The President’s Message

ICGFM President Linda L. Weeks

It is truly a pleasure and a privilege to write to you as the International Consortium on Governmental Financial Management’s President. For 20 years, I have participated in Consortium programs and worked on many projects and activities, and it is an honor to now serve in a leadership position. The ICGFM’s Strategic Plan, adopted at the December 2004 Board of Directors’ meeting and included in this newsletter, sets out 2005 activities to support the organization’s goals and objectives as we strive to fulfill our mission. I am using the Strategic Plan as the agenda for my year in office, and I’d like to use this letter to bring to your attention ways in which you can also contribute to and be involved in the Consortium.

First and foremost, I want to welcome Nina Powell to our ICGFM management team and introduce her to you. In January, Nina took over the organization’s operational reins as she became our Executive Director. You may have met Nina at one of the DC Forum luncheons or at the Miami conference and you have probably received your membership invoice from her. Her rich experiences from GAO and from work with other professional organizations provide her with the expertise to coordinate and manage ICGFM’s many activities. If you haven’t met Nina, please take the time to introduce yourself to her when you next attend an ICGFM sponsored event. If you have program questions or suggestions, please contact her at the ICGFM office through the email: ICGFM@yahoo.com or on the phone: +202.314.8461.

Jesse Hughes is continuing his service to ICGFM as the editor for our publications. As noted in the Strategic Plan, we expect to publish two issues each of the Public Fund Digest and this newsletter, the Government Financial Management World. We want these publications to provide readers with current information and practical tools. Both publications are mailed to our members, and they are posted on the ICGFM website, www.icgfm.org. The first 2005 issue of the Public Fund Digest went to members in March, and Jesse is now working on the next one. He always welcomes articles and announcements for the Digest and the newsletter. If you would like to contribute to these publications, please contact him at jhughes@odu.edu.

Recently Dick Willett stepped in to assist Raymond Einhorn with scheduling speakers for the Washington International Governmental Financial Management Forum, known more informally as the DC Forum. This issue of the newsletter includes information about the four DC Forum events already held this year. As you look at the array of topics and speakers, you can see that these luncheons focus attention on emerging issues and new developments. Dick is lining up speakers for the remainder of 2005, and this is another area where you can be involved—if you have suggestions for speakers or topics, please contact him at dick.willett@gt.com.

The ICGFM’s ongoing commitment to fostering professional development and encouraging the exchange of insights and experiences is reflected in the conferences we sponsor or co-sponsor. In conjunction with a November 2004 meeting of IFAC’s Public Sector Committee, we partnered with colleagues in India to offer a seminar on “Public Sector Accounting and Financial Reporting Standards.” Most recently, as reported in this newsletter, we organized the 19th International Conference on New Developments in Governmental Financial Management. We are now planning professional development programs for 2005-2006, and you may also want to participate in these efforts.

Relmond Van Daniker, the ICGFM’s immediate past president, is gathering a team to plan and deliver a program in the Fall. As I write this letter, the plans are still evolving. We expect that this seminar or summit will be held in conjunction with another meeting or event and will be a co-sponsored program. (The News and Notes, which will be included with this newsletter, may have more details, and updates will be posted on the website, www.icgfm.org) Van’s working group is looking for ideas and volunteers, and he would welcome your assistance. Van can be reached at rvandaniker@agacgfm.org.

President, continued on page 2
I am working on organizing the program for the 20th International Conference, which will be held in Miami during May 2006. Using feedback and suggestions from this year’s participants, themes are being developed and presenters lined up. If you have ideas, if you want to be a presenter, if you want to assist in organizing and delivering the conference—send me a note at the ICGFM email address: ICGFM@yahoo.com.

As you examine the Strategic Plan, you will also see that your officers and the Board of Directors want to focus some attention on governance issues to ensure that our organizational structure and financial systems adequately support our programs. We will be forming a task force to review and possibly revise the ICGFM by-laws and the financial systems, policies and procedures. More information about this work will be included in future newsletters and the task force will be reporting on this at our annual meeting. Please mark your calendar and plan to participate in the meeting which will be held in Washington, DC on December 7, 2005.

In closing, I’d like to point out that one objective on the Strategic Plan says “increase membership and member involvement.” I can’t do that by myself; the other officers and members of the Board can’t do it either—increasing membership and member involvement is an objective that truly depends upon you. There is clearly a role for you in “increasing membership.” In this newsletter, Nina’s membership update encourages you to reach out to others in our community so that they can join us—I heartily endorse and support this outreach effort. “Increase membership involvement” also rests with you. The Strategic Plan sets out a wide range of immediate and longer range activities, and I’ve tried to highlight ways in which you can participate and become involved. Now, it is up to you to make it happen.

I haven’t included a personal photo with this message as I’m included in several photos scattered across the pages of the newsletter—and I’d much rather meet you in person so that I can get to know you, too. I look forward to working with you as we move ahead with another year of exciting programs and activities. I hope to—see you soon, hear from you or read one of your articles!

AWARDS PRESENTED AT DECEMBER 2004 MEETING

At the December 2004 DC Forum Luncheon, individuals who had made significant contributions to the International Consortium on Governmental Financial Management were formally recognized. Recipients of special letters and awards included:

- Relmond Van Daniker (AGA), in recognition of his accomplishments as ICGFM’s President in 2003-2004
- Linda Garvelink (Grant Thornton), in recognition of her leadership in developing the program for the 18th International Conference in New Developments in Governmental Financial Management held in Miami;
- Sylvia Rodriguez (Casals & Associates), in recognition of her support and assistance in managing registration for the Miami conference;
- Jesse Hughes (Consultant), in recognition of his ongoing commitment and dedication to preparing the Consortium’s publications, website, and training; and
- Raymond Einhorn, in recognition of his continuing assistance in planning the DC Forum meetings.

As part of the awards presentation, Lin Weeks reads the award letter to Dr. Hughes.
2005 DC FORUM SPEAKERS AND TOPICS REFLECT THE DEPTH AND BREADTH OF ICGFM’S MEMBER INTERESTS

In February 2005, ICGFM marked the 20th anniversary as hosts for the Washington International Governmental Financial Management Forum. Generally the DC Forum, as it is more informally known, meets on the first Wednesday of the month at the Brookings Institute in Washington, DC. During the luncheon, members and guests informally network and share ideas and experiences. Speakers, who address the group immediately following lunch, provide their observations and insights about diverse and wide-ranging topics of interest to ICGFM members.

January 5, 2005: Update on International Public Sector Accounting Standards

Ronald J. Points, from The World Bank, is a longtime ICGFM member currently serving as the United States’ representative to IFAC’s International Public Sector Accounting Standards Board (IPSASB). During the DC Forum meeting Ron provided information about IFAC and the new IPSASB. He discussed IPSASB operations, work plans, and products and gave particular attention to newly released standards, progress on implementing standards, and exposure drafts currently circulating for comments. Participants at this meeting engaged in lively discussion about issues related to accounting for external assistance, and Ron promised to come back to the group with an update on this area. More information about the standards and exposure drafts may be found on the website: www.ifac.org/PublicSector.

February 9, 2005: Transparency and Financial Management in Sabah, Malaysia

In a departure from its regular schedule, the DC Forum convened on the second Wednesday in February. The change was made to accommodate the schedule of special speakers from a visiting Malaysian delegation. Kinney Poynter, NASACT’s Executive Director, opened the session by describing the State Department sponsored cooperative study program that had earlier involved a US delegation’s visit to Malaysia. In February, the representatives from Malaysia were learning more about our legislative systems and financial management and accountability approaches in the United States by visiting with state government officials in Iowa and key players in Congress, GAO, and various departments and agencies in Washington, DC. The Consortium was honored to welcome the Honorable Datuk Juhar Haji Mahiruddin, Speaker of the Sabah State Legislative Assembly, and Dr. Gapari bin Kitingan, former Assemblyman, as speakers. They highlighted similarities and differences between practices in Malaysia and the United States and talked about significant lessons learned.

March 2, 2005: Millennium Challenge Account

One year ago, David Nummy, Managing Director, Fiscal Accountability at the Millennium Challenge Corporation (MCC), introduced participants at the ICGFM 2004 International Conference to the MCC—at the March 2005 luncheon he provided an update. In his remarks he emphasized the importance that MCC is placing on investing in outcomes and on ensuring that countries that sign compacts with MCC are accepting ownership of shared development goals. He noted that the MCC is seeking poverty reduction through economic growth and requires a high degree of accountability in approved programs. He indicated that, at the time of this meeting, five countries were very close to finalizing agreements with MCC.
ICGFM STRATEGIC PLAN ADOPTED BY BOARD

At its December 1, 2004 meeting, the ICGFM Board of Directors adopted the Strategic Plan presented below. It is a revised and updated version of the plan originally developed and approved in 1998.

Mission: Working globally with governments, organizations and individuals, the International Consortium on Governmental Financial Management is dedicated to improving financial management so that governments may better serve their citizens.
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
MEMBERSHIP NEWS
Nina Powell, Executive Director

In February we sent renewal invitations to our members and I am pleased to report that we have had very good response. In addition, we have new members on our roles -- many of whom joined us in Miami. Welcome to all new and renewing members! I look forward to finding new ways to meet your needs and ways to use your energy and talents to enrich the Consortium.

If you have not yet renewed, please do so soon. In our next newsletter, I will list all of our individual and organization members.

Membership levels are described on the ICGFM website where a membership form is also available. If you know financial management professionals who you think should be part of our membership, please send them the link to our website (www.icgfm.org) and tell them how membership can benefit their organization and their individual professional needs.

If you have questions or ideas about ICGFM membership, please contact me via e-mail at icgfm@yahoo.com, fax 00.1.202.624.5473, or phone 00.1.202.624.8461.

April 6, 2005: USAID’s Agency-Wide Anti-corruption Strategy

Dr. Elizabeth Hart, a senior anti-corruption advisor in USAID’s Office of Democracy and Governance, presented USAID’s recently released anti-corruption strategy. In discussing the new approach, Dr. Hart provided background about why and how the strategy was developed and explained how it differs from previous USAID policies and tactics. She emphasized the importance being attached to strategic and broader activities, mainstreaming anti-corruption initiatives throughout all programs, and the links between these programs and democracy in governance. Forum participants received copies of the strategy, which can be ordered through the USAID’s Development Experience Clearing House – go to www.dec.org and enter PD-ACA-557.

Henry Barrett, from USAID’s Office of the Inspector General and ICGFM Vice President, introduced Dr. Hart.
2005 INTERNATIONAL CONFERENCE AND TRAINING COMPLETED IN MIAMI

From May 2-6, 2005, more than 200 participants traveled from around the world to Miami, Florida to attend the ICGFM’s 19th International Conference on New Developments in Government Financial Management. The overall theme for this year, “Approaches to Maximize Accountability, Minimize Risk, Improve Transparency and Reduce Fraud,” attracted participants from national, state/regional, and local/municipal governments, private sector firms that work with governments, and major donor institutions. All continents (except Antarctica) were included in the group with delegations coming from: Australia, Barbados, Belize, Bosnia-Herzegovina, Cameroon, Canada, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Ethiopia, Fiji, Georgia, Ghana, Guatemala, Haiti, Honduras, Hungary, India, Macedonia, Mexico, Mongolia, Nicaragua, Nigeria, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Puerto Rico, South Africa, St. Kitts and Nevis, Sweden, Tanzania, Trinidad and Tobago, Uganda, United Kingdom, United States of America, and Venezuela.

Building on successes from prior years, the 2005 conference and training incorporated many familiar elements and also added some new approaches. Following the Consortium’s well-established practice, recognized experts, leaders in the professional community, and program practitioners spoke at the plenary sessions where simultaneous interpretation into English, French, and Spanish was provided. Sessions during the first three days were structured around sub-themes and included a mix of individual and panel presentations. A half-day for meetings and special discussion groups was introduced at mid-week. Auditing and accountability were explored in-depth during the two days devoted to the last segment in the ICGFM’s three-part training program on Building a Strong Financial Management Framework. This year, for the first time during the conference, smaller regionally organized discussion groups encouraged participants to share ideas and experiences among themselves and then later report to the larger group. Other new elements included representatives from ICGFM Sustaining Member organizations serving as moderators; sponsors exhibiting materials, supporting operations, and hosting some of the networking events, and a new venue – the Marriott Miami Biscayne Bay Hotel.

Opening the Conference

Speakers in the first plenary sessions set the stage for the remainder of the week.

In welcoming the delegates and giving a program overview, ICGFM President, Lin Weeks, encouraged everyone to become actively engaged. She invited participants to share ideas and ask questions, and she expressed her hope that this week would be a professionally and personally rewarding experience for all. She noted that sessions were organized around several sub-themes directing attention to building greater accountability and transparency, measuring accomplishments, ensuring cooperation, introducing new methodology and techniques, and obtaining donor perspectives.

As the keynote speaker, David M. Walker, Comptroller General of the United States, spoke about the many challenges facing governmental financial management leaders today and challenged the audience to consider new approaches to meet them. Citing the importance of strategic planning, he spoke about the progress being made by the International Organization of Supreme Audit Institutions (INTOSAI) in developing and implementing their strategic plan. In his remarks, he emphasized cooperation and communication as key elements in meeting the accountability challenges in the 21st century.

Building a Climate for Accountability

Moderator Linda Fealing, Inspector General of the Organization of American States (OAS), began the session by speaking about the governmental financial managers’ responsibilities to promote transparency and accountability while establishing a climate that deters and uncovers fraud and lays the ground for effective sustainable development. She referred to the 1996 Inter-American Convention Against Corruption adopted by the OAS member states and introduced panelists who spoke about their experiences in building a climate for accountability.

Manuel Díaz Saldaña, Comptroller of Puerto Rico, described his office and their work to promote the effective use of government resources, serve as an agent of change, and promote their values of commitment, integrity, sensibility, justice and excellence. He spoke about the internal and external strategies to promote change and the importance of educating and training government employees as well as the public. He distributed copies, in English and Spanish, of some of the materials used in this campaign. Additionally, he provided information about traditional and new oversight methodology and highlighted his office’s role in commenting on draft legislation.

The second panelist, Jocelyn Thompson, Trinidad and Tobago’s Auditor General, began her remarks by pointing out that a climate of transparency and accountability rests upon a strong, impartial and enforceable legal framework supported by independent oversight, an independent judiciary and an incorruptible police service. She talked about the constitutionally established roles of the Public Accounts Committee, the Audit Office, the Ombudsman, and the Integrity Commission and the ways in which these organizations complement each other in setting a tone for transparent government and public accountability.

Measuring Progress and Recognizing Accomplishments

Moderators Relmond Van Daniker, Executive Director for the Association of Government Accountants (AGA), and Helen Hsing, Managing Director for the United States Government Accountability Office’s (USGAO) Strategic Planning and External Liaison, presided at sessions reporting on progress and accomplishments.

Richard B. (Dick) Willett, Partner (retired), Grant Thornton, LLP, presented the results of the ICGFM-Grant Thornton 2005 worldwide survey on “Resisting Corruption in the Public Sector.” This landmark effort represents a significant contribution supporting global efforts to combat fraud and corruption. The survey probed into government executives’ perceptions about public sector corruption and solicited their recommendations for resisting corruption in government operations. Sections in the report provide details about the survey, define fraud and corruption, identify causes of corruption and present recommendations for combating corruption. (Copies of the survey are available by contacting Grant Thornton at www.grantthornton.com/publicsector.)

Two former Fellows from the USGAO’s International Auditor Training Program presented perspectives on progress toward greater accountability in their countries. Temístocles Rosas shared special insights on accountability as he spoke about his public and private sector experiences in Panama as an auditor, accountant, deputy minister, and consultant. Arpad Kovacs, President of the Hungarian State Audit Office and Chairman of...
INTOSAI’s Governing Board, described progress in Hungary and directed special attention to the importance of budgeting in the governmental financial management framework and the need to address issues of “what and why” as well as “how and by whom.”

**Examine Perspectives and Ensuring Cooperation**

Andy Wynne, representing the United Kingdom’s Association of Chartered Certified Accountants, was both a presenter and a discussion moderator in the session exploring roles and relationships in maximizing accountability and minimizing risks. He opened the discussion by asking “who is accountable to whom?” He spoke about levels of accountability, differences between public and private sector accountability, relationships between accountability and the budget cycle, and common challenges. He concluded his remarks with comments about a “virtuous circle” linking improved accountability to greater trust and thus to improved public services.

The panel for this session provided observations from Ministry of Finance perspectives. Blandina Nyoni, Accountant General of Tanzania, spoke about the Tanzanian experience. She shared pre-reform problems and then elaborated on public sector reforms introduced in the 1990’s. She discussed the roles played by Parliament and various departments and ministries and emphasized the importance of a solid legal framework and the publication of allocation and expenditure reports. Noting that challenges remain, she expressed hope that continuing reforms will lead to reductions in corruption.

H. Prabahar Rao, India’s Controller General of Accounts, offered insights into the accountability framework in his country. He defined accountability and transparency and discussed their mutually reinforcing relationship. From there he described measures to introduce transparency, apply e-governance, require timely financial reporting, formulate and apply government accounting standards, delegate responsibility for managing fiscal matters, introduce a governmental vigilance system, and promote government-citizen interface.

**Applying New Approaches**

During the conference, several speakers shared their experiences in applying technology and developing new approaches. On Monday, Carmela Perez, from the Philippines’ Commission on Audit, presented her office’s experience in implementing a computerized government accounting system. She explained the basic features of the program and talked about its rollout strategies and lessons learned.

On Tuesday afternoon, Olga Nazario, of Casals & Associates, was the moderator for a two-part session outlining new approaches in Guatemala and introducing a financial information reporting language currently being developed. An overview of progress in reforming and enhancing governmental financial control and reporting practices in Guatemala was presented by Harris Whitbeck, Presidential Commissioner for the Modernization of the State, and Mario Sanchez, Executive Director for the SIAF-SAG Project. During the Wednesday afternoon special discussion time, they provided interested participants with more detailed information about the project. In the second part of Tuesday’s session, Fernando Catacora built upon articles previously published by ICGFM to describe the new Extensible Business Reporting Language (XBRL) and drew participants’ attention to the opportunities it presented for governmental financial reporting.

**Introducing Donor Initiatives**

Tuesday morning, Bruce Lazenby, President and CEO for FreeBalance, introduced Bill Dorotinsky, from the Public Expenditure Thematic Group at The World Bank. Based on lessons learned from past projects, he shared new approaches that are being introduced to assist countries in building better public financial management (PFM) systems. In the future, The World Bank and other donors will give greater attention to (1) country-led PFM reform strategies and action plans; (2) donor coordination around the government’s PFM reform agenda, and (3) monitoring progress of PFM reforms. He talked about the core objectives of PFM systems and the structure and content of indicators to measure performance. He noted that the World Bank developed these indicators in conjunction with the IMF, EC, DFID, France, Switzerland and Norway and that they were currently undergoing review with the expectation that they would be issued by mid-May.

On Wednesday, David Nummy, from the Millennium Challenge Corporation, provided an MCC progress report. During the 2004 Conference, he introduced the MCC to participants and explained the compact application process. This year he shared examples describing implementation of the policies and processes and emphasized the importance placed on developing results based compacts demonstrating country ownership and fiscal accountability. He spoke about lessons learned and described the compact signed with Madagascar in April 2005. He noted that 16 other proposal have been received and indicated that there are expectations that at least 4 more compacts will be signed this summer with more by the end-of-the-year.

**Focusing on Standards, Roles and Case Studies in Auditing and Accountability**

Jerry Ice, Executive Director of the Graduate School, USDA, opened the two-day session focusing on auditing and accountability. He noted that the Graduate School, USDA was pleased to partner with the ICGFM in offering the three-part series on building a framework on governmental financial management and he expressed his appreciation to Jesse Hughes for leading the effort in developing and presenting the programs. He commented on the importance of continuing professional development activities and pledged the Graduate School’s continuing support of ICGFM training.

Presenters in the first morning directed attention to the development and implementation of standards. Alta Prinsloo, representing the International Auditing and Assurance Standards Board (IAAASB) of the International Federation of Accountants (IFAC), spoke about credibility in financial reporting, the roles of IFAC and IAAASB, progress in developing international standards, and ethics. Bill Taylor, the Institute of Internal Auditor’s (IIA) representative to the ICGFM Board of Directors, introduced Colleen G. Waring, Chair of the IIA’s International Government Relations Committee. She described the IIA’s work in defining and establishing internal auditing structure and standards. Jonas Hallstrom, Senior Audit Director in Sweden’s National Audit Office and Project Manager for the INTOSAI Auditing Standards Committee and Jeanette Franzel, Director, Financial Management and Assurance at the USGAO, addressed public sector auditing standards. Harkening back to Comptroller General Walker’s keynote speech, they emphasized common values of accountability, integrity, trust, reliability, confidence, credibility, independence, objectivity and impartiality and related these values to ethics and standards.

Country specific case studies were presented by Bosnia-Herzegovina and Mongolia. Samir Musovic, Deputy Auditor General of Bosnia-Herzegovina, represented the three audit institutions in his country and spoke about public sector finance reforms and the enhancement of internal control systems. Offering insights into two parts of government financial management in Mongolia, Batbayar Badamdorji, Deputy Auditor General, described progress in reforming auditing and Ariunsaanaa Tseyen-Oidov, Head of Financing, Accounting and
As a part of the Conference, participants were separated into regional groups and asked to identify two major problems or challenges facing their regions. They were also asked to identify the strategies that they felt would be necessary to address these problems and challenges.

Summary Report of the Asian Group

The group composed of representatives from the Asian Region was very much pleased and honored with the presence and active participation of the able presenters Dr. Carmela S. Perez, Assistant Commissioner of the Philippine Commission on Audit and Honorable Prabhakar Rao, Controller General of India as well as Mr. Braj Sharma from the consulting firm of Grant Thornton.

At the outset, while each country in the Asian Region has a different legal framework, varying policy agenda and reform priorities, we noted a commonality on the problems besetting all of us. The major challenge facing our region is on the development of our capacities on good governance particularly on e-governance. We have noted that the advocacies, strategies, new tools and techniques introduced particularly in enhancing accountability and transparency evolved around the Public Expenditure Management Framework. Preferential attention was given on the utilization of expenditures by each governmental unit. In fact, at present, all countries in the region are at different stages of their respective reform agenda on expenditures management. However, we saw the need for a balanced approach on all areas within the governmental financial management framework. That led us to our second major challenge on the area of revenue generation and collection. We saw the great challenge in establishing the accountabilities, system, mechanism and procedures on revenue generation. We noted the need to identify the required linkages and coordinative mechanism for collecting agents of government with the private sector that would provide the stop gap measures and/or plug the leakages on revenues generated and collected. The complementary processes and procedures should also provide the required data and statistics thru the e-tracking system that will provide facilitative monitoring of actual revenue vis a vis the budgeted one. These are useful inputs for decision making or policy making.

May I add to this presentation, the recent developments on the planning and budgeting system in the Philippines. There is the Philippine Medium-Term Development Plan for the 2005-2010 with its ten-point priority agenda which are also translated into financial terms (budget) and with Sectoral classification cross-cutting several implementing institutions which are required to submit their financial requirements with desired major final output. The Department of Budget & management is now implementing the concepts and practices under the Public Expenditure Management Framework.

There is a pending Bill in Congress in the Philippines for our Commission on Audit, as an oversight agency to strengthen its independence.

As to the third requirement, probably I need not elaborate on the presentation of the two presenters, who had the opportunity of showcasing the highlights of the experience of India on maximizing Accountability and managing Risk and the Philippines on the Simplification and computerization of the New Government Accounting System. Through their comprehensive presentation, they have substantially addressed the required two successful strategies being put into place. The 3rd one is from “the country of Mongolia but I do not want to pre-empt or give injustice to another presentation which is still forthcoming i.e. the presentation on Friday by the Deputy Auditor General of Mongolia Mr. Badamdory Batbayar.

Lastly, may I add to this presentation a recommendation (although not required) for a comprehensive study on e-governance in our region with emphasis on financial management focused on revenue generation and collection for all levels be it in the systemic, institutional and individual level. Can that possibly be sponsored by the generous donors around?

Thank you very much.

Lourdes B. Dimapilis
Assistant Commissioner
Commission on Audit
Philippines

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Reporting in the Ministry of Finance, spoke about introducing a new governmental financial management information system.

In regionally grouped discussion sessions, participants had opportunities to discuss and report on three areas: (1) Good Governance, Standards and the Roles of Internal and External Auditors, (2) Government Business Enterprises and Cash Basis IPSAS, and (3) Accrual IPSAS, the Transition from Cash to Accrual, and IFMIS.

Supporting the Conference and Contributing Behind the Scenes

Conference and training evaluations confirm that the Miami conference exceeded participant expectations. However, it is important to note that successes like this do not just “happen,” and several sustaining member organizations made significant contributions. FreeBalance and Casals & Associates were major conference sponsors providing financial and staff support and hosting evening receptions. UHY Advisors, Inc. also provided staff support and sponsored the conference coffee breaks. The National Association of State Auditors, Comptrollers and Treasurers (NASACT) once again provided staff to assist in Miami, and the Graduate School, USDA’s Government Audit Training Institute prepared training materials.

Copies of the participant list and presentations (PowerPoint slides and/or text) are now available on the ICGFM website (www.icgfm.org). They are available in the language(s) submitted by the presenters: some are in English only, some in Spanish only, and some are available in both languages.

Planning for next year’s conference has begun, and information will soon appear on the website. We hope you can join us in Miami for the 20th International Conference on New Developments in Governmental Financial Management.
Summary Report from Central and South American countries and the Dominican Republic.

The group chose as topics of greatest importance for our region:

1. Transparency;
2. Administrative corruption. Chosen as challenges:
1. Implementation of e-government;
2. The articulation of mechanisms to prevent and fight corruption.

We ended our discussions with the unanimous approval of the following measures:

1. The need to apply a system of government accounting.
2. The publication of all information derived from such accounting and from audits upon completion, that is, in a timely manner and without cover-up.
3. All purchases of goods and services, as well as the contracting of work by the state, must be done through public bidding because this is one of the most effective ways to avoid corruption.
4. The creation of web pages by the central government, as well as by government agencies, in order to make it possible for citizens to be well informed about the activities of government employees and the use that is being made of public funds.
5. Pass laws to create an independent General Controller’s Office, among other reasons, in order for the controller not to be appointed by the executive branch or office, and therefore, avoid direct dependence upon the President of the Republic.
6. Strengthen the enforcement of laws on civil service and administrative careers, in order to guarantee the permanence of public servants in their posts, their training, and the payment of fair salaries that will allow them to work with dignity and avoid the temptation of receiving bribes and committing acts of corruption.
7. Include in education programs, starting at the primary school level, classes on ethics in general, and in particular, on the ethical behavior of public servants.
8. The creation of ethics committees, not only in public institutions, but also in civil society, in order to permit social auditing of governments.
9. Within the limitations inherent to our underdeveloped countries, it becomes necessary to make use of the public media in order to take to the largest possible number of citizens information concerning the actions of public servants, so that citizens may express themselves with their complaints and opinions about those actions, thus seeking to hold the public servants to the highest standards of ethics and transparency.
10. The articulation of joint policies to permit coordination of the activities of the different public institutions that work to control and combat corruption, thus avoiding the duplication of efforts.
11. Pass or enforce legal standards in our countries which will typify the new modalities of detection of corruption, with establishment of specific sanctions.
12. Although it may appear to be a mere formality, it is important that high-level officials of the state, that is, of the three branches of government, make a public commitment upon assuming their positions, to act with transparency and fight corruption, thus manifesting their political will to the citizenry.
13. Strengthen the judicial system, with autonomy and with administrative and financial independence that will allow it to act outside of the realm of political considerations in accordance with law and to prevent impunity.

The group is convinced that by adopting these measures, corruption will be reduced and greater transparency of public servants will come about.

Octavio Lister
Spokesperson

Summary Report of the African Group

The African Group was composed of Cameroon, Ghana, South Africa, Tanzania, Uganda, a representative of CIDA and the President of ACCA (both from Canada).

The Group focused on the following two challenges: Resource Constraints and Bad Governance.

Resource Constraints included lack of resources, capacity, and infrastructure. The Group did not feel that most African countries had a lack of resources. Rather, they have a lot of resources but, due to bad management, there is a lack of capacity caused by a huge brain drain.

Bad governance is caused by a lack of visionary leadership, lack of political will, and political instability, as well a resistance to change and to new technologies. Thus, bad management of resources and rampant corruption is experienced.

The Group felt that the necessary strategies that can bring change and development are as follows:

Relative to resource constraints, the experiences of Tanzania and Ghana were very enlightening:

- Widen taxation net
- Efficient revenue collection
Committees, continued from previous page

- Minimize waste of resources
- Develop tourism infrastructures
- Partnership between the private and the public sector
- Competitive salaries and conditions of service
- Bonding of graduates to stop brain drain

Strategies to address bad governance were as follows:

- Political reforms with strong state institutions: parliament, judiciary, anti-corruption board, etc.
- Strong auditing and oversight systems
- Strong regional organizations such as African union, East Africa Community, ECOWAS (which has stood against the appointment of the son of the late Eyadema as new head of state in Togo).
- Empowerment of civil society to actively participate in all activities of the society
- Media opened up in Ghana, South Africa, and Tanzania
- Increased transparency
- Enforcement of best practices and professionalization of the civil service
- Enforcement of rule of law
- Reforms including economic reforms

Thank you,

Jerry Gutu, Spokesperson

HIPC Expenditure Tracking

Over the past several years, the Bank and IMF have jointly tracked the public finance performance of 28 African and Latin American countries using a set of 15 indicators. The latest iteration in this work was recently sent to the Board, and I thought it useful to share it with you in case you had not seen it yet. It is as an example of what indicator-based assessments can allow. It is essentially a performance or results framework for the countries. The individual country assessments are published online for reference at www1.worldbank.org/publicsector/pe/hipcpapers.htm.

The previous Board papers and indicator guidance are available at the same site.

The enhanced PFM Performance Measurement Framework

The HIPC work was the genesis of the revised set of public finance performance indicators developed by the Bank and its PEFA partners. This updated indicator set has 28 indicators and was just released June 10. The indicator set and the guidance on the Strengthened Approach that stem from it are available at: www1.worldbank.org/publicsector/pe/StrengthenedApproach/
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