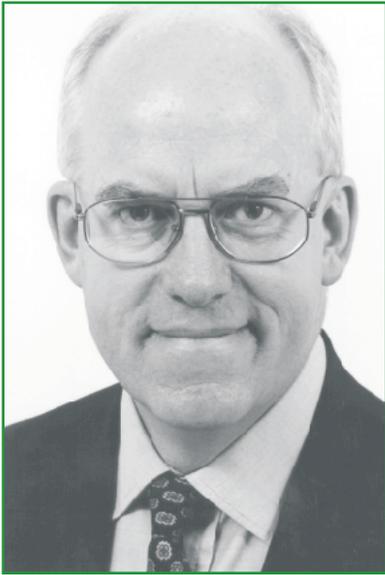


Government Financial Management World

ICGFM The International Consortium on Governmental Financial Management

The President's Message

ICGFM President J. Graham Joscelyne



This past year has provided a number of opportunities for the ICGFM to demonstrate its seriousness in furthering its aims, meeting the needs of its members, and reaching out to potential members.

One year ago, in the aftermath of September 11, the Washington Fall Conference was cancelled for the first time. Also, with a continued risk of further terrorist activity, the Miami Spring Conference was threatened with low participation. Frankly, the ICGFM was at a crossroads.

But the Executive Committee and conference organizers worked hard and the Miami Conference took place around the theme of "Disaster: The Role of the Public Financial Manager." Participation was in excess of 300 and demonstrated the ICGFM's ability of draw international speakers and participants. The success of this series of meetings was in no small part due to the tireless efforts of Al Hrabak of IBTCI and Jim Hamilton, as well as the Florida International University team. The

shortened conference program for 2003 is being developed as is the training course that follows – one designed to address your specific professional needs

The recently held Summit on Reducing Poverty through Improving Public Financial Management in Washington was the result of the partnering of the World Bank Institute and the ICGFM, together with valuable assistance given by USAid and Casals and Associates Inc. A new approach was adopted to connect organizations that are involved in public sector financial management, such as DFID and the ADB, to the ICGFM. More particularly, we invited high-level delegations across the spectrum from Parliamentary Oversight, through Budget and Expenditure to the Supreme Audit Institution.

We succeeded in attracting full teams from Bolivia, South Africa, Zambia, Chile, Pakistan, Namibia and Uganda as well as smaller representation from many other nations including Honduras, Hungary, India, and organizations. All in all, there were over 80 participants. This Summit has firmly established the ICGFM as the prime convener on international public financial management issues.

I take my leave as President and confidently hand over the Presidency to Relmond Van Daniker who has long been interested in the work of the ICGFM and intimately involved in its management most of this year. He inherits the chair at a time when the ICGFM is in a good place—ready to take on challenges—and when the needs of the members we serve are now clearly articulated. It is up to us to bridge the gaps and with our strong and motivated leadership team, we will. ■

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PSC Update No. 7, December 2002

ICGFM DC Forums

October 2002—Charles A. Bowsher

Former Comptroller General of the United States

Former Chairman of the Public Oversight Board

“Observations on Recent Events in Regulation and Reform of the Accounting Profession”

ICGFM’s DC Forum was honored to host a presentation by Charles Bowsher, former Comptroller General of the United States and renowned leader of recent initiatives to protect the public interest and restore public confidence and integrity in auditing. Elected in 1999 as Chairman of the independent Public Oversight Board (POB) in to oversee the accounting profession in the United States, he resigned from that post in January 2002. Charles Bowsher has been actively working over the past year with Paul Volcker, former Chairman of the Federal Reserve, to affect improvements in auditing and accounting and was an active supporter of the Sarbanes-Oxley legislation.

Charles Bowsher shared with the DC Forum his candid views of the challenges facing the auditing profession and accounting industry. He noted the parallels in history between the 1991 banking reform legislation sponsored by Senator Sarbanes to resolve the savings and loan crisis and the 2002 Sarbanes-Oxley Act requirements to institute stronger internal controls for all public companies. As Comptroller General during the period of the savings and loan failures and as POB Chairman during the most recent

corporate accounting lapses, Bowsher fulfilled a critical function in the reconstruction of both industries.

Bowsher noted that the Congress simply became fed up with officials from firms testifying over the past year that they were not accountants and could not be held responsible for their financial reports. The challenge now facing corporate executives in light of a newly legislated focus on transparent accounting, financial reporting, and corporate governance is that they must know the financials of their firms and they must have financial controls in place. Bowsher stated that (like the banking industry) big firms now believe that implementation of the Sarbanes-Oxley Act is costly and not needed, but he anticipates that they will soon become as comfortable with it as the banking industry has become with the banking reforms.

The new Public Company Accounting Oversight Board (PCAOB) will be an important element of the oversight intended by Sarbanes-Oxley. The Board must be extremely sensitive to the need for a strong audit committee. Bowsher is optimistic that with proper staffing of the Security and Exchange Commission’s Office of Chief Accountant and with adequate authorities vested in the PCAOB to access information from the firms, the PCAOB will become a first rate oversight mechanism of the accounting industry.

Prior to serving the full 15-year term as Comptroller General of the United States, Charles Bowsher was a partner with Arthur Andersen & Co. He served as the Assistant Secretary of the Navy for Financial Management from 1967 to 1971. He is currently active in numerous professional and academic organizations, and serves on the boards of several non-profit and corporate boards and auditing community organizations.

November 2002—Mr. Roman Bokeria

Head of the Department of Reforms and International Relations, Georgia Supreme Audit Institution

Member of the Presidium of the Georgian Chamber of Controls

“The Supreme Audit Institution of Georgia: Challenges and Prospects”

In November, Mr. Roman Bokeria discussed with ICGFM’s DC Forum the challenges and prospects facing the nascent nation of Georgia and its Supreme Audit Institution. He shared his views of restraining forces and sources of

potential support for establishing and maintaining governance and accountability within the borders of Georgia. Just 10 years old, the newly independent Government of Georgia is still building its legs of democracy including its legislative, institutional and economic bases. The Georgian Government is committed to economic reform and has been so engaged since 1994. The geo-political location of Georgia, the ever widening prospects of Euro-Asian corridor, and the agreements on oil and gas pipelines traversing Georgia provide especially opportune positioning for economic vitality in its future.

Mr. Bokeria has been a catalyst for accountability and capacity building in Georgia. The Department of Reforms and International Relations was established in the Georgia Chamber of Control in June 2000, with Mr. Bokeria at the helm. He discussed with the DC Forum the implementation of institutional reorganization and development programs in the Chamber of Control of Georgia and in the state audit sector, including establishing international standards of accounting and auditing for the Chamber of Control.

Mr. Bokeria is responsible for audits of the Ministry of Foreign Affairs, international aid programs, state-owned entities in foreign countries, and governmental reforms. His department also develops programs for monitoring the country’s international financial agreements. The Department of Reforms and International Relations has created and institutionalized competency testing and a licensing council for state sector auditors.

Prior to leading the Department of Reforms and International Relations, Mr. Bokeria served as the Director of the Department of Economics and Finance responsible for implementation of international accounting and management systems in Georgia’s fuel and energy sector, and formulating the legal structure of agreements regulating commercial relations between the State of Georgia and national and international counterparts in the fuel and energy sector. Recently elected by the Parliament of Georgia to its Presidium of the Chamber of Control of Georgia, Mr. Bokeria is the Presidium’s youngest member. ■

PSC Update No. 7 December 2002

The PSC Update is prepared by staff after each meeting of the PSC with the aim of providing a timely report on the progress of PSC projects. The views expressed in this document may not necessarily reflect the final views of the Committee or of individual members.

Introduction

The PSC met in Hong Kong in November 2002 following the World Congress of Accountants. The PSC Chair, Members and staff made presentations at the World Congress and at a seminar arranged by the Hong Kong Hospital Authority following the Congress. The following summarizes the major features of the meeting.

Documents approved for issue in early 2003

- Cash Basis IPSAS Financial Reporting under the Cash Basis of Accounting.
- Occasional Paper 6 Modernization of Government Accounting in France.

The IPSAS Financial Reporting under the Cash Basis of Accounting is based on Exposure Draft 9 (ED 9) issued in 2000 but has been amended to respond to concerns raised by respondents to the ED and to issues raised in the extended consultation the PSC undertook during 2001. The IPSAS includes requirements for a government and government entity to report all cash receipts, payments and balances that it controls and to disclose information about amounts settled on its behalf by third parties. It allows more flexibility in reporting format than was proposed in ED 9 and encourages note disclosure of additional information about, for example, assets, liabilities, transactions administered on behalf of others and whether budgeted amounts have been exceeded. The final amendments agreed at the meeting will be processed during December 2002. It is intended that the IPSAS be posted on the PSC's website in early January 2003 and hard copies be available soon thereafter.

Occasional Paper 6: Modernization of Government Accounting in France.

This Occasional Paper will be published in early 2003. It describes the major reform program for the public sector accounting system being implemented by the French Government. The paper highlights some of the key arguments influencing the decision to move from the current system to an accrual basis for financial reporting in France. It traces the development and implementation of accrual accounting since 1999 in the central government financial statements, and the evolution of the public sector information system and the institutional arrangements to adapt to the new system.

PSC Steering Committees and Consultative Group

The Chairs of the Social Policy Obligations and Non-Exchange Revenue Steering Committees (SCs) reported to the PSC on progress. Each SC intends to present a draft Invitation to Comment (ITC) for the consideration at the next PSC meeting in April 2003, with a recommendation that both ITCs be issued at the same time in mid 2003. Major points made by the Chairs of each SC were:

Re Social Policy Obligations: The ITC will deal with a wide range of social benefits, including age and similar pensions, individual or household transfers and individual and collective consumption. Consistent with the terms of reference of the Steering Committee, the ITC will not deal with pensions provided as employee benefits (which are dealt with by IAS 19 Employee Benefits) or other pensions which arise from an exchange transaction. The ITC will apply definitions, recognition criteria and any relevant guidance on measurement and disclosure in IPSASs to each category of benefit, and will consider the implications of this approach for provisions and expenses that will be recognized under the accrual basis. If Steering Committee members did not have a unanimous view on the consequences of application of the definitions or recognition criteria, the different views will be identified in the ITC.

Re Non-Exchange Revenue: The ITC will propose general principles for recognition and measurement of a wide range of revenue classes, including taxes, grants and transfers. The SC has tentatively decided that revenues should be recognized on a gross basis, that the same recognition criteria should be adopted for both exchange and non-exchange revenue, and that these criteria should be based on the recognition of the corresponding increase in net assets. The ITC will illustrate how the general principles will be applied to major classes of revenue.

Re: Budget Reporting: The PSC considered a paper which canvassed options for the scope of the budget reporting project. The PSC agreed that a research paper identifying best practice in budget formulation, presentation and reporting under differing budget models and government administrative arrangements should be prepared by a Steering Committee during 2003. That paper was also to consider the relationship of the project with the PSC's mandate and make recommendations on the budget reporting matters that should be addressed by an IPSAS. To reflect the change in focus and timing of the project, the PSC will reconstitute its Steering Committee. Individuals interested in serving on the Steering Committee should contact Jerry Gutu at jerrygututu@ifac.org. Those who have

PSC, continued on page 7

Upcoming Events

March 31 – April 3, 2003

XVII International Conference on New Developments in Government Financial Management, Radisson Mart Hotel, Miami, Florida, U.S.A.

Contact: **Cornelia Schneider** at cschneider@NAS-ACT.org

Website: www.icgfm.org

Phone: 202.624.5451

Fax: 202.624.5473

February 20-21, 2003

AGA's First National Leadership Conference

International Trade Center—The Ronald Reagan Building, Washington, D.C.

June 29-July 2, 2003

AGA's 52nd Annual Professional Development Conference & Exposition

Sheraton Chicago Towers, Chicago, IL.

Contact: **Ada Phillips** at aphillips@agacgfm.org
Website: www.agacgfm.org/nlc
and www.agacgfm.org/pcd
Phone: 800.AGA.7211, ext. 204
Fax: 703.548.9367

DC Forums

Contact: **Jacquie Williams Bridgers**, jwbridgers@msn.com
February 5, 2003

Richard Allen, World Bank

March 5, 2003

Speaker to be announced

Calendar Note: We are planning a symposium/workshop in the Fall on a subject that is of relevance to the government financial manager. We will keep the readers informed as those plans are finalized.

Editor's Note: If you have implemented a policy or procedure that you believe would be beneficial to others, please write it down and send it by email to the Publications Editor, Dr. Jesse Hughes at jhughes@odu.edu.

ICGFM Panel at IAAER Conference in Hong Kong

Panel presentations were made by the following to International Association for Accounting Education and Research (IAAER) conference attendees from Canada, China, Czech Republic, Hungary, Indonesia, Japan, Malta, Mongolia, Poland, United States, and Zimbabwe:

1. Mr. Ronald Points (World Bank and US Representative to IFAC/PSC)

Attendees were provided with background information on the purpose and progress of the PSC as well as an update relative to the status of International Public Sector Accounting Standards prior to the meeting of the IFAC/PSC next week in Hong Kong. Particular attention was given to the standards that were recently issued on Property, Plant, and Equipment and Related Parties. An update of the PSC deliberations is included elsewhere in this Newsletter. Further information on PSC activities can be found at www.ifac.org.

2. Mr. Man-to Shum (Director of Accounting Services, Hong Kong)

Mr. Shum explained the accounting policies and procedures that are involved in transitioning from a cash basis of accounting to the accrual basis for the municipality of Hong Kong. The full text of his comments will be included in the next issue of the Public Fund Digest.

3. Dr. Jesse Hughes (International Consultant on Public Sector Issues)

Dr. Hughes encouraged the attendees to ensure that they had good cash accounting procedures and budgetary controls in place before they attempt to transition to the accrual basis of accounting. He explained they might consider the following sequence in moving toward the accrual basis: initially ensure that a good single-entry cash system is in place, establish a chart of accounts to implement a double-entry cash accounting system, extend the chart of accounts to account for financial assets and liabilities, and finally implement the accrual basis by including non-financial assets in the

chart of accounts. It is anticipated that the transition period will be at least five years.

Australian Experiences

During November, an interview was conducted with a representative from the Supreme Audit Office in Australia about their experiences of using an accrual accounting system in government. (Australia was one of the first countries to implement—in 1991—the accrual basis of accounting. Australia has approximately 19 million populations in their six states with a land mass about the same size as the United States.) Some highlights from these interviews are as follows:

Questions and answers with Ian McPhee (Deputy Auditor General for Australia) follow:

Q—As a result of your change to the accrual basis of accounting, are there any comments that you would make relative to your experiences?

A—The transition was not without its problems. It has been of greatest benefit to the agencies but is not too helpful yet for the whole of government where cash is keen. The budget is still on the cash basis and the Treasurer uses cash levels for control.

Q—What suggestions would you make for developing countries?

A—Move to a modified accrual basis first and go slow. Put a fence down and extend boundaries toward full accrual when the environment is ready.

Q—What about performance measurements?

A—The linkages of outputs and outcomes with the budget are not yet fully developed. We are still working on an output orientation. In the audit office, we do performance auditing which has worked very well for us, especially in the areas of grants management, contract management and risk management. We will provide you copies of our best practices for publication in the *Public Fund Digest*.

Q—Do you still have some business type activities in government?

A—We still have some and they use the full accrual basis of accounting that is subject to audit by our office.

Q—Have you fully adopted the inter-

national standards?

A—We started developing our public sector standards in the 1980s before the international standards were developed. We are now pretty well in compliance with the approved international standards. There are some differences between the procedures spelled out in the Government Finance Statistics Manual and the IPSASs. We are trying to identify and resolve those differences.

Q—Is your budgetary accounting integrated into your accounting system?

A—We keep them distinct for parliamentary purposes.

Q—What about commitment control?

A—These are controlled by the agencies. They have their own bank accounts and they are swept each night back to the Treasury. This provides some benefits to the agencies since the center has lost control. Idle cash is invested but the procedures could be improved.

Q—Any other thoughts about accrual accounting for governments?

A—The timing was right for Australia to move to the accrual basis and each country has to determine when it might be right for them. Public/private issues are still a problem for us as far as recognizing minority interests. Also, we do not yet accrue faculty pensions but recognize them on a pay-as-you-go basis. Further, pensions are not funded for public servants. Depreciation is recognized and funds are issued to agencies for the amount of depreciation so that they can use it to replenish their assets. Social insurance is not recognized as a liability since it is not practical for us.

Q—What type audit opinion is generally issued?

A—Most of our agencies receive an unqualified opinion since we have been implementing the accrual basis for about ten years.

Q—Do you separately identify designated funds?

A—These generally disappeared with the implementation of accrual accounting although we still have some trust funds. Capital projects are generally accounted for on the oper-

Questions and Answers, continued on next page

ICGFM Membership Application

1. Enclosed are dues for calendar year 2002. 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 • 2208 Mount Vernon Avenue • Alexandria, VA 22301-1314 • USA

Questions and Answers, continued from previous page

ating statement as pass-through funds.

Q—Do you separately identify a capital budget from an operating budget?

A—This separate distinction is breaking down since agencies are funded for depreciation.

Q—Any further suggestions?

A—All problems have not yet been fully resolved but we are working on them. The biggest challenge is to educate the program managers on how to use the information that is provided to them in the financial reports that they receive. ■

In Memoriam: Robert Dysland

It is with deep regret that we note the recent death of Robert Dysland. He passed away on September 10, 2002, at Manor Care Nursing Home in Maryland.

Bob, as he was known to his many friends in the Consortium, was a lawyer and an accountant. He was one of the ICGFM founding fathers, and for many years he served as the organization's legal advisor. At the DC Forum luncheons he recorded the speakers, and in the days before the instant messaging of the web, he patiently documented and published the proceedings of the meetings. His wife, Audrey, was the ICGFM's Secretary General, and together they managed organization's administration and operations. At the ICGFM annual meeting, in December 2001, Bob was among those recognized for his exemplary contributions.

In supporting the DC Forum and many of the ICGFM's international conferences, the Dyslands were truly the ICGFM's international ambassadors. We shall miss Bob, and we extend our sincerest sympathy to Audrey and their family. ■

ICGFM's 2002 Fall Summit

In the days leading up the Thanksgiving holiday in the United States of America, the ICGFM partnered with the World Bank Institute to host a summit on the topic of "Reducing Poverty Through Improving Public Financial Management." The Summit was held in Arlington, Virginia and saw over seventy participants meeting to discuss the topic. These participants came from all over the world and, for the first time in many cases, from all areas in the public financial management process. Auditors, accountants, budget directors, procurement specialists and members of parliamentary committees were challenged to consider ways in which their often separate professions inter-relate in impacting the quality of public expenditures and the management of such. The concept of "systemic risk" was introduced early in the agenda in an effort to provide a common language for discussion across the professions and to identify threats that exist within the financial management process to ensuring that public finances facilitate poverty reduction. Such risks were identified as they relate to budget formulation, procurement, budget execution and financial monitoring, with a variety of interesting presentations on these topics leading to illuminating discussion periods and activity sessions. It was generally agreed that the mix of perspectives enriched the conference and that the ICGFM is well positioned to facilitate such mix in its future conferences—facilitating holistic discussions of ways in which the financial management process can be improved. It was also agreed that the issue of relating financial management and government-wide goals like poverty reduction is vital and that the concept of risk provides an important and useful device to discussing such. Select presentations from the Summit will be included in the next issue of the *Public Fund Digest*. ■

Images from ICGFM Summit



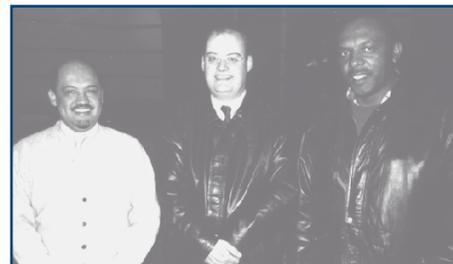
Uganda Delegation: 1. David Muwanga, Auditor General; 2. Beatrice Kiraso, MP; 3. Florence Kuteesa, Acting Director of Budget; 4. Martin Olobo, Permanent Secretary Inspectorate of Government.



Carmen Zuleta, speaker from Bolivia.



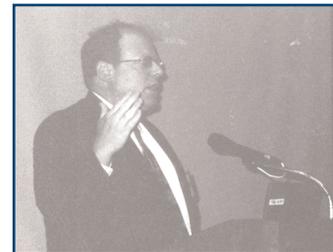
Left to right. Chilean Delegation: Rodolfo Sepulveda, Andres Pino, Alvaro Torres, Leonardo Sanchez y Luis Carvajal.



Neil Cole, Frans Beukman and Vicent Smith from South Africa.



From left to right: 3. Muhammad Yunis Khan, AG of Pakistan, 4. Redmond Van Daniker, and other delegates.



Speaker Joel Turkewitz, World Bank Institute.



Left to right. Lourdes Sanchez from Casals & Associates, Carmen Zuleta and Mary del Llano, from Bolivia.



Delegates from Zambia.

PSC, continued from page 3

previously been nominated for membership of the Steering Committee are invited to re-nominate.

Consultative Group

The PSC agreed a proposed membership profile which is representative of the broad geographical regions and interest groups that make up the PSC's constituency. The PSC will now write to those organizations and individuals to confirm their interest in serving on the Consultative Group and outline operating procedures. As previously explained in PSC Updates, it is intended that the Group conduct its business primarily by electronic means and operate as a proactive forum to provide input to the PSC on such matters as its work program priorities and specific exposure drafts or IPSASs that are under development. It is anticipated that the Consultative Group membership will have been confirmed and the Group will be operative by the end of the first quarter of 2003.

Work Program

Impairment of Assets

The PSC continued its consideration of key issues related to the development of an Exposure Draft on impairment of public sector assets. At this meeting, the PSC revisited the responses it received to the Invitation To Comment on Impairment of Assets and provided directions to staff for the preparation of a first draft of an exposure draft for consideration at the next PSC meeting. The PSC confirmed the two step approach to identification of an impairment and that all impairment losses should be recognized as was proposed in the ITC. However, the PSC also agreed that the indicators of impairment should include "safe harbor" conditions to ensure that full impairment assessments were only required when appropriate. Other tentative decisions made by the PSC include: an impairment loss should be determined by comparing the carrying amount of the asset with the higher of net selling price and value in use. This reflects the approach adopted in IAS 36. However, because public sector assets were not held for their cash generating ability, their value in use is to be determined by reference to the present value of their remaining service potential, rather than by reference to the present value of the cash flows as required by IAS 36. The PSC also agreed that IAS 36 should apply to the commercial assets of public sector entities.

Accounting for Development Assistance

The PSC intends to develop this project in two stages. The first stage dealing

with the disclosures necessary when the cash basis of accounting is adopted will be actioned early in 2003. It will link to the cash basis IPSAS agreed at this meeting. The second component will deal with accounting under the accrual basis and will be developed at a later stage to take account of the work currently being undertaken by the Steering Committee on non-exchange revenues.

Financial Reporting by Government Business Enterprises-(GBEs)

The PSC agreed that Guideline 1 Financial Reporting by Government Business Enterprises, is unnecessary and should be withdrawn. The Preface to International Public Sector Accounting Standards (IPSASs) and the Scope section of each IPSAS clarifies that GBEs are to apply International Accounting Standards (IASs and International Financial Reporting Standards) issued by the IASB or its predecessor.

Conceptual Framework

Some members and constituents had advocated that the PSC develop and issue for comment an explicit statement of its conceptual framework. The PSC noted that such a statement would be useful, but agreed that given the current demands on staff time and resources it would not be possible to action such a project at this point in time. However, the PSC also agreed it would review its decision in one year's time and, as a precursor to that review, the PSC will consider a staff paper which draws out the concepts and definitions that are currently included in the extant IPSASs at its next meeting.

Harmonization with Government Finance Statistics and the European System of National Accounts 1995

The PSC agreed the desirability of harmonizing IPSASs, the IMF Government Financial Statistics (GFS) and the European System of National Accounts 1995 (ESA 95). It was noted that the PSC had discussed this with the IMF during 2002. It was agreed that the PSC would establish a technical committee comprising members from IMF, Eurostat and the PSC to identify differences in the existing requirements of each set of standards, consider whether these differences can be reduced and, where not, develop a statement to reconcile the financial statements prepared under the different frameworks. It was also agreed that the PSC would attempt to initiate the establishment of a "strategy committee" of relevant organizations to consider mechanisms for harmonizing any additions or variations to the requirements of the different systems in the future and ensuring that any

improvements in harmonisation were maintained and built on over the long term.

Employee Benefits

IAS 19 Employee Benefits was included in the initial core set of IASs to be dealt with by the PSC's standards program. The IASB is currently reviewing IAS 19. The PSC had previously agreed to consider the development of an IPSAS based on IAS 19 in two stages: stage one dealing with employee benefits other than post-employment benefits and stage two dealing with post-employment benefits. However, the PSC noted that the review of post-employment benefit provisions of IAS 19 may also affect other requirements of the IPSAS and agreed the project should not be further developed until the IASB has completed its review of IAS 19.

Next PSC meeting: Melbourne, April 9-11, 2003

For further information please contact: Ian Mackintosh, Chairman PSC (*imackintosh@worldbank.org*)

Paul Sutcliffe, Director Public Sector Accounting Standards (*psutcliffe@ifac.org*)

Jerry Gutu, PSC Technical Manager (*jerrygut@ifac.org*).

IFAC/PSC

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International Consortium on Governmental Financial Management Annual Meeting December 2002

ICGFM Annual Meeting

December 4, 2002

Update on Recent Executive Committee Activity: Mr. Joscelyne noted that the committee has been meeting monthly since the transition a little over a year ago. Since becoming President, Mr. Joscelyne spoke of three challenges.

The first was the leadership transition of the Miami conference with both Jim Westbury and Mort Dittenhoffer no longer serving as primary coordinators of the conference. Mr. Joscelyne noted that the executive committee put in place new financial controls and that Jim Hamilton and Al Hrabak did an outstanding job in achieving a successful turnout of over 300 people despite the events of September 11th.

The second challenge was the cancellation of the fall conference due to the events of September 11th. However a new relationship transpired between the World Bank Institute and the ICGFM resulting in this year's successful "Summit on Reducing Poverty." The new format of the fall conference (Summit) consisted of an interactive dialog with invited individuals from government, audit and Parliament from specific countries and regions of the world. Mr. Joscelyne gave a summary and his thoughts on last week's summit meeting. He stated that he personally contacted countries to participate but lack of sufficient participation by sustaining members in the Fall Summit did not ensure that member needs are being met. Mr. Joscelyne does feel however that the "Summit" will position the ICGFM for future high-level discussion forums.

The third challenge had to do with the administration of the consortium. Mr. Jocelyn commended AGA for all its efforts in aiding with making the administrative side of the consortium more efficient. Mr. Joscelyne also commended Ms. Weeks and others of the membership committee for validating the membership list. Mr. Joscelyne also expressed hope that the consortium could build better relations with Canada and the Nordic countries in the future as well as renewing relationship with groups that have become less active over the past several years. Lastly, Mr. Joscelyne expressed his confidence in NASACT undertaking the administration for the ICGFM.

Editorial Report: Dr. Jesse Hughes noted that the Public Fund Digest has changed its focus to a practice-oriented approach. The Newsletter is slated for publication this month and the next Digest is due out before the Miami conference. Mr. Hughes would like input from the members.

Upcoming Events and Activities: Mr. Van Daniker explained the upcoming Miami conference and noted that he is working with Casals concerning their potential involvement in administration of the conference. He noted that the conference would be three days of country case studies followed by two days of training provided by USDA GATI. The training would be geared toward a certificate program.

Presentation of Officers and Board

Members: The following officers and directors were elected for 2003. ICGFM Officers are members of the Board of Directors and are elected for a two-year term. Officers may be re-elected to the same position or a new one.

President: Relmond Van Daniker (NASACT) 01/01/03 -12/31/04

President-Elect: vacant

Immediate Past President: J. Graham Joscelyne (World Bank) 01/01/03-12/31/04

Treasurer: Peter Aliferis (USDA GATI) 01/01/03-12/31/04

Secretary: Dick Willet (Grant Thornton) 01/01/03-12/31/04

Vice President: Jacquie Williams Bridgers (GAO) 01/01/03-12/31/04

Vice President: Mathew Andrews (WBI) 01/01/03-12/31/04

Vice President: Bill Taylor (IADB) 01/01/02-12/31/03

1. Sustaining Members: (based upon the number of sustaining members-1 each)

Association of Government Accountant

(AGA): Charlie Culkin

Casals and Associates, Inc.: Beatriz Casals

CPA Australia: David Shand

Grant Thornton, LLP: Dick Willet

International Business and Technical Consultants, Inc. (IBTCI): Albert Hrabak

Inter-American Development Bank:

William Taylor

National Association of State Auditors, Comptrollers and Treasurers (NASACT):

Relmond Van Daniker

U.S. Agency for International

Development-Office of the Inspector

General (USAID-GIG): Everett Mosley

U.S. General Accounting Office: Jacquie Williams Bridgers

World Bank: J. Graham Joscelyne

2. Organization members: (6)

Cameroon State Audit Office (04); Cypress Treasury Department (04); Hungary State Audit Office (04); International Monetary Fund (04); Pakistan Office of the Auditor General (04); Sweden National Audit Bureau (04)

3. Individuals: (6)

Mort Dittenhoffer (04); Jim Hamilton (03); Jesse Hughes (03); Virginia Robinson (04); Lin Weeks (04); Vacant (04). ■

Spring Conference and Training Seminar in Miami, March 31-April 4, 2003

Be sure to mark your calendars now for the 16th Annual ICGFM International Conference in Miami. More details will be sent to you shortly in a separate mailing.

Seminar Added to the Miami Program

In response to participant feedback, the International Consortium on Governmental Financial Management and the Graduate School, USDA's Government Audit Training Institute (GATI) are pleased to announce that they are partnering to present a special seminar on April 3-4, 2003 in Miami, Florida.

This seminar will be the first in a series of three planned training programs. Working with leaders from among the Consortium's Sustaining and Organization members, participants in Building a Strong Financial Management Framework: Putting the Governance Pieces Together will:

- examine the component pieces of financial management and explore relationships and interdependencies,
- focus special attention on accounting and budgeting,
- receive copies of and information about tools and resources to assist them when they return to their countries, and
- share their experiences and develop, discuss and evaluate "best practices."

Subsequent training activities will focus on information technology, and financial and performance auditing. In each training program, special attention will be directed toward how all of the financial management activities within government are related and how they fit together in "best practices" examples.

GATI will provide a certificate awarding 16 Continuing Professional Education units to participants completing the two-day program in Miami.

You may register for this seminar separately or as part of the entire week's program.

Number of days	Members*	Nonmembers*
5 days (conference and seminar)	\$800	\$850
3 days (ICGFM conference only)	\$600	\$650
2 days (ICGFM/GATI seminar only)	\$400	\$450

* Members: each sustaining member may register 10 participants at the reduced rate; each organization member may register 5 participants at the reduced rate. ■

National Public Sector Convention 2003

A Leading Event for Finance and Management Professionals in the Public Sector, 19-21 November 2003, Burswood Convention Centre, Perth, Western Australia

The biennial National Public Sector Convention will be held in Perth, Western Australia, in November 2003. It is still some months away, however it is important to work these important dates into your diary (and your budget) now! This key event will also have significant benefit for finance and senior professionals working in commerce, public practice or other sectors.

The theme of the conference is the expanding role of the Public Sector finance professional, although the diversity and depth of sessions goes way beyond this. The program is already well underway and is designed for finance, accounting and management professionals in all tiers of government, at all levels. This event should not be missed by public sector employees, from senior executive level, through to newer staff.

Outstanding, high-level keynote sessions each day will be complemented by ground-breaking sessions in four concurrent streams, catering for your learning, information and networking needs. Don't miss this fantastic opportunity to expand and develop your knowledge and skills. The convention will also offer great networking opportunities! Please contact the Western Australian Professional Development Team on (08) 9481 5944 or liz.odonnell@cpaaus-tralia.com.au to place your name on the priority brochure list now! ■

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Two additional organizations: To be determined

Representatives of Individual Members

Mortimer Dittenhofer

James Hamilton

Jesse Hughes

Virginia Robinson

Jacquie Williams Bridgers

Lin Weeks

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