



LIETUVOS RESPUBLIKOS FINANSŲ MINISTERIJA

UAB „Raimda auditas“

Į 2021-07-11 Nr. BN; 5K-2112247

FOR INFORMATION SYSTEMS

We have examined your inquiry of 11 July 2021 “On Information Systems”, which asks for clarification on the use of the Public Sector Accounting and Reporting Consolidation Information System (hereinafter - PSARCIS) and the Financial Management and Accounting Subsystem (hereinafter – FMAS) of the State Budget, Accounting and Payment System, duplication of system results and the expediency of moving to FMAS.

We note that:

- implementing the Law Amending Article 6 of the Law on Accounting of the Republic of Lithuania, by the Resolution of the Government of the Republic of Lithuania of 11 December 2019 No. 1252 “On Common Public Sector Financial Management Information Systems and Their Use” (hereinafter - the Resolution), **FMAS** has been selected as the common information system for **managing the financial accounting** of state institutions.

- Order No. 1K-152 of the Minister of Finance of 19 April 2011 Item 2.6 specifies that sets of **consolidated financial statements for all levels of consolidation are prepared** using **PSARCIS**.

Based on the above information, we provide answers to the questions in the inquiry:

1. *On the continuity of use of PSARCIS.* FMAS is a tool for managing the financial accounting of institutions, and PSARCIS is a tool for preparing consolidated financial statements. We note that these systems are integrated, i.e., the accounting information registered in FMAS is transmitted to PSARCIS in the form and procedure established by the Minister of Finance, therefore the use of FMAS for financial accounting does not affect the continuity of PSARCIS use.
2. *Regarding the duplication of PSARCIS and FMAS results.* PSARCIS is a centralized consolidation information system for the preparation of a set of consolidated financial statements of all groups of public sector entities (hereinafter – PSE), municipalities, the state and the national, but not for financial accounting, therefore the objectives and results of the use of PSARCIS and FMAS are not duplicated.
3. *Regarding the expediency of the transition of PSE to FMAS.* The use of a single, unified financial accounting solution in the public sector makes it possible to ensure uniform management of PSE financial accounting and compliance of PSE’s financial accounting with PSAFRS. The aim of this decision is to maximally and uniformly automate the processes of financial accounting management, to reduce the need for state budget funds for the development and maintenance of these decisions, to ensure a balanced level of human resources administrative capacity, etc. Therefore, the transition of the PSE to the FMAS to the extent set out in the Resolution is justified and expedient.

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