As I end my two-year tenure as ICGFM President, I am pleased to report accomplishments on many fronts. I’d like to take this opportunity to shine the light on some of these successes and to thank the people who helped make them happen.

The ICGFM annual conference in Miami has gotten better every year and the last two years were no exception. Both the content of the conferences and the financial outcome for the Consortium were positive. We continued translating conference presentations into three languages—Spanish, French and English—which has served to enhance the conference experience for participants and added to the number of countries represented.

Our financial condition is also improved. We have good internal controls in place and we have worked hard to enhance the organization’s financial foundation, which has allowed us—for the first time—to hire a part-time executive director. The administrative workload involved with running an international organization had exceed the ability of volunteers to handle it. The staff person is primarily responsible for organizing the logistics behind the Miami conference and will be the glue that holds our organization together.

The quality of the speakers at the ICGFM monthly forum meetings continues to improve and we are hopeful attendance will pick up as the word gets out about these outstanding gatherings.

I am pleased to acknowledge the contributions of our Publications Editor, Dr. Jesse Hughes. Under Jesse’s leadership the Public Fund Digest has grown and expanded its coverage. Our newsletter is out on time and full of useful, relevant information. I appreciate Jesse’s guidance of these important publications.

All of these accomplishments will help to serve our larger goal of expanding our membership. The pieces are in place and it is up to each of us to spread the word about the Consortium’s important work.

I want to thank the National Association of State Auditors, Comptrollers and Treasurers (NASACT) for handling the ICGFM’s administrative needs over the past two years. I particularly thank NASACT staffers Cornelia Chebinou and Tanya Grayson for their hard work. I also extend a special thank you to Linda Weeks, who has served as our first part-time executive director.

Finally, I thank you, the ICGFM members, for the privilege of serving as your President. I will remember these two years as a highlight of my professional career.

Relmond V. Van Daniker
ICGFM President
The approach that has been adopted has been to envisage a single accounting system capable of interfacing with, and consolidating information from the lower-level accounting systems, producing ‘whole of government’ financial information.

Michael Parry: mparry@imcl.biz

There is increasing recognition of the need to produce ‘whole of government’ financial information for both budgets and historic accounting. This involves consolidating data from central government, sub-national governments within a federal structure, and local level governments. Such information is required for a variety of purposes:

- For fiscal management, to provide an overall picture of government financial flows and balances
- For resource allocation, to be able to identify total resources allocated both sectorally and spatially
- To provide a picture of the relative roles and significance of the different levels of government.

The approach that has been adopted has been to envisage a single accounting system capable of interfacing with, and consolidating information from the lower-level accounting systems, producing ‘whole of government’ financial information. This model is illustrated in Exhibit 1 below.

This model works, but a number of issues arise which must be addressed:

1. All entities must use compatible accounting systems that are capable of communicating with each other - always easier in theory than in practice
2. The chart of accounts must be identical at all levels, and any change in a lower level must be exactly replicated at the top level to enable consolidation
3. The model implies that all transactions are consolidated in the central system, involving a high volume of data transfer and central processing, or one large server at the centre handling all transactions. Both approaches require large servers, high capacity networks and software suitable for large transaction volumes.
4. The model illustrates ‘whole of government’ accounting. If whole of government budgets are required, then another consolidation would be required.

Furthermore, whilst this model is feasible for different levels of government where there is some central direction, it is difficult to apply if the organisations are not subject to central direction, e.g. NGOs for a sector wide approach, state owned enterprises and other quasi government organisations.

There is a need to find a different approach. A solution is to request summarised information, for example in spreadsheets, but this becomes complex and difficult to manage if there are a large number of entities.

However, a solution is feasible by applying XBRL (eXtensible Business Reporting Language). XBRL has been developed for commercial financial information, and the concept is summarized as follows “Instead of treating financial information as a block of text - as in a standard internet page or a printed document - it provides an identifying tag for each individual item of data. This is computer readable. For example, company net profit has its own unique tag”.

Though developed for the private sector, the concept is generic and therefore equally applicable to the public sector within a specific country. XBRL is a sub-set of XML.

Producing whole of government accounts from different systems—XBRL as a solution

Exhibit 1: Consolidating upwards into a central accounting system

- XBRL could be developed to provide a solution to data consolidation and whole of government accounts within a country through a series of steps:
  1. Develop standardised data tags (taxonomy)
  2. Ensure the different financial management systems produce summarized financial information in XBRL format using agreed taxonomy
  3. Consolidate the output into agreed formats using appropriate software

A model of how this might work is provided in Exhibit 2 on the next page.

There would need to be agreement on the line item content of the whole of government financial information, and the development of this into a standard taxonomy. Rather than each country developing this individually, it is desirable that a standard taxonomy be developed for whole of government and sectoral financial reporting, although one country might serve as an initial model. It is obviously desirable that such a system should use the International Monetary Fund General Financial Statistics Manual (IMF GFSM) as the starting point.

As with any consolidation, it would be necessary to identify transfers and flows between entities to be consolidated, and similarly inter-entity liability/assets, so these could be eliminated for consolidation. The XBRL taxonomy would have to enable such items to be identified.

The XBRL approach has a number of advantages:

- There would be no requirement for common software, or even a common chart of accounts, provided financial information could be output in XBRL format using the standard taxonomy
- The same taxonomy could apply to budget and historic accounts, obviating the need for separate systems to consolidate the different data
- The system could be applied across a range of organisations, including...
NGOs, without dictating their internal systems and processes
• Individual systems could be relatively small, and the requirements for data transmission limited. At the centre, the tool for data consolidation would be separate to the accounting system, enabling the latter to be scaled simply to meet the requirements of central government.

Where Next?
As far as we are aware, no projects exist to develop a taxonomy for the government sector, the IMF GFSM, or to enable the production of whole of government financial information in the manner described above. At present the IMF web site does not list XBRL, and the World Bank site only in the context of commercial enterprise reporting. In the UK the government has several XBRL projects, but again these are concerned with the use of commercial reporting information for government and public purposes, not with reporting and consolidating financial information of government entities themselves.

What is required initially is a small pilot project to establish whether XBRL could be used in the manner described to consolidate financial information from government entities within a country (some of the issues raised are different to those in current applications of XBRL), the implications and scale of the task of developing a taxonomy and a software tool that would consolidate the XBRL data. Discussions would need to be held with the XBRL Foundation to ensure that standards were observed and there was no conflict with other initiatives. For the pilot exercise dummy data could be used to test the concept.

ACCA Launches New Public Sector Website
ACCA’s wealth of public sector resources have been brought together as part of a new public sector website, available at www.accaglobal.com/publicsector.

ACCA has developed this area of its website for the public sector. This includes material published by ACCA on public sector developments including booklets, articles, consultation responses and survey results. It also provides links to resources published elsewhere on the internet which may be of interest to ACCA members who work in the public sector. In addition, back copies of ACCA’s International Public Sector Bulletin are available from these pages. The contents of the August 2004 Bulletin are as follows:
1. PEFA issues a draft Public Financial Management Performance Measurement Framework
2. IFAC Report on Budget Reporting
3. ACCA Public Sector Website
4. IFAC Proposed IPSAS on Development Assistance
5. Model National Audit Act
6. Annual Conference of the International Consortium on Governmental Financial Management
7. Medium-Term Expenditure Framework
8. General Budget Support

Andy Wynne, ACCA’s Head of Public Sector Technical Issues, said: “I hope that our many public sector members will find this new resource of great benefit. We would welcome material which our members think should be made available on these pages especially if they have any documents which they have developed and which could be shared with fellow ACCA members. We would also be very pleased to receive any comments about this site.”

Exhibit 2: Consolidating financial information using XBRL

For all ICGFM activities, inquiries may be sent to Tanya Grayson at tgrayson@nasact.org and/or the ICGFM Executive Director at ICGFM@yahoo.com

Jan. 5, 2005
ICGFM DC Forum
Feb. 7–8, 2005
AGAs Third Annual National Leadership Conference, Washington, D.C.
Contact: Ada Phillips at aphillips@agacgfm.org
Website: www.agacgfm.org/nlc
Phone: 800.AGA.7211, ext. 204
Fax: 703.548.9367

Feb. 9, 2005
ICGFM DC Forum
Note: this is the 2nd Wednesday of the month. Special presentation by a member of the Malaysian Parliament
Feb. 22–23, 2005
IIA Auditing in Government Conference, Washington, DC
www.theiia.org

March 2, 2005
ICGFM DC Forum
April 6, 2005
ICGFM DC Forum
May 1, 2005
ICGFM Board of Directors’ Meeting (Miami)
May 2–6 2005
ICGFM’s 19th Conference in Governmental Financial Management, Miami, FL. Watch the website at www.icgfm.org for updates or e-mail the ICGFM at ICGFM@yahoo.com

July 10–13, 2005
AGAs 54th Annual Professional Development Conference & Exposition, Orlando, FL.
Contact: Ada Phillips at aphillips@agacgfm.org
Website: www.agacgfm.org
Phone: 800.AGA.7211, ext. 204
Fax: 703.548.9367
EDITION 4 / 2004
PUBLIC SECTOR NEWSLETTER from
CPA Australia

T o read the newsletter online, please

1. PUBLIC SECTOR AT CPA CON-
GRESS—PROGRAM HIGHLIGHTS

This year’s CPA Congress offers a
dynamic program for the public sector.
These sessions focus on driving perfor-
mance and delivering competitive advan-
tage in the public sector and broader busi-
links?990_10434

2. PUTTING THE FINGER ON
GOVERNMENT E-CRIME

Fraud is one of the fastest growing
crimes in Australia. E-fraud or e-crime is
fraudulent behaviour connected with com-
puterisation. Using recent examples, this
article reports on the incidence of white
collar crime in the public sector.

3. PUBLIC/PRIVATE SECTOR AND
JOINT VENTURE RELATIONSHIPS

PPPs are attractive because they provide
growth opportunities and capitalise on the
broad expertise brought together under
the partnership. For government organisa-
tions, PPPs can be appealing when consid-
ering the best way to address community
needs.

In this article, we review the use of
PPPs and some of the options and risks.

NEw PUBLIC FINANCIAL MAN-
AGEMENT: ECONOMIC RATIO-
NALISM -V- INSTITUTIONALISM?

‘New Public Financial Management’
doctrines advocate the introduction of
commercial or private sector accounting
practices such as accrual accounting, bud-
geting and performance measurement.

Does New Public Financial
Management encourage commercial
approaches to accounting for managing
outcomes over rule compliance? This arti-
cle examines this important issue faced by
today’s public sector management.

5. NAILING DOWN THE CONCEPT
OF ‘PERFORMANCE MANAGE-
MENT’

There is no shortage of articles, books
and conferences on performance manage-
ment. We’re told that public and private
sector organisations must have it; man-
agers ought to live by it, and accountants
should broaden their horizons and become
a driving force in it. Yet what does it
encompass? This article provides some
clarity and pointers on how to use perfor-
mance management. www.cpaaustralia.
com.au/links?990_10439

6. MEMBER PROFILE: AN
ACCOUNTANT’S ROLE IN A
SMALL RURAL STATUTORY
AUTHORITY

Karen Fazzani CPA is an Executive
Officer with the Central Murray Regional
Waste Management Group. She writes
about the important role of the accountant
in a small rural statutory authority, giving
an overview of this challenging environ-
links?990_10436

7. CPA DIRECTORS REGISTER
GROWING STRONGLY

Launched earlier this year, the CPA
Directors Register is growing strongly. It
comprises more than 400 FCPAs, of whom
50 are employed in the public sector.

8. ACCOUNTING UPDATE

AASB Action Alert Number 77, August
action_alerts/aasb/action_alert-76.pdf

9. UPCOMING PUBLIC SECTOR
COURSES

CPA Australia courses and professional
development programs for public sector
links?990_10425

10. LINKS TO KEY PUBLIC
SECTOR REPORTS

View the latest public finance and
au/links?990_8944

Highly Successful Seminar Co-
Sponsored by CAG/IPAI/ICGFM
held in New Delhi, India (5
November 2004)

A seminar on “Public Sector Accounting and Financial
Reporting Standards” was held in New Delhi, India on 5
November 2004. The seminar was organized by the
Office of the Comptroller and Auditor General of India, the
Institute of Public Auditors of India (IPAI) & ICGFM. Pictured
above lighting the lamp to start the seminar (from left to right):
I. P. Singh (President, IPAI), S. Sathyamoorthy (Deputy
Comptroller and Auditor General of India and Chairperson of
the Government Accounting Standards Advisory Board), Jesse
Hughes (ICGFM Publications Editor), Philippe Adhemar
(Chairperson of the IFAC Public Sector Committee), and
Vijayendra N. Kaul (Comptroller and Auditor General of India).

Dr. Jesse Hughes was the lead instructor for the seminar that
covered the critical aspects of governmental financial manage-
ment. He was assisted by Soma Roy Burman, H. Abbas, and
Amitabh Banerjee from GASAB; R. N. Ghosh from Local Bodies;
and N. R. Rayalu from Audit. There were 140 participants from
all levels of government attending the seminar.
ICGFM Membership Application

1. Enclosed are dues for calendar year 2004. These dues are in payment for membership as a (please check appropriate category):
   - Sustaining Member ($1,000)
   - Organization Member ($250)
   - Organization Member ($150)*
   - Individual Member ($100)
   - Individual Member ($50)*
   * A special discount is offered to members in developing countries, countries with economies in transition and regional organizations in such countries to encourage their participation. This discount is available to all countries other than Australia, Canada, China, Egypt, European countries (except transition economies) India, Iran, Israel, Japan, Kuwait, Libya, Mexico, New Zealand, Nigeria, Oman, Saudi Arabia, United Arab Emirates, USA, Russia, and Venezuela.

2. Organization:

3. Name and Title (individual member or the contact person for sustaining and organization member):

4. Mailing Address:
   - Street/Post Box
   - City
   - Province/State
   - Postal/Zip Code and COUNTRY

5. Telephone:  Fax:

6. Email/Internet:

   **Credit Card**  ○ MasterCard  ○ VISA
   - Credit Card Number
   - Expiration Date
   - Print Name on Card
   - Signature

Return this form with a check, money order, or VISA/MasterCard authorization for payment in US dollars to:
International Consortium on Governmental Financial Management • 444 North Capitol Street, Suite 234 • Washington, DC 20001 USA
A REPORT FROM THE INTOSAI CONGRESS

Many ICGFM members were among the 150 nations and 14 organizations represented in Budapest, Hungary at the International Organization of Supreme Audit Institution’s 18th congress. INTOSAI members, the heads of national audit offices in countries belonging to the United Nations or its specialized agencies, meet triennially to share experiences, discuss current issues and emerging trends, review products, and adopt recommendations to improve governmental accountability worldwide. ICGFM members attending the meeting included the heads of SAIs and delegates from Australia, Cameroon, the Czech Republic, Gambia, Hungary, India, Macedonia, Oman, Pakistan, the Philippines, Tonga, and the United States of America. ICGFM members among the observers included the International Monetary Fund, the Institute of Internal Auditors, and the World Bank.

Putting into practice its motto, mutual experience benefits all, INTOSAI delegates directed attention to and shared experiences in areas that significantly affect ICGFM members. During the week, plenary and discussion sessions explored two major themes: Theme I examined bilateral and multilateral cooperation, and Theme II considered issues and opportunities related to coordination between national, regional, local and self-governing bodies. INTOSAI’s Auditing, Accounting, Internal Control, Public Debt, and IT committees as well as the SAI Independence sub-committee, the Money Laundering task force, and the working groups on Environmental Auditing, Privatisation, Program Evaluation and the Audit of International Institutions also presented reports and products.

Shared Perspectives

At different occasions during the Congress, speakers emphasized perspectives and themes that often emerge in ICGFM publications and programs.

In opening the Congress, Dr. Arpad Kovacs, President of the State Audit Office of Hungary and now Chair of INTOSAI’s Governing Board, shared his special observations about INTOSAI and this gathering. He noted that celebrations last year commemorated INTOSAI’s 50th anniversary, and that this Congress served as a turning point to mark the new beginning of a second phase in INTOSAI’s history. He observed that this was the first INCOSAI to be hosted in Europe since 1989, when the delegates met in Germany—before the collapse of the Berlin Wall. Stressing the importance of SAIs in promoting democracy, he noted that he was speaking in the chamber of the Hungarian Parliament, a place where history had been made and democracy had come alive.

Dr. Katalin Szili, Speaker of the Hungarian Parliament, echoed this theme. She expressed her belief that auditors represent the conscience of society and that state audit offices are an essential pillar of an open government and are critical to maintaining democracy. She went on to emphasize that while preventing fraud and corruption are important to all citizens, the government leaders are also looking to auditors for ideas about how money can or should be better spent to promote democracy and serve the people. In concluding her comments, Dr. Szili remarked that, as a political leader, she can sleep better knowing that the auditors are paying attention to how the people’s money is being spent.

Later during a Congress plenary session, Sir John Bourn, Comptroller and Auditor General of the United Kingdom, presented three golden rules essential to international organizations and critical to sustaining cooperation. His golden rules for participation: (1) share ideas freely, (2) respect independence, and (3) value diversity. These rules form the foundation for a “virtuous triangle” that support the development of better practices for all. Although he was speaking about INTOSAI and its practices, his observations are equally applicable to ICGFM.

In many ways, these same principles were reflected in the discussions leading to the unanimous adoption of INTOSAI’s new strategic plan. As he introduced the strategic plan, David Walker, Comptroller General of the United States, highlighted the importance of INTOSAI’s core values: independence, inclusiveness, integrity, professionalism, cooperation, credibility, and innovation. Again, key concepts applicable to the Consortium.

As Theme II was introduced, attention was directed to the growing importance of standards and cooperation. Remarks by the theme chair and other plenary speakers, emphasized that evolving globalization and increasing devolution of programs from/to the national, regional and local jurisdictions creates a greater need for common accounting and auditing standards and more and better coordination.

Budapest Accords

The Budapest Accords were adopted at the conclusion of the Congress. They are based upon the fundamental principle that “cooperation is the cornerstone of the development and common well-being in the world. It is by working together that we create stronger societies, reinforce common core values, promote our cultural identities and share knowledge.” The recommendations included in the Accords encompass strategies to assist in developing approaches to expand joint or concurrent audit work; promote and improve knowledge sharing, professional development and institutional capacity building; and foster the development and implementation of professional standards.

INTOSAI, continued on next page
Public Sector Committee Meeting in New Delhi, India (1 November 2004)

The Public Sector Committee of the International Federation of Accountants held their regular meeting in New Delhi, India to establish International Public Sector Accounting Standards (IPSASs). These meetings are held at different cities throughout the world to further improve financial reporting by governmental bodies. Dr. Jesse Hughes, ICGFM Publications Editor, observed the deliberations to keep the membership informed on the status of future standards. A joint meeting was held with the Institute of Chartered Accountants of India on 1 November 2004 before deliberations on the present and future IPSASs were started. The keynote address by S. Sathyamoorthy (Deputy Comptroller & Auditor General of India) follows:

“...It gives me great pleasure to be with you this morning and inaugurate the Conference on “Enhancing Accountability and Good Governance in the Public Sector.” The Conference is to deliberate upon Efficiency, Productivity, Transparency, Accountability, Cost Competency and a host of other issues which would promote Accountability and Good Governance in the Public Sector. These various facets of Good Governance and Accountability are of supreme importance to developing economies like India which are endeavouring to bring cheer to the Common Man despite soaring oil prices. To have the Chairman and his colleagues of the Public Sector Committee of the International Federation of Accountants with us today to share their thoughts and experiences is heartwarming. Institute of Chartered Accountants of India have done well to organize this Conference. I congratulate them.

Good Governance and Accountability have been evergreen concepts engaging the attention of the ruler and the ruled across the globe and across the millennia. Much before Magna Carta and Bastille breakup the Middle Kingdom of China, the Great Indian Peninsula and Principalities of Greece and Rome had addressed issues of Good Governance and Accountability. These issues of Governance evolved kaleidoscopically mirror imaging changes in the expectations of the populace and forms of government. We all know that to begin with it was the king who was the repository of Good Governance as in the Kingdom of Heaven. In terra firma the Chinese emperor had the practice of hearing reports delivered by officials on changes in population in different regions, changes in the area cultivated, changes in the quantity of agricultural produce harvested etc. He also heard records of transactions of receipts and disbursements of money and grain.

Similarly, in India centuries before Christ, the Tamil Sage Tiruvalluvar had described an ideal ruler as “...A wise ruler is one who knows how to develop the resources of his kingdom, how to collect and guard his revenues and how to spend them wisely.”

These sporadic practices to govern well had no theoretical basis, textual validation, approved methodology or universal appeal. The natural linear progression was therefore codification of the practices. Kautilya did that in India in his famous treatise Artha Shastra. According to him men by nature were fickle and like horses changed themselves after being put to work. So he codified the processes of performance accounting to ensure Good Governance. Similarly, the Cameralists of Germany, who dominated the thinking in regard to Royal finances, codified the rules for administrative routine of fiscal departments.

Eventually codification yielded place to legislation with the arrival of the Parliament. The Common Man instead of the Crown emerged with new ideas of Good Governance. The representatives of the ruled carried these new ideas to conclusion through legislation in the Parliament. This metro culture of London and Paris was globalised through colonialism and mercantilism.

Two centuries of Good Governance in the West Minster model was inadequate when Soviet model emerged. Governments everywhere started investing in Steel and Tourism, Hotels and Hospitals to reach commanding heights in the economy. Naturally new ideas of governance were generated. Centralised planning, Cost control, Investment appraisals and a multitude of new practices emerged in favour of Accountability and Good Governance in the industrial economy. Concomitantly the First World experimented with budgetary mechanisms and controls as a way to better life. Thus, economic planning paved the way for the State to become a producer and budgets became main tools of distribution and stabilization, a measure of good governance.

The offshoot of industrial economies is the advent of multi-national companies operating in several countries across time zones in a seamless manner and affecting millions of people. These new titans have sprouted Corporate Good Governance with emphasis on Accountability. The practices in Government sector and Commercial sector are converging in many countries to provide good governance and ensure Accountability, especially when the ownership is diffused and distant. In the process accrual accounting is becoming the bottom line.

In short the historical changes, socio-logical shifts and economic complexities have determined the size and shape and the colour and contour of Good Governance and Accountability. Accountability and Good Governance have been inseparable twins like heart and health. If one ticked well the other flourished well. And Accountability has been the heart of the matter in human development and economic history.
Like Governance, the concept of Accountability has also expanded with time. Initially it was merely Verification where the king had to protect the national wealth from his functionaries. Kautilya records

“Just as it is impossible not to taste honey or poison at the tip of one’s tongue so it is impossible for a Government official not to taste, at least a bit, of king’s wealth.”

So the king had to keep a check on his officials. Kautilya adds

“So just as it is impossible to know when a fish moving in water is drinking it so it is impossible to find out when a Government servant is misappropriating money.”

So the king had to be vigilant. He further adds

“It is possible to know even the path of birds flying in the sky but it is impossible to find the ways of Government servants who hide their dishonest income.”

So verification became a game of chess between the Ruler and bureaucracy and demands and designs of Accountability got calibrated.

Verification is perhaps a primordial instinct. It is not limited to Indian ethos or to Kautilya. It is jokingly said that when Adam was missing for a couple of hours and remained unaccounted Eve counted his ribs that night while he was asleep to assure herself that there was no other Eve and no rib was missing. The instincts of Adam and Eve have traveled down the ages to Auditors and Accountants, Bureaucrats and Civil Society. They have evolved several checks and balances to counter the basic tendency to taste the honey belonging to the king. These are by and large in the system of Payments and Collections and storage of Valuables and Assets. Treasury Controllers, Paymaster Generals, Financial Advisors, Internal Auditors and the like constitute the land army to prevent any peace-time plunder.

Accountability in the industrial empires especially in the post-war era expanded to include ideas of economy, efficiency and effectiveness. Policy Controls, Process Controls, Regulatory Controls and Result Controls were continually erected and sharpened. Programme Budgets, Performance Accounting, Pert Charts etc. arrived. Time slices of the budgets were sought to be matched with result slices of performance to produce the sandwich of prosperity. Efficiency, Productivity and Cost Competency became the objectives and remain with us till date. The short point of the exercise is achieving more with less. This economic quantitative objective has now been subsumed into the concept of Accountability and Good Governance.

Soaring ambitions of the people and globalization of economic activities has further transformed the meaning of Accountability. It is no more limited to quantitative techniques and financial inputs/outputs. In the contemporary world Governance and Accountability has several qualitative facets like Integrity, Responsiveness and Sustainability. Taxpayers as well as Shareholders are expecting timely response as well as service with a smile. Sustainability of Good Governance is hanging upon the adoption of Accrual Concepts and inter-generational Accounts.

While the facets of Accountability have multiplied, the constituency which demands these objectives has enlarged. The ying yang between the ruler and the ruled has yielded place to an enlarged circle of stakeholders like Creditors and Civil Society, Stock Exchanges and Universities, International Community and Non-Governmental Organisations and Bankers and Academicians. Even budgets which were ensuring distributive justice are now being enlarged to include participation by the stakeholding community for preference identification, conflict resolution and impact evaluation. The Civil Societies everywhere have drawn a leaf from Einstein to add fourth dimension like time and space to the concepts of good governance. Economy, Efficiency and Effectiveness have been enlarged to include Ethicality and Equity in Governance. The aspirations of the Common Man and the need for Social Security net have erected new pillars of Good Governance. I am happy to note that this conference is proposing to address all these quantitative and qualitative aspects of Good Governance and Accountability.

Just as Accounts and Accountability are related so are Documentation and Disclosure. Documentation in the books of accounts is not adequate for modern Good Governance. There is a shrill demand for greater disclosure. Such disclosures are facilitated by standards. Standards also enable a common picture and comparison especially in the globalised world. Imagine Eve became reassured because human body has standardised number of ribs. But for the standard there would have been chaos right at the beginning of human history.

While Accounts and rules of book keeping enable information to Policy Makers or owners, Process Makers or managers and Taxpayers or Shareholders, the standards enable architecture of financial information according to the needs of the individual stakeholders. The technological mediations possible with computers enable data disaggregation and delivery, customised to the focused groups, enabling particular Accountability. Thus Standards and Information Technology techniques have given a fillip to expanding Accountability.

We, in Public Sector in India, are beneficiaries of the substantial contribution made by the Public Sector Committee of the International Federation of Accountants in the field of Standard Setting. The International Public Sector Committee on Standards addresses the Accounting, Auditing and Financial reporting needs of Government agencies. The Committee also issues and promotes bench mark guidance and conducts educational and research programmes. That this august Committee with its Chair is available to us today augurs well for the Standard Setting Committees in this country. As Chairman of the Government Accounting Standards Advisory Board I am personally happy. I am also happy to share with the Committee and the audience here that the Comptroller and Auditor General of India has recently engaged a reputed Consultant to review the Conceptual Framework of Indian Government Accounts. So the visit of the Committee and its deliberations are of particular significance to us. The review group would be separately meeting the IPSAS Committee this afternoon.

Constancy and Change, Consolidation and Growth are inescapable facts of life. That this conference would enable that is my fervent hope.

Thank you for your patience and I wish you a very meaningful technical session.
DC FORUM RESUMES REGULAR MEETINGS

ICGFM members and visitors in Washington, DC meet for a networking luncheon and speaker’s presentations at the Brookings Institution on the first Wednesday of the month. After a summer “recess,” the DC Forum resumed its programs in September, and highlights of recent sessions are presented below. Future program dates are listed in the Newsletter’s Mark Your Calendar section – we hope you will join us.

September 1, 2004: Low Cost Innovation for the International Space Program

Dr. Howard McCurdy, Professor of Public Affairs and Chair of the Public Administration Department at American University, discussed the opportunities and challenges presented as space programs evolved into international cooperative efforts. As an expert on space policy with extensive experience in analyzing the space programs’ cost cutting initiatives, he had many insights to share with the group. In his remarks, Dr. McCurdy spoke about issues related to finance, project management, contracting, and systems integration. Space truly is a “new frontier” for the governmental financial manager, and Dr. McCurdy’s comments gave participants at the September meeting many ideas to think about.

October 6, 2004: Building Bond Markets

The International Finance Corporation (IFC) promotes sustainable private sector investment in developing countries as a way to reduce poverty and improve people’s lives. At the October Forum, Ms. Victoria Choy, IFC’s Chief Counsel-Finance, (pictured in the second photo with ICGFM President Relmond Van Daniker and DC Forum Coordinator Raymond Einhorn) discussed IFC’s experience in building local bond markets. Citing examples from Thailand, Indonesia and Peru, Ms. Choy described critical elements that must be in place to build local currently markets: a stable, growing macro environment, sufficient issuers and investors, reasonable primary market regulations/infrastructures, a market oriented government securities market, and governmental commitment.

November 3, 2004: Anti Money Laundering Initiatives

Ms. Barbara Keller, Assistant Director in GAO’s Financial Markets and Community Investments group, (pictured to the right in the third photo) spoke about Anti-Money Laundering Initiatives at the November DC Forum. She summarized the anti-money laundering panel discussions held in at the ICGFM’s Miami conference, discussed the work of INTOSAI’s anti-money laundering task force, and reviewed GAO’s recent work in the area. Her remarks highlighted how much this work reflects the Consortium’s goals—the anti-money laundering work clearly requires communication and cooperation across borders and among national, state and local officials with collaboration among the accounting, auditing, treasury, legal and law enforcement officials. Ms. Keller was introduced by GAO’s Bernice Steinhardt, (on the left in the picture to the right) Director, Strategic Planning and External Liaison.
MEMBERSHIP UPDATE

From Lin Weeks, Membership Committee Chair

Each year, when the President and the Board of Directors begin the process to fill seats on the Board and identify candidates to serve as officers, I develop a list of members “in good standing,” and I regularly share this list with you. As I looked at the ICGFM’s October 2004 membership list, I wanted to take a moment to extend two messages.

First, I would like to say “welcome” to new members or to members who recently rejoined the Consortium. Among the Sustaining and Organizational Members these include: the Association of Chartered Certified Accountants (ACCA), Free Balance, the Philippine Commission on Audit, the Chartered Institute of Public Finance and Accountancy (CIPFA), and the National Association of State Budget Officers. Reflecting the ICGFM’s global outreach, new individual members come from Barbados, Gambia, Haiti, Pakistan, the Philippines, Sweden, Tanzania, and the United States.

As an organization, ICGFM depends upon all of our members to identify needs, establish direction, and develop and deliver programs. Membership dues are necessary, but membership contributions and participation are also important—so I’d like to extend a “thank you” to those who made special contributions to the Consortium in 2004.

• NASACT provided support in our day-to-day operations and assisted Ray Einhorn in preparing for and delivering the monthly DC Forum programs.
• Dr. Jesse Hughes edited the Newsletter and the Public Fund Digest, designed and delivered training programs in Miami and India, and worked tirelessly to promote ICGFM’s goals.

To support the international conference and training in Miami:
• Representatives from the IADB, IBTCI, NASACT, USAID, and the USGAO helped to develop topics, and Linda Garvelink from Grant Thornton pulled the conference program together.
• Casals and Associates provided resources to assist with logistics, moderate a panel, contact speakers, manage registration, and host a dinner
• Representatives from ACCA, Free Balance, Grant Thornton, IADB, IBTCI, IIA, IMCL, NASACT, NASBO, USAID, the USGAO, and leaders in the SAIs of the Cameroon, Hungary, Pakistan, and the United States made presentations and served as panel moderators
• The Graduate School, USDA’s Government Audit Training Institute supported Dr. Jesse Hughes in preparing for and delivering the two-day training.

And, as our program year concludes
• The Office of the Comptroller and Auditor General of India and the Institute of Public Auditors of India organized the special seminar conducted by Dr. Hughes in preparing for and delivering the two-day training.

Working together globally, we can make a difference—we can contribute to improving governmental financial management. As we begin a new year, I ask all members: What will be your contributions in 2005 and beyond?

Sustaining Members
Association of Chartered Certified Accountants (ACCA) - UK
Association of Government Accountants (AGA) - USA
Casals & Associates - USA
CPA Australia
Free Balance - Canada
Graduate School, USDA
Grant Thornton
Inter-American Development Bank – Auditor General
International Business & Technology Consultants, Inc (IBTCI) - USA
Institute of Internal Auditors (IIA)
National Association of State Auditors Comptrollers and Treasurers (NASACT) - USA
Organization of American States – Inspector General
US Agency for International Development-Office of the Auditor General (USAID-IG)
US Government Accountability Office (USGAO)

Organization Members
International Monetary Fund -Office of Internal Audit and Inspection
Australia
National Audit Office
Cameroon
Supreme State Audit Office
Hong Kong
Treasury Department
Hungary
State Audit Office
Government Control Office
India
Comptroller & Auditor General
Institute of Public Auditors of India
Pakistan
Office of the Auditor General
Pakistan CGFM
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Commission on Audit (COA)
Portugal
Inspeccao-Geral de Financas
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Swedish Aid & Agencies Consultants (SAAC)
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Tonga Audit Department
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USA
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Adolf Entwoven
James Fasceski
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Kathryn Healy
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Ben Lesser
 Hector Nunez
Virginia Robinson
Oscar Sejas
Jane O. Smith
Alyson Ugarte
Linda Weeks
Doug Ziegenfuss
19th International Conference on New Developments in Governmental Financial Management: Approaches to Maximize Accountability, Minimize Risks, Improve Transparency and Reduce Fraud

May 2-6, 2005 -- Del 2 al 6 de mayo del 2005

Mark your calendars—come to Miami and join your colleagues and international experts in examining critical issues in governmental financial management. Be part of this annual international event where you and other practitioners can share insights and experiences and present best practices and lessons learned.

Working in English, Spanish, and French, we’ll be exploring a variety of topics to help minimize systemic weaknesses and promote a broader understanding of and improvements in governance. To promote greater accountability and transparency, conference sessions will focus attention on establishing and implementing legislation, integrating and coordinating government activities, responding to donor requirements and applying international standards, creating a public demand for accountability, and preventing, detecting and combating fraud, waste and mismanagement.

• Keynote speakers, leaders in the global financial management community, will present their perspectives.
• In the conference plenary sessions, speakers and panelists will share their experiences and respond to your questions.
• During special, smaller group discussion sessions, you and other participants will have an opportunity to discuss challenges encountered, solutions developed, and lessons learned.

In the two-day training session, we will focus attention on auditing and accountability and how they relate to previous training on budgeting, accounting, and integrated financial management systems. Best practices will be explored through case study presentations of real experiences.

This year there will be some changes:

New venue: The Biscayne Bay Marriott and Marina is a special conference hotel providing exceptional meeting space, a waterfront location conveniently near restaurants and providing shuttle service to shops and South Beach. To “virtually” visit the site—try http://marriott.com/property/factsheet/miabb.

New format: Wednesday afternoon will be “open” to schedule special meetings, meet with members of the ICGFM Board of Directors, or participate in special training/discussion sessions.

If you would like future email announcements about the conference sent directly to you, please send a message to: ICGFM@yahoo.com so that we may put you on the list.


AGA welcomes you to its Third Annual National Leadership Conference (NLC), February 7 – 8, 2005, at the Ronald Reagan Building and International Trade Center in Washington, D.C.

Sound financial management is more important than ever. Governments are grappling with a growing list of homeland security issues—how to keep our cities and our nation safe, and how to pay for it. In this environment, financial managers will take center stage, confronting these challenges and the difficulties of balancing the many competing demands on taxpayers’ money. At the same time, governments are focusing more intently on performance to ensure that every dollar is spent wisely, and can be accounted for later. These developments are bringing financial managers into the spotlight.

With the theme “Improving Government Performance: Financial Managers Take Center Stage” the NLC will bring together the top leaders in federal, state and local government financial management, all of whom are struggling to make ends meet while providing an unprecedented level of services to the citizens they serve. This conference is a must for top government leaders—chief financial officers, inspectors general, state auditors, state comptrollers, state treasurers, city auditors, city finance directors and those who work with these top leaders to keep our governments fiscally sound.

Learn From the Top Leaders in the Government Financial Management Industry

• Joanna Crane, Identity Theft Program, U.S. Federal Trade Commission
• Karen S. Evans, Administrator of E-Government and Information Technology, Office of Management and Budget (invited)
• Bettina Gregory, Former ABC News Senior Correspondent
• Helene Heller, Senior Director, Project & Information Management, Office of the Chief Information Officer, New York City Housing Authority
• William H. Hudnut III, Mayor, Town of Chevy Chase, MD, former Mayor of Indianapolis, IN
• Paul C. Light, Ph.D, Senior Fellow, Governance Studies and Director, Center for Public Service, The Brookings Institution
• Edward L. Long Jr., Chief Financial Officer, Fairfax County Government, Fairfax, VA
• Andrew B. Maner, MBA, Chief Financial Officer, U.S. Department of Homeland Security
• Samuel T. Mok, Chief Financial Officer, U.S. Department of Labor
• Patrick P. O’Carroll, Acting Inspector General, Social Security Administration
• Paul Tibbits, Director of Business Modernization and Systems Integration, U.S. Department of Defense

Early Registration Deadline: January 14, 2005

Go to www.agacgfm.org/nlc_2005/index.aspx to find out more and to register.
## ICGFM Officers

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The World Bank—Auditor General

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Hungary—State Audit Office

India—Office of the Comptroller and Auditor General

International Monetary Fund

Pakistan—Office of the Auditor General

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Mr. James Hamilton—USA

Dr. Jesse Hughes—USA

Ms. Blandina Nyoni—Tanzania

Ms. Virginia Robinson—USA

Mrs. Linda Weeks—USA

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