

*The International Consortium on  
Governmental Financial Management  
(ICGFM)*



## ICGFM'S XIII International Conference Focuses on New Developments in Information, Technology, and Accountability

On March 22-26 1999, the ICGFM hosted a state-of-the-art International Conference on Governmental Financial Management in Miami, Florida. Florida International University (FIU), the Association of Government Accountants (AGA), the U.S. Agency for International Development (AID), & Price Waterhouse Coopers (PWC) were co-sponsors of the five-day event. It focused on new developments in public expenditure management such as auditing, information technology (IT), controls against fraud, and risk management. High-ranking officials of audit and accounting offices from Asian, African, and American countries attended the conference. The presentation of papers by experts from various professions was followed by an animated exchange of ideas. Approximately 400 government professionals from over 45 countries attended, with a good regional balance. Latin America registered with the largest regional attendance. Largest country attendance was registered by Nicaragua with a country delegation of 35 (with a wide span of national agencies represented). Largest delegation from Asia was Nepal with a delegation numbering 12 high-ranking officials from their government finance sector. A summary of the papers and presentations delivered at the conference follows.



*David Shand, World Bank Institute & ICGFM Director  
and Jim Hamilton, IMF & ICGFM Vice-President for  
Conferences and Information*

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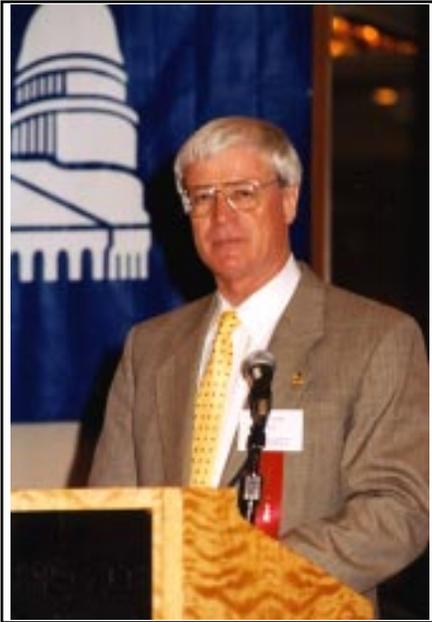
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The first session consisted of presentations on information technology applied in financial management. Mr. Homero Santos, Vice Minister of Finance in Brazil, pointed out the risk that IT could become an end itself, and he instead suggested that IT should only be a key component in the process of modernizing financial administration. He stressed that the direction of this process should be decided by the citizens. Finally, he emphasized the need to retrain existing staff in the ministries of finance to meet the challenges posed by an environment characterized by continuous technology changes.

Mr. Le Grande, Director of Technology at the Institute of Internal Auditors of the United States, presented a paper titled *Technology Impacts on Accounting and Auditing-2000 and Beyond*. He concluded that effective use of technology tools is critical to

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## The President's Message



*ICGFM President Jim Durnil*

As we pass through our busy world today, we seldom stop and think about our accomplishments and the good things we are doing through the Consortium. The time and hard work given to our organization by the many ICGFM officers and members are good examples. I would like to describe two or three major accomplishments in recent months and thank the ICGFM officers for their fine efforts.

The annual March conference in Miami continues to be a tremendous success, thanks to the hard work of Professor Mort Dittenhoffer, Dr. James Scheiner and the staff of the School of Accounting at Florida International University. Attendance this year was approximately 400 and attendees walked away much more knowledgeable of recent developments in public financial management and recent initiatives to control corruption in government. Mort thoughtfully

arranged an excellent agenda and brought in almost 50 expert panelists and speakers. The Radisson Mart Plaza Hotel repeated its fine hospitality with good meals and great conference accommodations. Price-WaterhouseCoopers continues to sponsor our banquet and meals. In my judgment, the conference was well worth the time it took from my busy agenda and I look forward to the conference next year. It will again be in March at the Radisson and Mort will again be the conference chair.

I am sorry to report that Jim Scheiner has left the School of Accounting at Florida International University and has accepted a position at a large college in Michigan. We wish Jim success in his new position. I am sure that Mort will now really need our help on the Miami conference next year.

Another significant accomplishment was the establishment and continued improvement of the ICGFM web page. Preston Rich and Jim Hamilton continue to impress me with the hard work and creative thinking that goes into our web page. If you haven't done so lately, just type "ICGFM" into your internet search engine and you will see, in my judgment, one of the best designed, user friendly web pages available. You can not only surf around the ICGFM information highway; you can easily change lanes and go to Financenet. From there you can surf all over the public financial management community in the Federal Government. You can also register for our annual October conference to be held this September 30<sup>th</sup> – October 2<sup>nd</sup> this fall. Preston and Jim, thanks for a job well done.

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*DOLORES D. PADGETT, IRS*

## EXECUTIVE PROFILE

### **PETER N. DEAN** *Acting Dean Adviser, Loan Department The World Bank*

**D**r. Peter Dean is Acting Financial Adviser of the Loan Department at the World Bank. As senior financial management specialist, he provides intellectual leadership and plays a key role in project financial management and borrower accountability. His responsibilities include preparing authoritative guidelines for financial management specialists and development of the esprit de corps of financial management specialists and disbursement staff via the formation and operation of the Methods Group. At the Bank, he has served as senior public finance economist, specialized in budgeting and public expenditure management. He has made major contributions to work in Moldova, Romania, Kyrgyz Republic, Kazakstan, Russia, and Turkey.

**H**e was an inter-regional adviser at the United Nations, where he carried out advisory missions in many aspects of government financial management in Bhutan, Botswana, Cape Verde, Cyprus, Ethiopia, Indonesia, Iraq, Kazakstan, Kuwait, Kyrgyz Republic, Lesotho, Malawi, Malaysia, Marshall Islands, Mauritania, Mauritius, Namibia, Nepal, Netherlands Antilles, Nigeria, Papua New Guinea, Sierra Leone, Tanzania, and Turkmenistan. Peter developed new projects in several countries. He originated the UNAID Accountability Initiative which is now the Programme for Accountability and Transparency



*Peter N. Dean*

(PACT) of UNDP. He also represented the UN on the public sector committee of the International Federation of Accountants.

**H**e has worked as an investment analyst for the London Stock Exchange and has also worked in commercial accounting and auditing.

**P**eter has 11 years of experience in teaching, first at a polytechnic in economics, later at two British universities in accounting and financial management. He has supervised the research of post-graduate students; course creation, execution and supervision; conducted

academic planning; research, and publication.

**H**is publications include: *Assessing the Performance Budgeting Experiment in Four Developing Countries*, Financial Accountability and Management, Vol. 2, No. 1, Spring 1986 and *Government Financial Management Systems in Developing Nations*, Chapter 8 of *Government Accounting and Auditing: International Comparisons*, J. L. Chan and R. H. Jones, Routledge, New York, 1988.

**P**eter has a Ph.D. in tax administration from the University of Bath, a M.A. Honors, Economic Science, University of Edinburgh. He is a Fellow of the Institute of Chartered Accountants in England and Wales. His native language is English, and he is fluent in French and some Russian.

**H**e is most excited about being a member of the Board of Directors of the ICGFM, since the mission of the Consortium is so compatible with one of his principal missions. For the last 20 years, his professional life has been devoted to one cause: the improvement of financial management in developing and transitional countries.

*-- Virginia B. Robinson  
Consultant*

## The President's Message

Speaking of our fall conference, Relmond Van Daniker, like Mort, has put in motion an outstanding group of speakers for the conference, this entitled *Think Globally – Act Locally: The Transformation to Fiscal Federalism*. The conference will be held at the Holiday Inn on the Hill in Washington, D.C. Our featured, keynote speaker is the new Comptroller General of the United States, David M. Walker. You can save \$45.00 if you register before September 3<sup>rd</sup> so go to the ICGFM web page and register for the conference over the internet.



*Some of the four hundred delegates participating in the XIII International Conference in Miami*

Thanks and hats off to Redmond and the staff at the National Association of State Auditors, Comptrollers and Treasurers for organizing such a great conference.

Again, thanks to the many other ICGFM members and officers who have helped drive the continued success of the ICGFM organization. See you in Washington, D.C. this October!

*-- Jim Durnill  
ICGFM President*

## IIA's NEWS RELEASE

### Internal Auditors and Fraud Examiners Join Forces in Battle Against White-Collar Crime

The Institute of Internal Auditors (IIA) and the Association of Certified Fraud Examiners (ACFE) today announced a strategic alliance that strengthens their respective objectives against white-collar crime. Costing U.S. organizations more than \$400 billion each year (about \$9 a day per employee), white-collar crime -- particularly financial fraud -- is a devastating risk that is growing. The responsibility for investigating fraud lies in the hands of professionals such as internal auditors and certified fraud examiners, who have many of the same needs and interests. By sharing a wide range of products and services. The IIA and ACFE will better prepare their members and customers to fight these crimes.

Internal auditors are very involved in the detection and deterrence of fraud and corruption," said William G. Bishop III, CIA, president of The IIA. "Having access to the expertise and resources of ACFE will be an important benefit to our members. In turn, ACFE will be able to offer their members more products and services in such areas as internal control, corporate governance, risk management, and information technology -- topics on which The IIA is the foremost leader."

Due to The IIA's far-reaching influence, ACFE will also benefit from greater exposure to the problem of fraud. "Because the fields of internal auditing and fraud examination are closely related, it was only natural that our organizations team up to increase fraud awareness and improve education among both our

members and the public," said Joseph T. Wells, CFE, CPA, chairman and chief executive officer of ACFE. "We are looking forward to sharing products, and also developing joint conferences and seminars that will serve both internal auditors and fraud examiners."

The Institute of Internal Auditors, located near Orlando, Florida, is an international association for the profession of internal auditing. For more information, visit The IIA Web site at [www.theiia.org](http://www.theiia.org).

The Association of Certified Fraud Examiners, located in Austin, Texas, is dedicated to the detection, investigation, and deterrence of fraud and white-collar crime. For more information, visit ACFE's Web site at [www.cfenet.com](http://www.cfenet.com).

The International Consortium on Governmental Financial Management  
Presents the

***XIV INTERNATIONAL GOVERNMENTAL FINANCIAL MANAGEMENT CONFERENCE***



***"The Transformation to Fiscal Federalism:  
Think Globally -- Act Locally"***

***September 30 - October 2, 1999  
Holiday Inn on The Hill, Washington, D.C.***

**Featuring Keynote Speaker  
David M. Walker  
Comptroller General of the United States**

***Federal, state and local government  
financial management officers from around the world discuss  
their preparation for and implementation to decentralized  
governmental financial management***

**The Conference will address:  
Authorizing and Conforming Legislation  
Budgeting Processes and Procedures  
Accounting Methodology and Systems  
Control Systems and Processes  
Managerial and Financial Reporting and Auditing  
Training and Professional Development**

----- ICGFM CONFERENCE REGISTRATION FORM -----

Please detach and complete registration form by September 3, 1999

**Mail To:** ICGFM c/o AGA  
2208 Mount Vernon Avenue  
Alexandria, VA 22301-1314, USA  
800-242-7211, ext. 212

**or Fax To:**  
703-548-9367



Name \_\_\_\_\_ Title \_\_\_\_\_

Organization \_\_\_\_\_  (Check if registering three or more people. Each registrant must complete a separate form)

Address \_\_\_\_\_

City \_\_\_\_\_ State/province \_\_\_\_\_ Zip Code \_\_\_\_\_ Country \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

**Payment:**

- \$495 or  \$450 (if registering by September 3, 1999 or for three or more people)
- enclosed (check or money order)  will pay on arrival

The International Consortium on Governmental Financial Management  
**MEMBERSHIP APPLICATION**

Complete the application and return it to: International Consortium on Governmental Financial Management (ICGFM), P.O. Box 8665, Silver Spring, MD 20907-USA, Tel: (301) 681-3836, Fax: (301) 681-8620.

Enclosed are annual dues for calendar year \_\_\_\_ (indicate following year if applying after August) for membership indicated below. Membership entitles you to the Consortium Newsletter, *Government Financial Management World*, and an annual subscription to our journal, the *Public Fund Digest* as well as the annual Compendium on Proceedings of the Washington International Financial Management Forum and proceedings of conferences (in English and Spanish) and research papers as they are published. Membership also entitles all persons within the member organizations to special rates for the Forum luncheons and other Consortium functions and activities.

Organizations may optionally attach names and mailing addresses of up to four additional persons designated to receive Consortium mailings in the official language (English). Addresses and titles should be concise.

Organization Name \_\_\_\_\_

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Type of membership and dues (check one only):

	REGULAR DUES	*DEVELOPING COUNTRIES DUES
<input type="checkbox"/> Major Professional Organization . . . . .	US \$800	US \$400
<input type="checkbox"/> National Organization . . . . .	US \$130	US \$ 30
<input type="checkbox"/> International Organization . . . . .	US \$130	US \$ 30
<input type="checkbox"/> Governmental Organization . . . . .	US \$130	US \$ 30
<input type="checkbox"/> Private Organization or Firm . . . . .	US \$130	US \$ 30
<input type="checkbox"/> Educational Institution . . . . .	US \$ 65	US \$ 15
<input type="checkbox"/> Regional Country Group . . . . .	US \$130	US \$ 30
<input type="checkbox"/> Individual . . . . .	US \$ 50	US \$ 20
<input type="checkbox"/> Optional **Organization . . . . .	US \$1,000	

Amount remitted with this application: US \$ \_\_\_\_\_

\*A special discount is offered to developing countries, countries with economies in transition, and regional groups of 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.

\*\*Optional membership (instead of or in addition to regular dues rates) for the support of Consortium programs and publications.

## ICGFM'S XIII International Conference Focuses on New Developments in Information, Technology, and Accountability

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Some key members of the Nicaraguan delegation--the largest group at the Conference

the success of accounting and auditing activities, but is only one step toward understanding the change technology is bringing about in business and the accounting profession. Finally, he stated that emerging technologies will continuously change the shape of and approach to business controls, and accounting and audit approaches and techniques must change accordingly.

Mr. Shand, from the World Bank Institute (formerly the Economic Development Institute), WDI, presented the topic Management's Need for Financial and Operational Information. He favored greater expenditure responsibility for managers, the use of user-charging incentives; the need for a control system, based on commitments, and the improvement of the accounting and the fiscal reporting systems. Second, he introduced key issues in financial management for transitional and



Esther Stern, Director of Audit and Management, United Nations

developing countries, including the need to get the basics right in the first place: introducing adequate financial control, the development of the financial management information systems to improve processing information and control, and the need for integration of different expenditure stages which remain separate (budget preparation, budget execution, budget monitoring, cash management, and fiscal reporting).

The second session started with the presentation by Osvaldo Albano, on The Integrated Financial Management System of Guatemala (IFMSG), which has been developed under a project sponsored by the World Bank. The IFMSG is an integrated system whose core components or subsystems include budget, accounting, public debt, public procurement, and human



Representatives from Nepal

resources. Until now, the following components of the project have been delivered: (1) full development of the Integrated Accounting System, which is the chief component of the IFMSG; and (2) implementation of a full operational system through a communication network among the ministries of finance, public health, and education.

Mrs. Sally Jagger, Assistant Controller General of United States, delivered a presentation titled *The Leading Edge of Technical Developments*. She stated that three trends have emerged in information technology enhancing govern-

ment operations: First, the dramatic increase in computing capacity makes it easier to measure performance. Second, the greater interconnection among agencies, individuals, and businesses enhance the quality of the services delivered by governments (e.g., the use of the Internet to deliver benefits and services). And, finally, she pointed out the following challenges to improving performance and strengthening accountability: adopting an effective result orientation in budgeting; using technology to achieve results; strengthening financial management to better support decision-making; and building, maintaining, and marshaling the human resources needed to achieve results.

This session finished with two case study presentations. Michael Miller, Director of Finance from the City of Orlando, Florida, explored the relationship between state and local financial management; and Roland Malan, Inspector General from the City of New York Transportation Authority, focused his presentation on state and local auditing.

The third session included presentations about prevention and control of corruption. Ralph Summerford, from Summerford Accountancy P.C., Birmingham, Alabama, presented a paper entitled *The Prevention of Corruption*. His presentation

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Fatoumata Jallow Auditor General, The Gambia and Dr. Vera Sofia Rubi, Controller General, Honduras

## ICGFM'S XIII International Conference . . .

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S. M. Sabry, Auditor General  
Sri Lanka

focused on what corruption is, how payments are made, and how to prevent corruption. In his presentation, he pointed out different forms of corruption, including bribery, economic extortion, illegal gratuity, and conflict of interest, and described different methods of making payments. Finally, he stated that any fraud prevention program should at least include the following ideas: develop a healthy management climate; increase the perception of detection; educate everyone about fraud; install a hotline; implement employee support programs; strengthen internal control; design policies which combat fraud; and conduct criminal background checks.

Mr. Alan Abel, Director of Global Anti-Money Laundering Compliance Services at Price WaterhouseCoopers, made a presentation on *Government Financial Management's Prevention of Money*



Minister Homero Santos, Brazil Court  
of Audit

*Laundering*. He defined money laundering, explained how money launderers operate, and presented the Financial Action Task Force's (FATF) main recommendations affecting the legal framework, financial systems, and international cooperation.

Mr. Max Hirshorn, formerly a Senior Executive at the U.S. General Accounting Office, introduced the topic on *Control of Corruption through Performance and Tests of Outcome*. He believes that a major part of the solution is to create a good control environment from the "top down" and support the effort with appropriate performance measures and tests of outcomes against these measures.



J. C. Narang, ICGFM Advisor to the  
President and Shri Jagbans Singh,  
Director of Audit, Embassy of India

The fourth session dealt with new developments in audit and financial management. Mrs. Ester Stern, Director of Audit and Management at the United Nations, presented the paper entitled *Audit Trends in the United Nations Family of Organizations*. She concluded that for the UN system organizations, the major challenges that will have to be overcome are: (i) meeting higher and differing expectations from various stakeholders, including members States and management; (ii) bridging the transition between the traditional audit approaches and the new methodologies which emphasize partnering with management and value-added audits; (iii) demonstrating that UN auditors are

effective catalysts in the ongoing UN reform process; and (iv) meeting public reporting obligations more effectively.

Mr. Ronald Points, Senior Advisor at PriceWaterhouseCoopers, lectured on *Management Controls for the 21st Century*. He explained why a management control framework should be developed and how to implement it. He said that management controls are put in place to keep the organization on course toward achievement of its mission, goals, and objectives, while minimizing surprises along the way. For him, an adequate management control framework is essential to achieving the proper conduct of government business, with full accountability for the resources made available to it. Finally, he stated that the components of management control include: control environment, risk assessment, control activities, information and communication, and monitoring.

The papers will appear in conference proceedings to be published by the International Consortium on Government Financial Management in diskette format and will be available through the web: <http://www.financenet.gov/icgfm.htm>.

-- Jim Hamilton  
International Monetary Fund



The Honduran Delegation

## FORUM CORNER

### Improving Budgetary Outcomes Through A Performance-Oriented Approach

Malcolm Holmes was the February's ICGFM Washington Forum luncheon speaker. Mr. Holmes is Principal Public Sector Management Specialist in the World Bank's Central Public Sector Group on Public Expenditure Management Issues. He has worked in all developing regions, especially in Africa. Prior to joining the World Bank, Mr. Holmes, an Australian, led the team in the Australian Ministry of Finance responsible for budgetary and financial Management reform of the national government. He also served in the IMF's Fiscal Affairs Department.

Mr. Holmes started by noting that the International Donor Community has, in recent years, begun to acknowledge the centrality of sound institutions to achieving budgetary objectives. The need for sound internal institutional practices extends to both formal and informal "rules of the game." The World Bank captured the ideals and requirements for improving budgetary outcomes in its 1998 *Public Expenditure Management Handbook*. Mr. Holmes, who was largely responsible for producing the Handbook, discussed its key ideas.

The *Public Expenditure Management Handbook* takes as its point of departure the need to think of budgetary objectives at three levels: achieving aggregate fiscal discipline, allocating resources to strategic priorities, and using resources efficiently and effectively. The Handbook identifies principles for what is really needed to improve budgetary outcomes, independent of a particular nation's character or circumstances.

**1. Comprehensiveness and Discipline-** Is the budget just 'political' or is it instead also technically correct? Starting at a hard aggregate is important for fiscal discipline. Governments need constant striving to stay within limits. For fiscal discipline to take effect, there must be buy-in (political acceptance) that constraints are real. That is why the International Monetary Fund stresses fiscal discipline.



Malcolm Holmes

**2. Legitimacy and Flexibility-** The process must involve, from the start, those who can change the budget. This is why donor influence is an important factor in setting the budget aggregate and its resource allocations.

**3. Predictability and Contestability-** The flow of revenues and expenditures must be reasonably reliable for the budget 'contract' to be accepted and effective. Fiscal policies must be predictable in order to deliver services. Finally, the money needs to be spent on the purposes specified. Too often, more effort is devoted to how to get more money, than how to use it better.

**4. Performance-** measurement of, and accountability for, performance has to be integral to the process. It must be self-contained, not added on as an after thought. Measuring performance requires honesty, transparency and accountability.

The issue, then is, how can the current situation be reversed? We need to recognize what public sector conditions, influences, and forces will encourage the best environment.

Australia's budget method is one example of an approach based on these principles. Australia's long experience in reforming its budget process has taught several lessons. They stress looking at the intermediate term in order to set today's expenditure priorities. This requires institutional methods for making the trade-offs, that is, for making today's tough choices.

They also consider aggregate fiscal discipline, strategic directions and operational considerations. Here are factors the Australians consider important based on their experience:

- ✓ Linking policy-making, planning and budgeting with all service-wide systems and processes;
- ✓ More predictable policy and funding, together with greater transparency and predictability;
- ✓ Restraining decisions by knowing what is affordable, the costs, and the expected results;
- ✓ Strong accounting and financial management systems, with staff willing and able to reprioritize objectives and reallocate resources;
- ✓ Greater focus on measuring performance, both in budget formulation and in execution;
- ✓ Contracts for performance that match hard-but-predictable budget authority with accountability to permit giving line management flexible decision powers;
- ✓ Internal and external audits, evaluations and performance reports with independent assurance of integrity.

Mr. Holmes discussed a sample budget spreadsheet based on principles like those in the Handbook. Their method has evolved over fifteen years and cannot be implemented in a year or so. The example organized around organizational inputs in terms of quality measures and resources, output units and costs, and output effectiveness levels. Significantly, all input costs are based on a fully accrual accounting system.

He noted that when crises happen, there can be massive shifts in validating budgets. In New Zealand, budgets are tightly tied to outputs, but with flexibility to shift up to 3 percent without Parliamentary approval. New Zealand is far more decentralized than Australia. Perhaps reflecting its larger size and centralization, Australia stresses evaluation far more than New Zealand.

--Alex Morris  
Department of Treasury  
Financial Management Services

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## INTOSAI Activities and GAO's Office of International Liaison Programs



Donald R. Drach, Deputy Director in the Office of International Liaison at GAO, presented an overview of INTOSAI activities and publications

The March 1999 Washington International Financial Management Forum luncheon, sponsored by the International Consortium on Governmental Financial Management (ICGFM), presented Mrs. Linda Weeks, Director of the Office of International Liaison (OIL), U.S. General Accounting Office (GAO). She moderated the panel discussion of the International Organization of Supreme Audit Institutions (INTOSAI) and the work of OIL.

Panel speakers included: Mr. Donald R. Drach, Deputy Director- OIL, and Editor of the *International Journal of Government Auditing*; Mr. John C. Fretwell, Assistant Director in GAO's Accounting and Information Management Division; Ms. Alberta Ellison, Manager of the GAO's International Auditor Fellowship Program; Ms. Venecia Rojas Kenah, Manager of GAO's International Visitors' Program, and Mr. Benjamin C. Ross, OIL's International Program Specialist.

### INTOSAI and Its XVI Congress

In November 1998 INTOSAI held its 16th triennial Congress in Montevideo, Uruguay. The XVI INTOSAI Congress had two themes:

*SAIs and the Prevention and Detection of Fraud and Corruption*, and *Improving Public Governance through the Work of INTOSAI's Committees*. Representatives from GAO's INTOSAI team presented an overview of the Congress and reviewed its conclusions and recommendations. They described current INTOSAI committee activities and distributed samples of publications.

INTOSAI includes 179 national audit offices of United Nations countries. It does not publish standards but promotes the sharing of information and experiences. It does develop guidelines and provide training. INTOSAI publications are generally available in English, French, Spanish,



John C. Fretwell, Assistant Director in GAO's Accounting and Information Management Division,

German and Arabic. Their January 1999 *International Journal of Government Auditing* provides detailed information about the discussions at the XVI Congress. INTOSAI documents are also available on their site at [www.intosai.org](http://www.intosai.org).

INTOSAI's permanent General Secretariat is in Austria. Its Governing Board meets annually. Korea will host the XVII Congress in 2001. INTOSAI has eight standing committees providing guidance on accounting, auditing, EDP (automation and technology), environment, internal controls, privatization, program evaluation and

public debt. The Committee on Accounting Standards, for example, has developed illustrative examples on the spectrum of cash, modified cash, modified accrual and accrual approaches.

### OIL Programs and Activities

Following the INTOSAI presentations, panel members from GAO's OIL staff described their international liaison programs. OIL manages GAO's INTOSAI-related activities such as the International Auditor Fellowship and Visitors Programs, supports the GAO's work with other SAIs, and promotes cooperation between SAIs and other organizations. Its E-mail address is: [oil@gao.gov](mailto:oil@gao.gov).

OIL is now arranging for the next class of International Audit Fellows. The goal is to help SAIs introduce or enhance auditing methods. Today, great emphasis is put on transparency and performance auditing. The class starts in June and ends in November. Fellows participate in three areas: completing classroom training, observing GAO audit teams, and practicing skills to enable them to adapt and apply what they have learned when they return home. The Program has



Venecia Rojas, GAO's Office of International Liaison

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## INTOSAI Activities ...

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trained 262 graduates from 87 countries over the past twenty years. Fellows are experienced mid-level managers who speak English and will be in a position to train others or develop and implement policy when they return home.

The Visitors Program promotes cooperation and information exchange between audit entities and senior government officials. OIL arranges meetings between GAO subject matter specialists and visitors from SAIs and members of Parliamentary delegations.



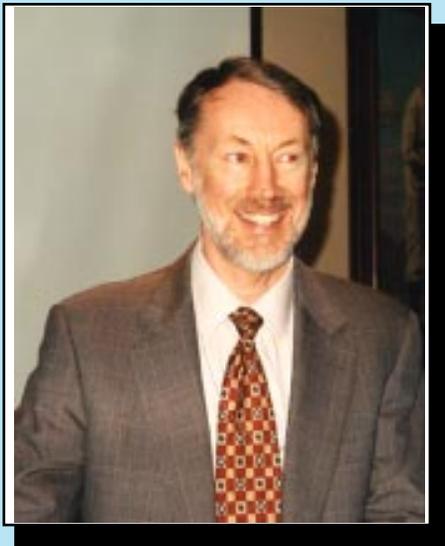
*Benjamin C. Ross, GAO's Office of International Liaison*

GAO also runs an Intranet site similarly servicing internal needs. This service includes organizational information about issue areas, offices, Congressional legislation and laws, federal regulation, research tools and other Government resources. The Intranet has hyperlinks to other international financial organizations such as INTOSAI.

Two other Internet sites were mentioned: <http://www.financenet.gov/icgfm.htm> has general federal government financial information; for daily updated anti-corruption and financial management news and documents, see: <http://www.respondanet.com/english>.

--Alex Morris  
Department of Treasury  
Financial Management Services

## Fiscal Transparency IMF's of Code Good Practices



*William A. Allan  
International Monetary Fund*

The International Consortium on Governmental Financial Management (ICGFM) presented William A. Allan, Senior Economist of the International Monetary Fund's (IMF), during the Washington Forum in April 1999. He addressed the Washington International Financial Management Forum's April luncheon. His purpose was to explain why fiscal transparency is important to ensuring sound government, achieving economic prosperity, and maintaining political stability. In particular, Mr. Allan described the *IMF Code of Good Practices on Fiscal Transparency* and how the IMF is encouraging its implementation. Luncheon attendees were provided copies of the Code.

Mr. Allan outlined the rationale for why the IMF developed the Code, its structure, and steps the IMF is taking to use it to promote greater transparency and integrity. He also described its relationship

to other Fund activities and cooperation with other organizations in this field. The IMF Code applies lessons learned from patterns of financial and economic difficulties experienced by several countries in recent years.

The Code of Good Practices can be used to measure the transparency of a nation's government. The results can then be compared to the country's previous rating, other nations, or perhaps to an independent goal, standard, or average. Its use is voluntary rather than compulsory. This recognizes the diversity of national situations, acknowledges their sensitivities, and reflects realization that greater progress may be obtained through positive methods than mandatory methods.

Mr. Allan has worked on budget management issues in a variety of developing countries since 1972. A FAD staff member since 1990, he has been providing technical assistance to member countries on public expenditure management, with some emphasis since 1991 on economies in transition. For the past 18 months, Mr. Allan has been part of a team developing, first, the Code of Good Practices on Fiscal Transparency, and then the Manual on Fiscal Transparency. He is currently working on implementation of the Code. Copies of both the Code and the Manual are available at the IMF.

--Alex Morris  
Department of Treasury  
Financial Management Services

## UPCOMING EVENTS

### JUNE 6 - AUGUST 14, 1999

*Computer Audit Specialist Training Program & Optional On-the-Job Training (OJT) for Foreign Tax Enforcement Officials*

*(English) Denton, Texas, USA*

Contact: US Internal Revenue Service,  
Office of Tax Administration Advisory Services  
E-mail: [taas@ccmail.irs.gov](mailto:taas@ccmail.irs.gov)  
Tel: 1-202-874-1350  
Fax: 1-202-874-1838

### JUNE 20 - 23, 1999

*"The Internal Auditor -- Leading the Way"*  
*The Institute of Internal Auditors' 58th International Conference*

*Palais des Congres - Montreal, Quebec, CANADA*

Contact: The IIA's Customer Service Center  
E-mail: [custserv@theiia.org](mailto:custserv@theiia.org)  
Tel: 1-407-830-7600, Ext. 1  
Fax: 1-407-831-5171

### JUNE 20 - 23, 1999

*"Jazzing Up Government Financial Management"*  
*The Association of Government Accountants*  
*New Orleans Marriott, New Orleans, LA*

Contact: AGA National Office  
<http://www.agacgfm.org/calendar.htm>  
Tel: 1-800-AGA-7211

### SEPTEMBER 13 - 15, 1999

*"Fraud Conference"*  
*The Institute of Internal Auditors*  
*Houston, Texas, USA*

Contact: The IIA's Customer Service  
E-mail: [custserv@theiia.org](mailto:custserv@theiia.org)  
Tel: 1-407-830-7600 Ext. 1  
Fax: 1-407-831-5171

### SEPTEMBER 30 - OCTOBER 2, 1999

*XIV INTERNATIONAL GOVERNMENT FINANCIAL MANAGEMENT CONFERENCE -- "The Transformation to Fiscal Federalism: Think Globally, Act Locally."*  
*(Official language conference in English, but simultaneous translation services will be provided)*  
*Washington, D.C., USA*

Contact: ICGFM  
<http://www.financenet.gov/icgfm.htm>

### OCTOBER 11 - 13, 1999

*"IIA/MIS Control, Audit and Security of Information Systems Conference"*  
*The Institute of Internal Auditors*  
*Washington, D.C., USA*

Contact: The IIA's Customer Service  
E-mail: [custserv@theiia.org](mailto:custserv@theiia.org)  
Tel: 1-407-830-7600 Ext. 1  
Fax: 1-407-831-5171

### OCTOBER 24 - 25, 1999

*"State & Local Government Leadership Conference"*  
*The Association of Government Accountants*  
*The Desmond, Albany, N.Y. - USA*

Contact: AGA National Office  
<http://www.agacgfm.org/conferences>  
Tel: 1-800-AGA-7211



Please Visit our Internet Web-site at  
<http://www.financenet.gov/icgfm.htm>  
(Spanish Edition of Newsletter available at this site)  
Also, send an e-mail to our Secretary General,  
Audrey at: [icgfm@aol.com](mailto:icgfm@aol.com) -- your name and  
address will be added to our e-mail list.

## 1999 NEWSLETTER DEADLINES

September Issue -- August 2, 1999  
December Issue -- November 1, 1999