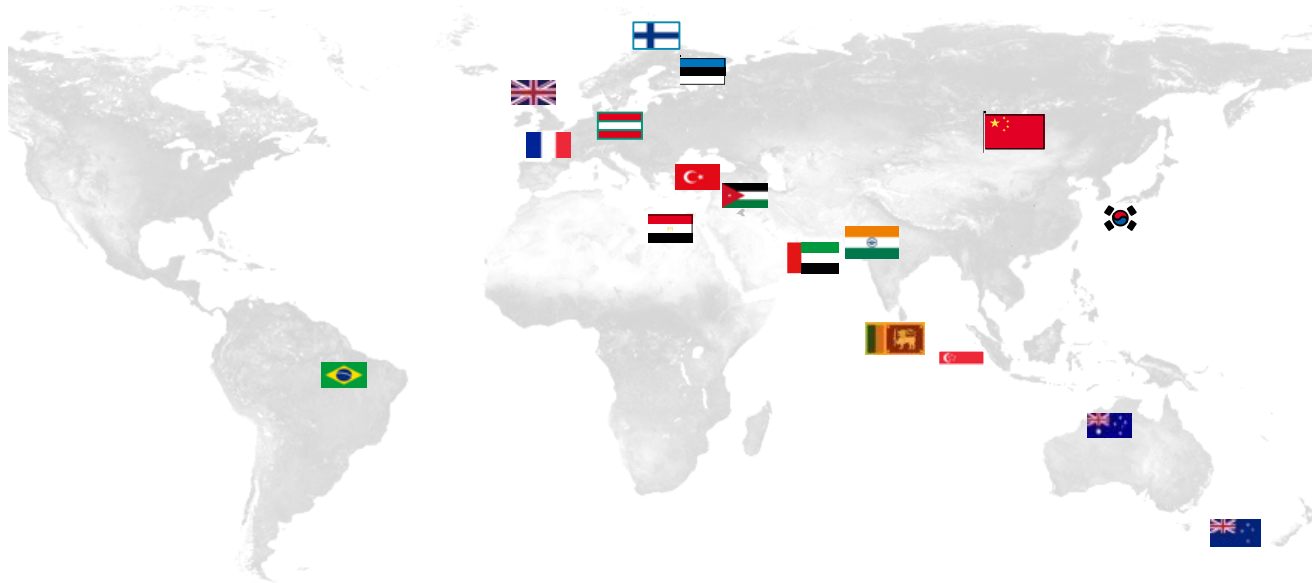
Technology

2

Operational Model

3

C2A Conversion Experience



Field Visits

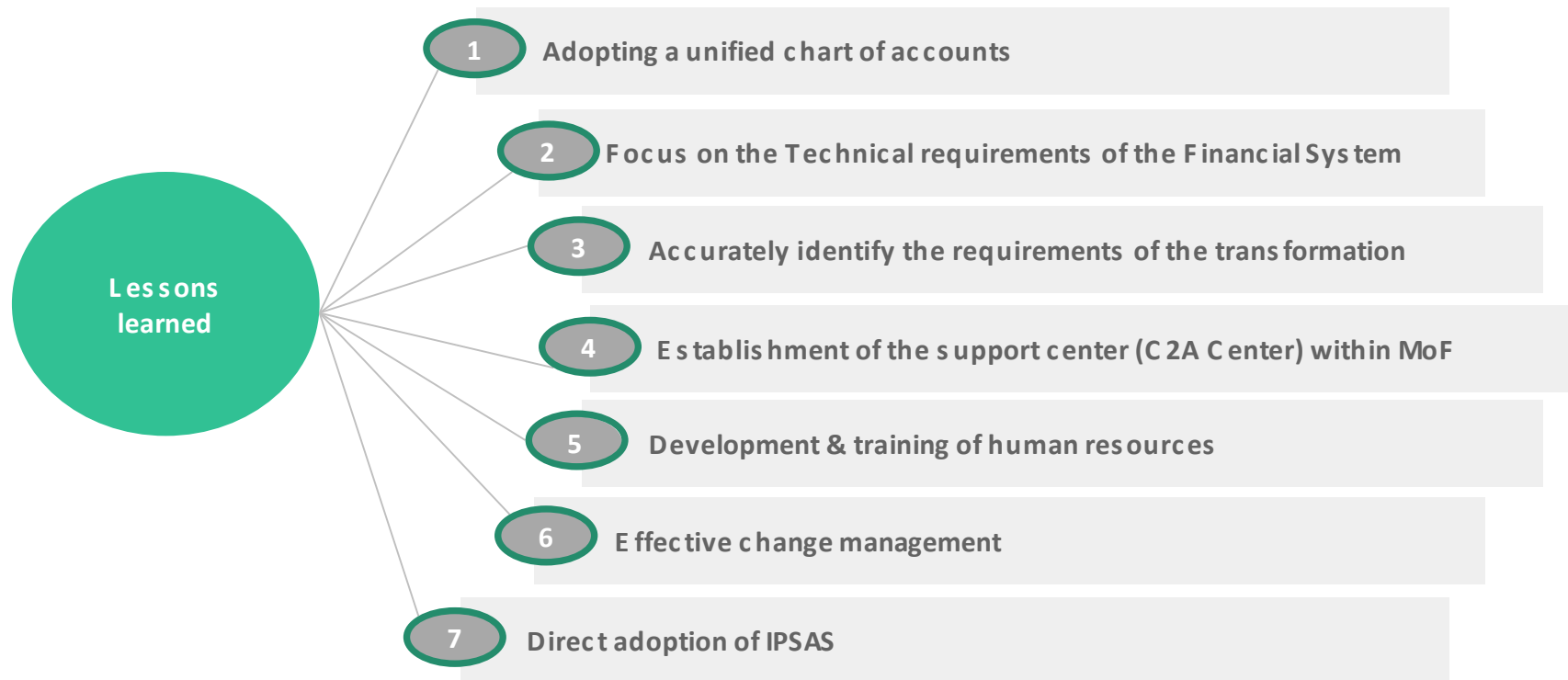
- 1 France
- 2 Austria
- 3 UK
- 4 UAE

Case Study

- | | | | |
|----|-----------|----|-------------|
| 5 | Finland | 12 | China |
| 6 | Estonia | 13 | South Korea |
| 7 | Turkey | 14 | India |
| 8 | Singapore | 15 | Sri Lanka |
| 9 | Australia | 16 | Jordan |
| 10 | Brazil | 17 | Egypt |
| | | 18 | New Zealand |

SIGNIFICANT LESSONS LEARNED

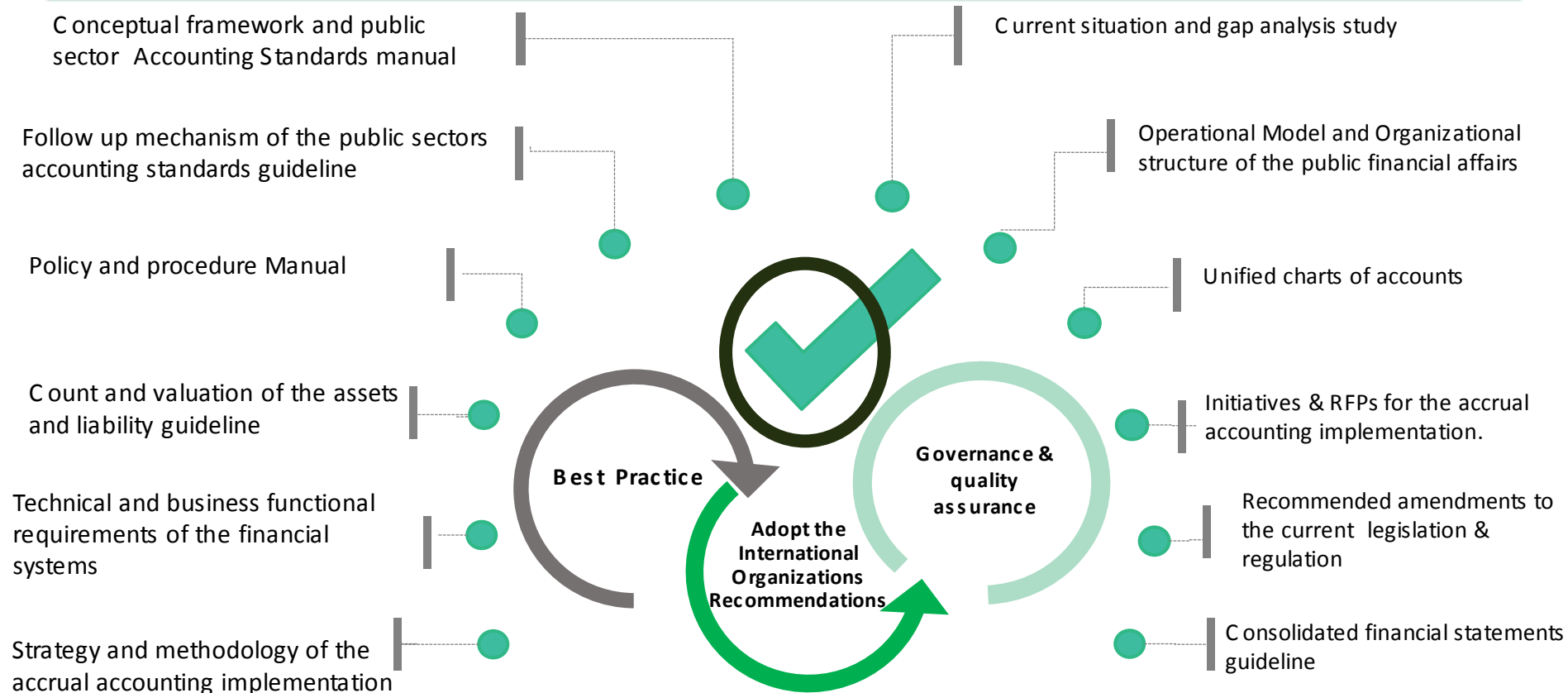
Mostly were learned from the previous international experiences & the world bank recommendations





Phase two: Designing & Planning

DESIGNING PHASE - SUCCESS FACTORS



STRATEGY AND METHODOLOGY OF EXECUTING PHASE THREE & FOUR

Transformation Strategy & methodology

Comprehensive transformation plan

- Pilot execution (four Governmental entities)
- (Phase 3)
- (Phase 4)

1. High authority support

2. Effective Change Management Plan

3. Training Programs

4. Communication and support center (C2A center)

5. Direct Adoption of IPSAS

Transformation requirements

Dependence of transformation by entities, supported by ministry of finance

gradual transformation of Governments entities

full adoption of IPSAS

Implementing Accrual accounting on the entities within the budget

Methodology

6. Unified Government Resources Planning (UGRP)

7. Integration of decentralized public entities within the UGRP

8. Partnership with Vision Realization Offices

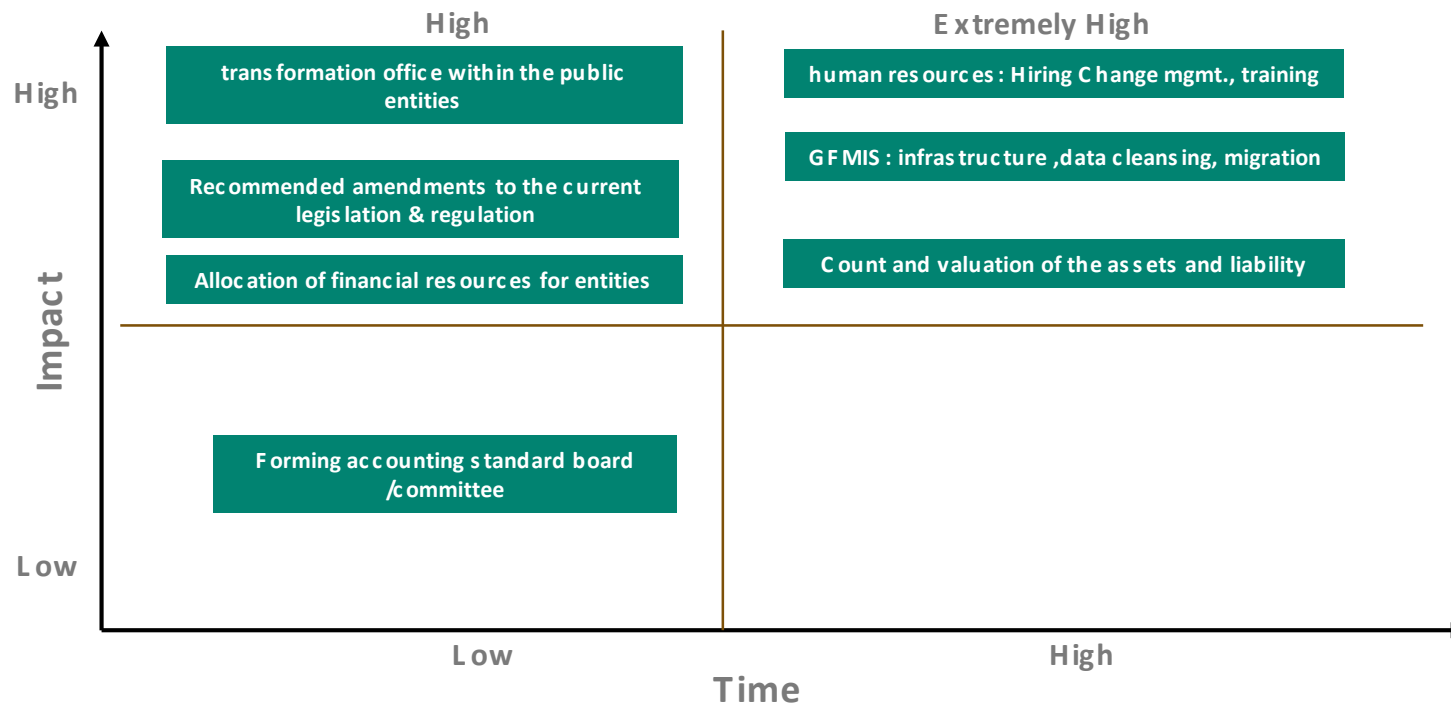
9. Partnership with General Auditing Bureau

10. Forming the accounting standards committee

Transformation requirements

IMPLEMENTATION CHALLENGES

Based on Current situation assessment, the most significant C hallenges during the implementation phases

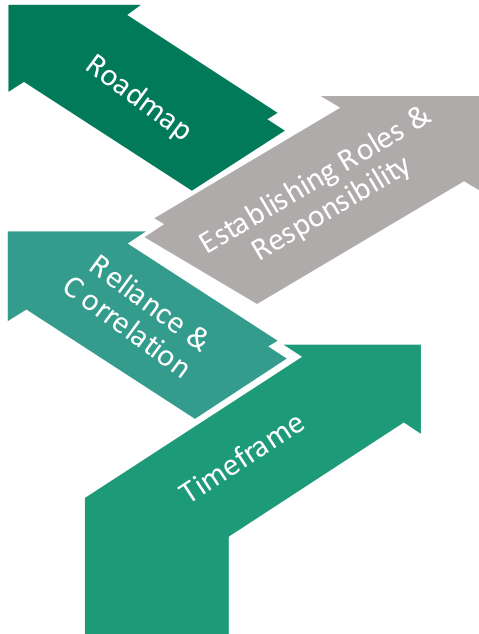




Preparation with Entities & Rollout Planning



Alignment with related initiatives...



Timeframe

Research the required timeframe in accordance with the **analysis of** the current situation and gaps, the experience of other countries, and the recommendations of the World Bank



Reliance and Correlation

Study the **reliance and correlation** between **C2A project** and other related initiatives.



Establishing Roles and Responsibility

Establishing roles and responsibility, governance and challenges.

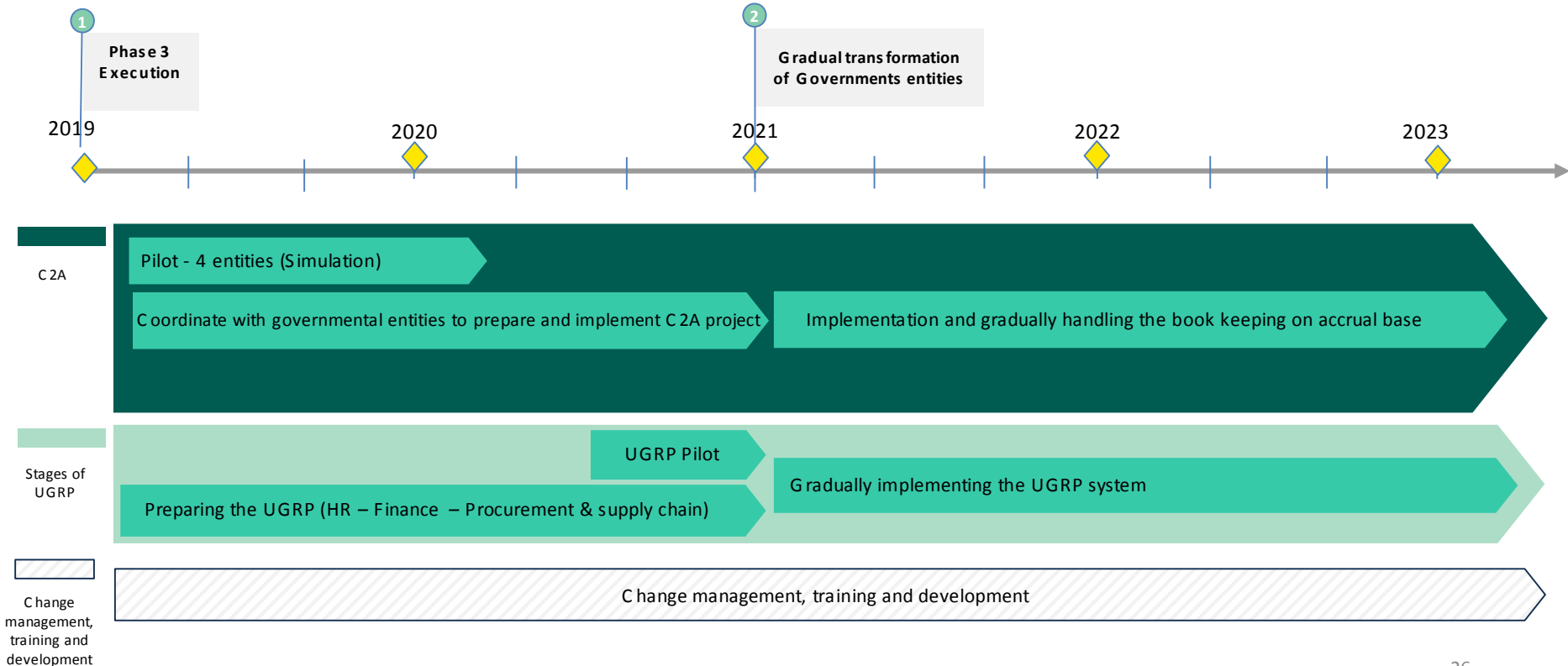


Comprehensive Roadmap

Roadmap should be aligned with the UGRP and Change Management initiatives to facilitate implementation

STRATEGY AND METHODOLOGY OF EXECUTING PHASE THREE & FOUR

Comprehensive Roadmap...



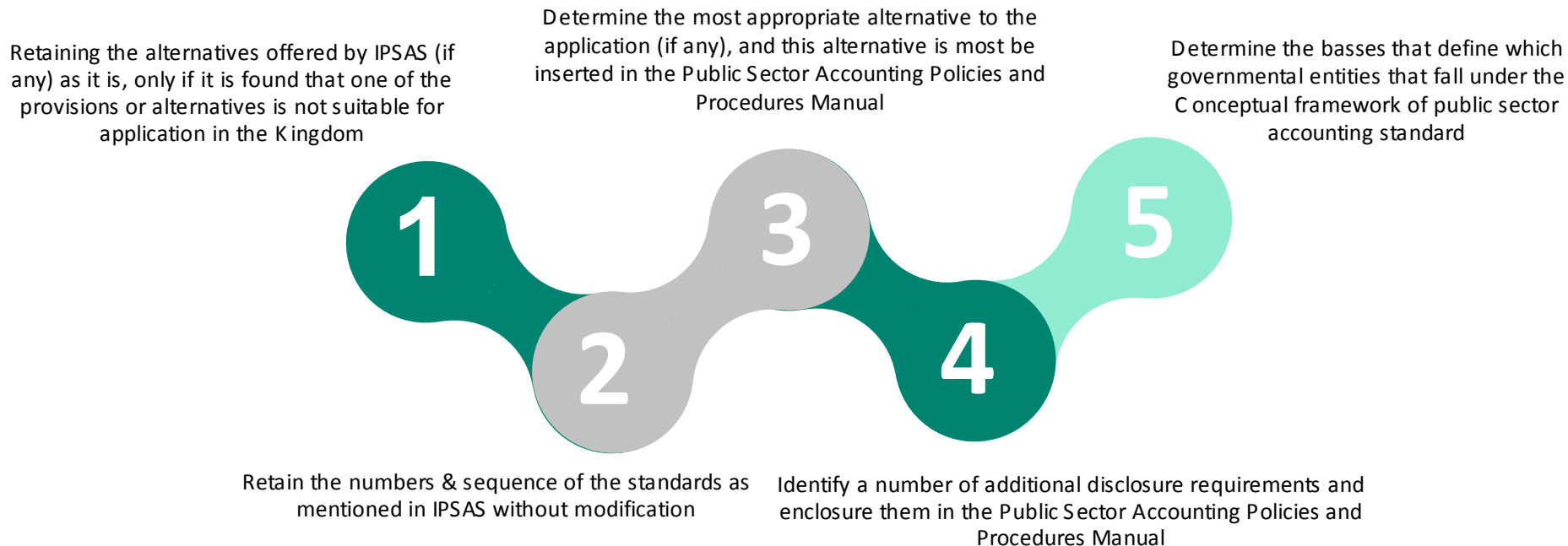


Implementation of IPSAS

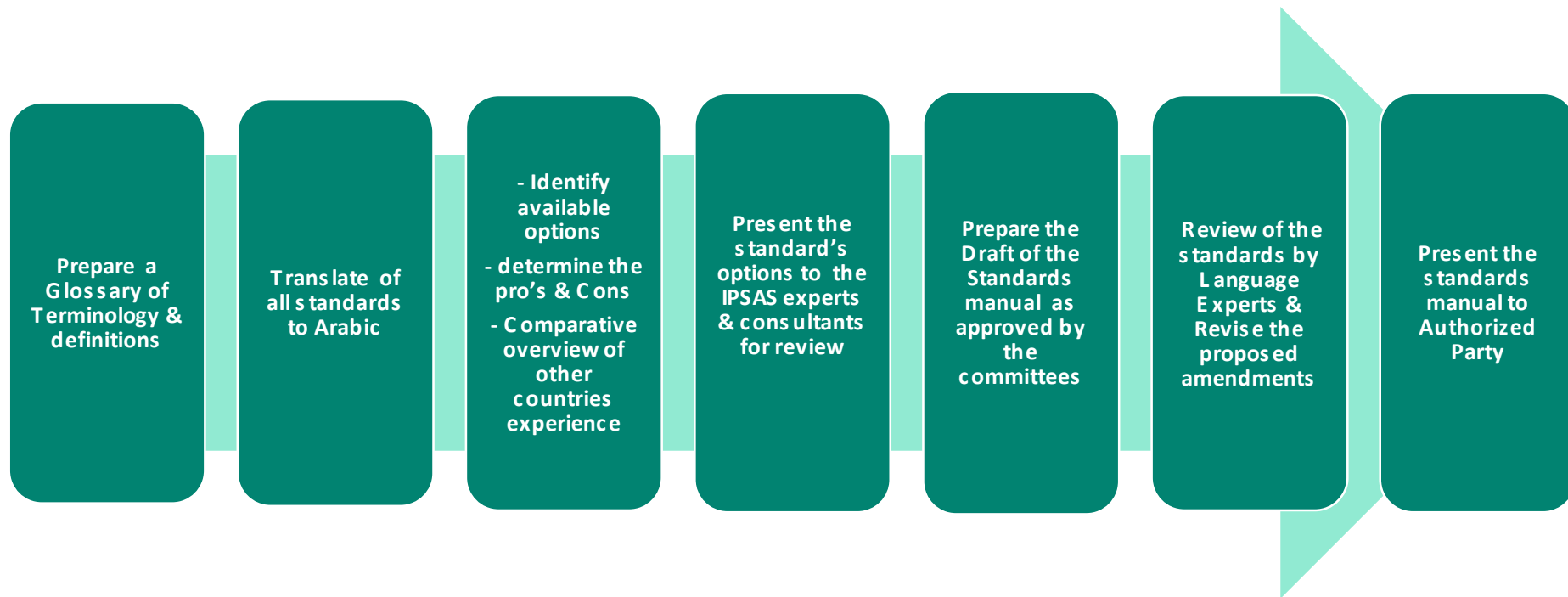
Indirect adoption of IPSAS with minor modification on “IPSAS 35” and retaining the alternatives offered by IPSAS as it is, where the most important sources of the study are as follows:



Consideration was taken when preparing the standards manual



Procedures of preparing the standards manual



Content of the standards manual

Standards

Content of Standards

- Objective
- Scope
- Definitions
- Recognition & Measurements
- Disclosure

Study Associated with the standards

- Introduction
- Analysis of the questionnaire results & field visits in relation to the standards while looking into the most affected entities
- The differences between the project of the accounting standards and the corresponding IPSAS
- Comparison between the project of the accounting standards and the corresponding IPSAS.
- Application Guidelines (if applicable).
- Execution Guidelines (if applicable).
- Illustrative examples (if any).

Differences from IPSAS

1

Amendment to the Public Sector Accounting Standard (35) "Consolidated Financial Statements", a controlling entities will apply the equity method to treat interest in independent agencies and companies.

2

Interim Financial Reporting Standard (IAS 34)

3

Alteration to some examples that are not suitable to the kingdoms culture and replace it with suitable ones

4

Replace the term (Currency Unit) to (Saudi Riyal) when suitable.

5

Completing and correcting some points and phrases in compliance with the public international standards.

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Thank You

