The President’s Message

Peter V. Aliferis, ICGFM President

It is my great pleasure to be writing to you as the incoming President of the ICGFM. I have served our organization in many ways over the years, and I am very pleased that now you have given me the opportunity to serve you as President.

Let me start by thanking you for your many contributions that have enabled the ICGFM to lead efforts in improving governmental financial management all over the world. More specifically, let me offer sincere and great thanks to our immediate Past President, Linda L. Weeks and our Executive Director, Nina Powell for their outstanding work in reorganizing our processes and operations last year and in planning and executing a truly outstanding 2006 International Conference. Without their wisdom and work, we would not have had such a successful conference or membership year.

We have just completed one of our most successful conferences ever. Over 200 attendees from more than thirty countries participated in our Miami conference. We were honored to have leaders in governmental financial management from all over the world as keynote presenters, panelists, and speakers offering special presentations on projects and successes in their respective countries. We benefited greatly from the dialogue and discussions about pressing matters confronting us and learned much about successful solutions being implemented all over the world. We concluded our work with a special two-day training session that reinforced the processes and procedures that will help us all do our work better and improve services and delivery to our global constituencies. And, throughout the week, we did this all in three languages.

We should all be very proud of our membership successes and pleased to know of the growth in our organizational and membership base. I am especially satisfied by the participation of our longstanding and new sponsors who assist and support us in making our organization and conferences relevant and current. I also wish to thank our sponsors for providing those extra elements and staff assistance that make a conference like ours so interesting and successful.

Our new Executive Director, Ms. Nina Powell, brings to us many years of service in the governmental financial management community and special expertise in running organizational operations. I know that those of you who participated in our Miami Conference saw first hand the great dedication and skill she brings to our organization, and I am looking forward to working with you and with her.

As I begin my term as your President, I am dedicating myself to seeking ways to further our program and continue to increase our membership and the programs we offer. We are well on the way for our planning for our fall/winter conference (to be held in Washington D.C.) and have already started planning for next year’s international conference in Miami. We have also begun scheduling out monthly DC Forum Luncheons, held on the first Wednesday of each month at the Brookings Institution (September to June). I would like to invite all of you to participate whenever you are in Washington, and ask that you inform us when senior officials plan to be in Washington – we would be pleased to invite them to share significant accomplishments or activities with us.

I thank you for your confidence and trust in leading the ICGFM and I look forward to working with all of you to improve governmental financial management worldwide.
AWARDS PRESENTED FOR 2005

Many people give their time and talents to ICGFM each year to make us successful. Individuals who had made particularly significant contributions were formally recognized with letters and gifts at the December 2005 luncheon. They were:

- Beatriz Casals of Casals & Associates, who demonstrated exceptional commitment to the ICGFM and its mission by donating services involving hundreds of staff hours, including handling the registration for the annual Miami conference, identifying speakers for ICGFM programs, and serving as a member of the Board of Directors. Ms. Casals was also the first DC Forum sponsor.
- Rhoda Canter, Dick Willett, Raj Sharma, and Jason Levergood were recognized as a team for their work in preparing “Resisting Corruption in the Public Sector – Results of a 2005 Worldwide Survey.” The joint ICGFM-Grant Thornton publication has been recognized globally as a significant contribution to our professional community and the Consortium was pleased to recognize these Grant Thornton members for their work on this project. Jason is also donates his photography skills at the DC Forum meetings.
- Cornelia Chebinou, the DC Director for the National Association of State Auditors, Comptrollers and Treasurers, was recognized for her many years of dedicated support and service. In presenting the award, the ICGFM president noted that Cornelia was always willing to tackle any task at hand and that her expertise and experience was critical in shaping the new structure for the Consortium.
- Lin Weeks, ICGFM President, whose commitment to ICGFM has been an inspiration to others. Lin gave countless time and talent in leading the organization through the development and implementation of a strategic plan, conference programs, a membership data base, and the challenge of reshaping the organization for the coming decade.

Lin Weeks and Beatriz Casals, long-time collaborators on behalf of ICGFM, embrace.

Dick Willet responds to recognition of the Grant Thornton team. Left to right: Rhoda Cantor, Raj Sharma, and Lin Weeks.

Jason Levergood of Grant Thornton, who is usually behind the camera for ICGFM.

Cornelia Chebinou listens to Lin Weeks read about Cornelia’s vast accomplishments for the good of the Consortium.

Incoming president, Peter Allferis, expresses the members’ heartfelt appreciation of President Lin Week’s tireless work and creative thinking.
DC FORUM SPEAKERS PROVIDE TIMELY INFORMATION FOR MEMBERS

The ICGFM DC Forum meets the first Wednesday of each month from September through June, taking a month off in May, when the Miami conference is held. Members were pleased to have a wide range of excellent speakers the first half of 2005.

January 4, 2006
MicroNet: Establishing Internet Access in Emerging Markets and Fragile States
Alan Gross, Executive Director of Joint Business Development Center, Inc. (JBDC), a non-profit corporation, gave a highly interesting and enjoyable presentation on how to communicate to and from remote markets located in technology scarce emerging and fragile countries. MicroNet, a JBDC initiative, uses broadband internet access via VSAT. Mr. Gross emphasized usefulness of the technology which allows effective communication to and from anywhere at an affordable price and is thus of great significance to government managers, development partners and consultants. In a country where communication infrastructure is lacking, he noted that the MicroNet provides effective and efficient communication medium by which vital development projects could be planned and implemented and businesses can compete in providing services. He displayed a number of gadgets which made the presentation even more interesting. JBDC is an international business and economic development foundation providing solutions to government, development organizations, and small business, among others. For more information on MicroNet and JBDC, please visit www.jbdc.org and click ‘Products and Services’. Mr. Gross was introduced by Braj Sharma of Grant Thornton LLP, who sponsored the meeting.

February 1, 2006
XBRL
Dan Roberts, a representative to the XBRL consortium (eXtensible Business Reporting Language), describe current uses of XBRL if various government agencies internationally. Dan is also Chair of the XBRL-US Steering Committee (2005-2006), the XBRL-US Representative to the XBRL International Steering Committee, and Chair of the XBRL International Accounting Working Group. He has substantial experience in Risk Management and Internal Audit. The luncheon was followed by an afternoon seminar on XBRL in the US. See www.xbrl.org/Home/ for more information.

March 8, 2006
Impact of the Earthquake in Pakistan
Ashraf M. Hayat, Trade Minister at the Pakistan Embassy, described the efforts underway to rebuild the earthquake-damaged region of northern Pakistan. The earthquake, which hit Pakistan on October 8, 2005, inflicted enormous damage to life and property. Measuring 7.6 on the Richter scale, it was perhaps the worst in over 180 years. Several towns and numerous villages were completely destroyed. Nine districts were affected, resulting in 89,000 deaths and injuries to more than 120,000 Pakistani citizens. Given the scale of destruction that hit these areas, the infrastructure, both physical and administrative, has been completely destroyed. In some cases there is no sign of government facilities whatsoever whether they were offices, hospitals, schools, or community centers.

In the aftermath of the earthquake, both state and society have had to gear themselves for reconstruction and rehabilitation. Local governments are undertaking a wide range of programs and projects intended to meet the immediate requirements of capacity building, housing, urban reconstruction, education and health care, livelihood rehabilitation, and social and economic rehabilitation. This monumental task is complicated by the fact that most of the area is mountainous and accessibility is a significant challenge.

So far the Pakistan Government has been facilitating the concerted effort of NGOs and civil society organizations, as well as individuals, who responded to this calamity and mobilized immediate relief efforts including tents, medicines, food and clothing. International donor agencies as well as special units from various countries continue to perform these relief services. The meeting was sponsored by Thompson, Cobb, Bazilio and Associates.

April 5, 2006
Implementing Government Accountability & Financial Management Solutions in the Developing World
FreeBalance’s Andrew Jackson was the guest speaker for the April 5, 2006 DC Forum luncheon. He addressed the challenges and opportunities associated with the implementation of government accountability and financial management solutions in the developing world. Three distinct approaches to the development and deployment of financial management
systems for government were discussed – custom software, private sector accounting or Enterprise Resource Planning (ERP) software, and government-specific financial management software. Mr. Jackson’s presentation highlighted several examples and lessons learned from the successful implementation of government-specific software in Sierra Leone, Guyana, Mongolia, Timor Leste, Kosovo, Antigua & Barbuda, and others. For more information on FreeBalance and the company’s Government Accountability Solutions, please visit www.FreeBalance.com.

June 7, 2006
The Challenges of Building a Better Audit Office
Jim Bonnell, international consultant with Mosley and Associates and International Business & Technical Consultants, Inc (IBTCI) was our guest speaker for the ICGFM DC Forum luncheon. Jim titled his presentation “The Challenges of Building a Better Audit Office” and discussed the challenges he faced as IBTCI’s Team Leader in assisting the Macedonia State Audit Office and how he met those challenges. Jim worked with the Macedonia State Audit Office from November 2003 until July 2005.

Jim briefly identified and discussed the numerous challenges he faced on his project, including the fact that the project was delayed by almost one year; the original project budget was reduced by one-half; and he was essentially working alone with a full time translator/office manager. With respect to the general environment he was working in, Jim pointed out that public sector auditing in Macedonia was in its infancy; Macedonia had a Transparency International’s corruption perception index which translated to “uncontrolled/rampant corruption;” internal controls were generally weak to non-existent in government entities; and close to 60 percent of financial statement opinions were negative. Jim explained that he found the State Audit Office needed assistance in virtually all aspects of its work: SAO staff had virtually no training prior to Jim’s arrival; SAO had virtually no systems/procedures in place; SAO lacked a strategic plan; and SAO’s audit reports needed substantial improvement.

To meet these challenges, Jim explained that he decided to focus on providing basic audit training to all SAO staff. Because of a limited budget staff certified as certified fraud examiners; enhancing cooperation between SAO and the public prosecutor’s office; helping SAO establish a performance audit division and begin conducting performance audits.

In concluding his remarks, Jim noted the strong connection between his project and ICGFM. For example, two instructors Jim used—Dr. Jesse Hughes and Lin Weeks—are ICGFM officers; staff from the USAID Office of Inspector General, a sustaining organization member, assisted Jim at no cost in providing training; and the Hungarian State Audit Office, a ICGFM organizational member, hosted a visit by the head of the Macedonia State Audit Office and provided a three-day training program to SAO staff on statistical sampling.

For more information on the Macedonia State Audit Office project, please visit www.ibtci.com or contact Jim directly at jrbonnell02@aol.com.
How XBRL Implementation Benefits the Public Sector

In the fall of 2005, XBRL-US established the Public Sector Working Group to provide focus and support of XBRL implementation in the international, federal, state and local governments and non-profit sectors. An ever-increasing number of government agencies have been looking at XBRL and the benefits it can bring to public sector financial reporting and data sharing processes.

Chairman Christopher Cox has been speaking almost non-stop on the benefits that “interactive data” would bring to the Commission and the analyst/investor communities. The FDIC and other agency members of the FFEIEC have seen quantifiable benefits in terms of increases in accuracy and processing efficiency after implementing an XBRL-based Call Report collection process in the fall of 2005.

The ICGFM Board of Directors invited XBRL-US to conduct a workshop on XBRL. The workshop was held February 1, 2006 and was very well-received by the audience. Dan Roberts, XBRL-US Chairperson was the keynote speaker at the luncheon meeting.

Members of XBRL.US volunteered to participate in the workshop. The program began with an introductory presentation of what is XBRL (Grant Boyd of Booz Allen) and an explanation of the workings of the XBRL.US and XBRL international consortiums (Dan Roberts of Grant Thornton).

Next two XBRL use case pilot projects were presented. Don Geiger, Department of the Treasury Office of Deputy CFO, Financial Systems Integration reported on the Treasury pilot project that is replacing existing quarterly variance analysis of 5 financial reports from 26 agencies with a new reporting mechanism based on XBRL. Jon Wisnieski, FDIC Information Systems Specialist, Division of Insurance and Research reported on the overwhelming success of the FDIC use of XBRL in the quarterly Call Report Data collection process.

Brand Neimann, Enterprise Architecture Team, EPA and Chairperson of the Federal Enterprise Architecture Data Reference Model spoke on how given that XBRL is an XML derivative language it is fully compliant with all current standardization initiatives underway in the government sectors. He spoke of the need to utilize XBRL in the public sector to streamline financial management and reporting flow inter-agency, intra-agency, and across federal and state governmental sectors.

Lastly, Sanjay Basu, Vice President of CoreFilings explained the criteria XBRL-US created for XBRL member organizations and their government partners to use as a guide to determine best options for XBRL pilot project use cases.

XBRL-US is very grateful to ICGFM for offering us and early opportunity to introduce XBRL to their membership. Since the workshop, XBRL-US has been in discussion with some ICGFM members who envision utilization of XBRL in their respective governmental sectors, including international financial reporting.

On June 27, 2006 XBRL-US is conducting a one-day conference titled ‘More Data or Smarter Data? Increasing the Value and Timeliness of Business Information using XBRL”. The conference is being hosted by the FDIC at FDIC Seidman Center in Arlington, VA. Government CFOs, financial management professionals, CIOs, CTOs, financial and data analysts, and subject matter experts are all invited to attend the free conference.

Keynote speakers at the conference will include Sam Mok, CFO of the Department of Labor; Congressman Richard Baker, Chairman, Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises (invited); and Mary Mitchell, Deputy Associate Administrator, Office of Technology Strategy, General Services Administration. Plenary speakers will include leaders of various U.S. government standards initiatives as well as leaders in the public sector financial management professional community. A panel presentation and discussion of on-going XBRL pilot projects will showcase a variety of real world XBRL use-cases for the audience. See www.icgfm.org/XBRLPresentations.htm for more details about the seminar presentations.

Memorial to Ray Einhorn

ICGFM remembered good friend and colleague, Ray Einhorn, with a contribution to AGA’s Academy for Government Accountability. During his more than 30 years as a federal accountant, Ray was a pioneer in governmental auditing and fiscal responsibility. He began his federal career in 1942 with the old Office of Price Administration and held many responsible roles throughout government before founding the Institute for Applied Public Financial Management at American University, where he continued to teach until 1990. He coordinated the DC Forum meetings for many years and received numerous awards for his work in government accountability.

ICGFM HAS MOVED

ICGFM has moved to Virginia, where we are leasing space in the Association of Government Accountants building.

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New Fax:
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2006 INTERNATIONAL CONFERENCE ON NEW DEVELOPMENTS IN GOVERNMENTAL FINANCIAL MANAGEMENT

From May 8-12, 2006, more than 200 representatives from around the world met in Miami, Florida to explore issues in governmental financial management. Reflecting the diversity among ICGFM members, the participants and speakers—government officials and representatives from donor organization spokespersons and private sector firms—came from Australia, Barbados, Cameroon, Canada, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, the Republic of Georgia, Guatemala, Haiti, Honduras, Hungary, India, Macedonia, Mexico, the Netherlands, Nicaragua, Paraguay, Peru, the Philippines, Saint Kitts and Nevis, Sierra Leone, South Africa, Sri Lanka, Tanzania, the Bahamas, Trinidad and Tobago, Uganda, the United Kingdom, the United States, and Vietnam. Among the participants, all levels of government were included and the participation of federal, regional/state, and local/municipal officials enriched the discussions.

Because this conference marked the twentieth year that this event was held in Miami, the overall theme of “Examining Achievements and Exploring Opportunities” focused the presentations and discussions on progress and change. The program included sessions related to accounting, auditing, budgeting, economics, and financial management information systems. Sessions were delivered with simultaneous interpretation into English, Spanish and French, and throughout the week delegates and presenters engaged in thoughtful discussions about lessons learned, best practices implemented, and strategies for dealing with future challenges.

Through the presentations and discussions participants developed a greater understanding and appreciation of the many changes they must deal with and examined the critical role they will play in managing and facilitating these changes.

The following paper presents the main issues discussed and copies of the presentations (texts and/or power point) are posted on the ICGFM website: www.icgfm.org. Information about future ICGFM programs and copies of ICGFM publications are also posted there. Please visit the website and forward information on to your colleagues who may also be interested in ICGFM.

Changing Organizations and Approaches

On behalf of the Board of Directors and Officers, ICGFM President, Peter V. Aliferis welcomed everyone and opened the conference by inviting them to be fully involved and to take advantage of the opportunities this conference offered to exchange ideas, insights and experiences with colleagues from throughout our global community. He explained that during the conference a keynote speaker would open each day and set the direction and themes for the day’s discussions, and he introduced Monday’s keynote speaker, Gene L. Dodaro, Chief Operating Officer for the U.S. Government Accountability Office (GAO).

As he spoke about “Continuing the Transformation of Financial Management in the 21st Century,” Mr. Dodaro highlighted successful transformation strategies, addressed remaining challenges, outlined approaches to move forward, and presented recent GAO examples of cooperation and partnerships. He acknowledged that accountability professionals must overcome many obstacles to achieve cultural change and improve governmental financial management systems and operations but also noted that these efforts are critical to ensuring that governments better serve the public interest.

Building on this theme, panelists in the first session discussed transforming external and internal audit institutions. Dr. Dragoljub Arsovski, General State Auditor, Macedonia and Mr. Gerrit de Jong, Member of the Board, Netherlands Court of Audit discussed the “Macedonia Twinning Experience.” They presented the development strategy being employed to strengthen Macedonia’s State Audit Office, outlined the major steps,
reported their experiences to date, and described the expected outcomes. Mr. Roman Bokeria, Deputy Comptroller General of the Republic of Georgia, then shared the Georgian Chamber of Control’s “Strategy for Corporate Development and Reorganization Implementation.” He noted that the Chamber of Control recognized that to lead others in the public sector the Chamber needed to first reform itself, and he explained the reform initiatives being implemented. The final panelist, Mr. Graham Joscelyne, Managing Director of UHY Advisors’ Risk Management Services Practice, told delegates about a World Bank and Institute of Internal Auditors project: “Risk Based Auditing in the Public Sector: The Kenya Experiment.” Through all three presentations, several key factors emerged as critical to audit office transformation: involving stakeholders and decision makers, demonstrating leadership and commitment, partnering with professionals in the governmental financial management community, adopting and applying standards, building classroom and hands-on training into the plan, and acquiring and introducing appropriate IT support.

Representatives from several donor groups presented their perspectives during Monday’s final session. Representing the Canadian International Development Agency (CIDA): Nicole Mendenhall, Director-Internal Audit, spoke about the challenge of assurance and accountability in international development; Dominic Bourcier, the Senior Financial Management Advisor-Africa Branch, provided information about financial management practices; and, Jocelyn Comtois, Director General-Contract Management Division, examined aid effectiveness in the context of program-based approaches as they are applied to procurements. Ms. Patricia Hoyes, Senior Financial Specialist for The World Bank’s LAC Region joined the Inter-American Bank’s Adriana Arroyave, Senior Auditor, and Deborah Spietzar, Financial Audit Specialist, in a presentation about the development and use of Country Financial Accountability Assessments. David Ormandy, an Advisor to the Financial Secretary of the Government of Montserrat, spoke about the application of Fiduciary Risk Assessments and the Public Financial Management Performance Management Framework. All of these presentations provided insight into donor expectations and requirements and explained how information was obtained, analyzed, and used.

Introducing Reforms and Improving Processes

In opening the second day of the conference, Mr. Charles-Antoine St-Jean, Comptroller General of Canada, noted that in his experience “change has been the rule,” but he also emphasized that it is required because dedicated public sector financial managers must always strive “to do the best possible job for the citizens we serve.” He spoke about the evolution of financial management in Canada during the past twenty years looking specifically at technology, the transition to accrual based accounting, efforts to establish a balanced budget, and greater attention to accountability and transparency. As he looked ahead, he delved into three major areas—demographics, managing financial information, and rebuilding public trust—and then discussed their impact on public sector financial management.

Continuing attention on finance and treasury issues, the speakers in the next session concentrated on
financial management reforms in Guatemala and Sierra Leone. Maria Antonieta del Cid de Bonilla, Guatemala’s Minister of Public Finance, provided participants with an in-depth analysis of the origins and components of financial management reform in her country and outlined implementation strategies employed to facilitate change. Winston Cole, Head of the Public Financial Reform Unit in Sierra Leone’s Ministry of Finance, described his government’s reforms to establish decentralized budgeting, accounting and reporting processes and controls. Both presentations referred to the need for involving key players; introducing necessary legal reforms and standards related to budgetary, accounting, treasury, and auditing activities; establishing adequate and appropriate information systems; and providing training.

Recognizing that procurement and contracting are important in the public sector and acknowledging that they are often cited as activities fraught with waste, fraud and abuse, speakers in the next session explored procurement and contracting reforms. Dr. Gonzalo de la Cruz Salas, Administration Manager in Peru’s National Registry of Identification and Civil Status, compared the current procurement legislation to previous laws while directing attention to the new emphasis on ethics, nonpartisanship, free competition, accountability, updated technology, economy, efficiency and fairness. He presented examples and cases demonstrating how the new procurement policies are being implemented and discussed the benefits to be recognized through the new approach. Dr. Stephen Gordon, the Education Program Officer for the World Bank’s Procurement Unit spoke about the need to have well qualified and accredited staff working in government procurement. In addition to highlighting problem areas and difficult situations that may lead to corrupt procurement practices, he also outlined the knowledge and skills required to overcome them and suggested an approach for introducing a learning and accreditation program for procurement officials.

Because technology is such a critical piece in reforms and to processes being introduced, the day’s final session was built around moving financial management forward with technology. James St. Clair, a Senior Manager in Grant Thornton’s Global Public Sector Risk Management, Controls and Security practice, introduced participants to approaches for limiting fraud with information security management systems. He identified the global trends in electronic finance (e-finance), identified e-finance vulnerabilities to fraud, and outlined a framework to limit risk. His also discussed specifications and issues related to developing an information security risk management system. Daniel Roberts, Grant Thornton’s representative to the XBRL Consortium and Chair of the XBRL National-US Steering committee described eXtensible Business Reporting Language (XBRL) and discussed its benefits and application for governmental financial managers. Building on presentations he and others have made at ICGFM programs and in ICGFM publications, he explained the next steps for the XBRL national and international working groups and promised to keep ICGFM members and conference participants apprised of progress. In closing this session, Chris Rowe, Business Operations Manager for International Management Consultants Limited (IMCL), described the ICGFM Board’s recent discussions related to “communities of practice” and invited conference participants to participate in a post-conference survey. An article and a questionnaire about communities of practice is posted on the IMCL website (www.imcl.biz/community.htm) and conference delegates may go there to learn more about this topic and provide ICGFM leadership with input and ideas.

Managing the Challenges of Change

Dr. Arpad Kovacs, President of the Hungarian State Audit Office and Chairman of the INTOSAI Governing Board, began Wednesday’s program by sharing his thoughts about the challenges of modernization and adaptation. He drew attention to many factors presenting challenges to globalization, integration, and coordination in our rapidly evolving and financially interdependent world. He spoke about the cultural, social, political, and technological factors that influence governmental financial management decisions
and practices. He went on to explore options and opportunities to work cooperatively to meet these global challenges and specifically referred to the programs and activities of INTOSAI, the EU, IFAC, and IIA.

Following up on many of the ideas presented by Dr. Kovacs and building on presentations delivered earlier in the week, Dr. Douglas Webster, a Senior Manager in Grant Thornton’s Public Sector practice, guided participants through an examination of strategies and approaches for leading and managing change. After defining change and discussing the ways in which politicians, government leaders, managers, and staff, and the citizens they serve often respond to change, he went on to present an integrated change management framework. Drawing upon the expertise and experience of other speakers, Dr. Webster highlighted examples of successful strategies, outlined steps to build a capacity for change, and challenged participants to think about ways in which this conference may have given them some approaches to use in leading change in their own governments and institutions.

Building a Strong Financial Management Framework: Beginning with Budgeting and Accounting

Continuing the pattern established in 2003, the final two days of the conference were devoted to providing special attention and training in specific financial management areas. Dr. Jerry ice, Executive Director of the Graduate School, USDA and ICGFM Vice President Jesse Hughes opened the session with a description of the three part training program and introduced this year’s topic: budgeting and accounting.

Following their remarks, Mr. Larry McDonald, Deputy Assistant Secretary in the Office of Technical Assistance, US Treasury and Mr. Richard Bartholomew, a Senior Budget Advisor in the same office initiated the discussions on budget formulation and execution. Beginning with an overview of the components of a public finance system, Mr. Bartholomew went on to discuss the functions and tasks of the Finance Ministry, giving special attention to budget execution, cash management, maintaining the chart of accounts and ensuring accountability. He gave considerable attention to special issues related to introducing change related to financial management systems and practices and provided detailed information about the Public Expenditure and Financial Accountability (PEFA) projects and the indicators being used to measure performance. He concluded by inviting participants to do their own PEFA review and use a PEFA focus to plan and measure their reform initiatives.

To provide participants with an actual case study of an accounting reform project, Dr. Jesse Hughes presented an overview of an IMF/World Bank effort to introduce a government financial management information system in Armenia based on International Public Sector Accounting Standards (IPSAS). He described some of the difficulties encountered and talked about approaches being used to deal with them. Following Dr. Hughes’ presentation of an IPSAS update, participants were asked to complete a survey on budget and accounting practices in their countries.

In the discussion groups that followed, participants were asked to talk about their governments’ progress in moving from cash based to accrual based accounting systems and to describe any significant lessons they had learned as they moved through this change.

Friday morning began with a special ceremony recognizing the individuals who had completed all session in the initial three-part training series offered in 2003, 2004, and 2005. Mr. Robert Black, Director of the Graduate School, USDA’s Government Audit Training Institute presented certificates to: Mr. Tyrone A. Watkins (Barbados), Ms. Rifa Arce de Cajiao (Costa Rica), Mr. Julio Cesar Aldaro Castro and Mr. Abdon Martinez (El Salvador), Mr. Raymundo Mejia Mendano, Ms. Maria Mercedes Dominguez, Mr. Cesar Obregon, and Mr. Andres Alfaro Bolenos (Nicaragua). Ms. Blandina Nyoni’s certificate was sent to Tanzania.

Dr. Tran Can Ta, Vice Minister of Finance, Vietnam, then delivered a keynote address presenting achievements in his country’s state budget reform programs. He highlighted changes in the budget policy framework and institutions,
the restructuring of the state budget, the introduction of new fiscal policies – especially those related to state-owned enterprises, the development of new financial markets, the reinforcement of administrative reforms, efforts to comply with international standards and best practices, and greater budget disclosure and transparency. He then went on to identify those areas still needing attention and outlined specific objectives and measures being introduced relevant to those continuing reforms.

In the next session, Dr. Hughes moved on to a more detailed discussion about the International Public Sector Accounting Standards and presented a step-by-step work plan for the transition from cash to accrual accounting. Participants used this as a springboard to describe their own experiences and share observations about potential solutions to the problems they encountered.

The final session began with representatives from Thursday’s discussion groups summarizing their group’s conclusions and recommendations. After the presentations, Mr. Robert Black and Dr. Jesse Hughes presented certificates to those who had completed this year’s program in budgeting and accounting.

Additional Opportunities for Networking and Sharing Experiences

During the week, conference sponsors generously hosted special events and delivered supplementary presentations that provided delegates, speakers, and ICGFM leaders with additional opportunities to share experiences. Evening receptions were hosted by Casals & Associates, FreeBalance, and the Graduate School, USDA. Grant Thornton sponsored Monday’s luncheon and Management Systems International sponsored lunch on Tuesday. Technology One hosted Wednesday’s breakfast. During Wednesday afternoon’s optional sessions, FreeBalance made a presentation on Mult-Tier Government Synchronization: Accountability in Sub-national Fiscal Transfers, and Management Systems International offered a session on How to Become an International Consultant.
Publications of Interest

Anti-corruption in Transition – Who is Succeeding and Why
Lead Authors: James Anderson and Cheryl Gray, July 2006

In the 16 years since the start of transition in the former socialist economies of Europe and Central Asia, corruption has been a pivotal issue. This report is the third in a series of studies examining the patterns and trends in corruption in the region. The findings are promising: The extensive reforms in the region in cutting red tape, simplifying taxes, and strengthening audits, among others, are reducing the opportunities for corruption and showing real results on the ground in many countries, with firms reporting bribery to be less frequent and in smaller amounts. There remain, however, important reasons to reinforce and accelerate reforms. Corruption is not falling in all countries or all sectors, and even the most successful reformers still tend to have higher levels of corruption than in Western Europe. Corruption continues to weigh most heavily on new private firms that are the engine of growth and employment in the region. For full report see www.worldbank.org

Fighting Corruption in Developing Countries:
Strategies and Analysis
Edited by Bertram I. Spector

Corruption is a worldwide phenomenon, but especially plagues developing countries and those in democratic transition. This timely collection presents a sector-by-sector analysis of the corruption problems that stunt economic growth, distort governance, limit civic and democratic participation, and infuriate the populace. This book argues that examining the issue through the lens of none key development sectors will help us to understand the problem realistically and identify concrete initiatives that are likely to have an impact. See www.kpbooks.com
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