

# Government Financial Management World

ICGFM The International Consortium on Governmental Financial Management

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## The President's Message

ICGFM President Relmond Van Daniker



As I reflect on my first year as ICGFM President, I am impressed by the strides that ICGFM is making. The luncheon forums are becoming a "must attend" function for financial management professionals located in Washington and for those visiting from abroad. Our September luncheon speaker, World Bank Auditor General Leroy Bookal drew a record number of attendees as he reflected on his past role as Auditor General of Texaco, Inc. and his future vision as Auditor General of the World Bank.

I am also just returning from a most informative luncheon presentation by Mr. Jeff Mahoney of the Financial Accounting Standards Board. Mr. Mahoney presented a unique perspective on FASB as a United States standards setter converging toward international accounting standards. I should also mention that ICGFM will be hosting another distinguished Auditor General in November. Mr. Peter Egens Pedersen, Auditor General of the Asian Development Bank (ADB) will speak on Anti-corruption efforts at the bank.

ICGFM is continuing to work toward providing noteworthy educational and networking opportunities and is partnering with the World Bank Institute in hosting a summit from Nov. 24-26 in Washington to explore the issue of assessing performance in financial management and utilizing performance findings to improve the effective use of public funds. The primary objective of the summit is to examine the extent to which monitoring can be used to enhance organizational and systemic performance in financial management. We expect to draw a cadre of some of the most distinguished auditors, accountants, budget directors, procurement specialists and members of Parliament in the world. If you have an interest in attending the summit, please visit [www.icgfm.org](http://www.icgfm.org), or feel free to contact our office via email at [members@icgfm.org](mailto:members@icgfm.org).

Lastly, I should tell you that while I will continue on as ICGFM President, I have changed roles in my professional career. After seventeen years as the Executive Director of the National Association of State Auditors, Comptrollers and Treasurers I have moved to the Association of Government Accountants in the position of Executive Director. I am as excited about this new endeavor as I am about serving as President of the consortium over the next year. I look forward to the challenges and rewards that I will encounter in both these capacities.

As always, I encourage you to become more involved and volunteer on one of our many committees. We are always seeking enthusiastic individuals and I believe you will find volunteering and working along side of some of the best in the profession to be a most rewarding effort. ■

Relmond P. Van Daniker

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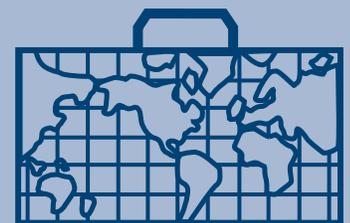
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## October ICGFM Forum Hosts FASB's Jeffrey Mahoney

Counsel to the Chairman of the Financial Accounting Standards Board, Jeffrey P. Mahoney addressed the October 2003 luncheon forum providing his insight on the "International Convergence of Accounting Standards."

Mr. Mahoney began his presentation with a brief background of the Financial Accounting Standards Board (FASB) before giving a very interesting and informative presentation on the importance of International Accounting Standards. According to Mahoney, since the formation of FASB in 1973, the board has been dedicating a significant portion of their resources to achieving a single set of accounting standards for the world. In

fact, the board took this notion one step further in 1999 when it released a report concluding that a single organization would have to be established to achieve consistency across the globe.

In 2001, the International Accounting Standards Board (IASB) was formed. The board, located in London, is structured very similar to FASB in that it has 14 board members and is overseen by a private oversight group consisting of 18 trustees. Board members are appointed based on their expertise and competence however most of the members are from countries with major markets. Former FASB member James Leisenring represents himself on the IASB board and also acts as the IASB liaison Board member to the FASB.

Mr. Mahoney also spoke about a major meeting that occurred in October of last year between FASB and IASB. During the meeting both groups "pledged to use their best efforts to (a) make their existing financial reporting standards fully compatible as soon as is practicable and (b) to coordinate their future work programs to ensure that once achieved, compatibility is maintained. The meeting concluded with both groups agreeing to a set of projects now referred to as the "Norwalk Agreement or

Norwalk Accord."

The Norwalk agreement provides that the groups will:

- a) undertake a short-term project aimed at removing a variety of individual differences between U.S. GAAP and International Financial Reporting Standards (IFRSs, which include International Accounting Standards—IASs);
- b) remove other differences between IFRSs and U.S. GAAP that will remain at January 1, 2005, through coordination of their future work programs; that is, through the mutual undertaking of discrete, substantial projects which both Boards would address concurrently;
- c) continue progress on the joint projects that they are currently undertaking; and,
- d) encourage their respective interpretative bodies to coordinate their activities. ²

## New Face on the Board of Directors

We are pleased to welcome a new face to the ICGFM Board of Directors. Mr. Leroy Bookal will be representing the World Bank as a sustaining member and succeeding active ICGFM member Graham Joscelyne as Auditor General of the World Bank. Prior to joining the World Bank, LeRoy E. Bookal, CIA, served as General Auditor of Texaco Inc. As past Chairman of the Board of the Institute of Internal Auditors (IIA) and of the American Petroleum Institute Audit Committee, Mr. Bookal served in a number of official positions including Senior Chairman of the Board, Vice Chairman of the Board Research, President of the IIA Research Foundation Board of Trustees, Member of the Foundation's Board of Research Advisors, Director-at-large, and Houston Chapter Board of Governors Member.

We are pleased to welcome Mr. Bookal and look forward to Graham Joscelyne continuing as an active member of the consortium. We would also like to recognize Ms. Blandina S.J. Nyoni, CFM, CPA, CGFM, Accountant General of the United Republic of Tanzania who joined the board as an individual category representative earlier this year. ²



From left to right: Relmond Van Daniker, Raymond Einhorn, Leroy Bookal, Bill Taylor, Elizabeth Folsom, Graham Joscelyne, Elaine Coune

### ICGFM to Hold Annual Membership Meeting in D.C.

The consortium will hold its annual membership meeting on December 3, 2003 at the Brookings Institute, 1775 Massachusetts Avenue in Washington D.C. The meeting will be held in conjunction with the ICGFM monthly luncheon forum. In addition, the Board of Directors of the consortium will also be meeting. The Annual membership meeting will begin at 10:30 am followed by the luncheon forum. The ICGFM Board of Directors will meet at 1:30 pm. An agenda and additional details on the activities will be distributed by mail prior to the meetings on December 3, 2003.

### Mark your calendars for the ICGFM Annual International Conference

*Promoting Development by Eradicating Corruption, Enhancing Security, Improving Transparency and Strengthening Accountability*

From April 18 – 23, 2004, the International Consortium on Governmental Financial Management will host its 18th annual conference at the Radisson Mart Hotel in Miami, Florida USA.

Around the world, transparency, accountability, and risk management are burning issues for corporate executives and government leaders alike. Fraud, corruption and money laundering threaten national security, distort markets, and obstruct fair trade thereby hindering economic growth and development. Good financial management practices, including the efficient use of technology, can defeat corruption, enhance security, improve transparency, strengthen accountability, and, in so doing, promote development. In 2004, the ICGFM 18th Annual International Conference will 1) highlight these important risk management issues as they affect world policy, international development, and financial management practices and 2) present best practices from around the world.

**Anti-Moneylaundering:** Moneylaundering and terrorism are intricately intertwined. These issues permeate foreign policy and have an important impact on key financial management issues worldwide. Information exchange is a critical tool to prevent and combat corruption.

*Conference, continued on page 4*

## THE 2003 ICGFM-WBI FALL WORKSHOP

November 24-26, 2003 at the National Rural Electric Cooperative Association Conference Center (NRECA) near Washington, DC. The NRECA facility is located at 4301 Wilson Boulevard in Arlington, Virginia, 10 minutes from Washington's Reagan National Airport, 15 minutes from Union Station and 20 minutes from Dulles International Airport. Easily accessible by the city's Metro system, the conference center is surrounded by a choice of hotels, restaurants and shops.

### Assessing Performance in Financial Management

The workshop takes up the issue of performance in financial management along 3 dimensions.

Day One is devoted to an examination of approaches to measuring performance in the different parts of the financial management system:

- performance in the budget process
- performance in budget execution
- performance in procurement
- performance in monitoring and oversight
- systemic performance

Day Two features a set of case studies on efforts to introduce greater performance orientation and improve performance:

- reforms to improve performance in the budget process
- reforms to improve performance in budget execution
- reforms to improve performance in procurement
- reforms to improve performance in monitoring and oversight
- reforms to improve performance of the entire procurement system.

Day Three focuses on the role of different groups/stakeholders in improving performance, as well as incentives for them to change behavior

- Role of the Central Government Bodies—Ministry of Finance, Planning
- Role of Line Ministries
- Role of Accountability Institutions: IA, EA, and Parliament
- Role of Civil Society
- Role of Donors, International organizations.

Mark your calendars now for the 18th Annual International Conference on Governmental Financial Management to be held in Miami, Florida, USA. This conference will be held on April 19-21, 2004 with two days of certified training on April 22-23, 2004. More details to be published later. n

## Upcoming Events

### November 19-21, 2003

National Public Sector Conference 2003  
A Leading Event for Finance and Management Professionals in the Public Sector  
Burswood Convention Centre  
Perth, Western Australia

### November 24-26, 2003

ICGFM-WBI Fall Workshop at National Rural Electric Cooperative Association Conference Center (NRECA) near Washington, D.C.

### Feb. 19-20, 2004

AGA's Second Annual National Leadership Conference, Washington, D.C.  
Contact: **Ada Phillips** at [aphillips@agacgfm.org](mailto:aphillips@agacgfm.org)  
Website: [www.agacgfm.org/nlc](http://www.agacgfm.org/nlc)  
Phone: 800.AGA.7211, ext. 204  
Fax: 703.548.9367

### April 19-21, 2004

18th Annual International Conference on Governmental Financial Management to be held in Miami, Florida, USA.

### April 22-23, 2004

Two days of certified training following Miami Conference.

**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](mailto:jhughes@odu.edu).

## INTERNATIONAL GOVERNMENTAL FINANCIAL MANAGEMENT 3-YEAR TRAINING PROGRAM

### Technical Phase for System Development

### Popular Title for Better Understanding

	<b><i>SESSION ONE—Accounting and Budgeting (Spring 2003)</i></b>
Governance	Identifying the Importance of Governmental Financial Management Systems
Assessment	Identifying Accounting and Budgeting Information Needed for Decision Making
	<b><i>SESSION TWO—Technical Development (Spring 2004)</i></b>
Conceptual Design and Infrastructure Strategy	Conceptually Identifying the Pieces Needed for the Overall Integrated System
Functional Specifications and Coding Structure	Specifying the Pieces Needed to Implement the Conceptual Integrated System
Procurement Implementation	Buying/Building the Pieces Needed for the System and Involving the Donors Putting the Pieces Together to Provide the Foundation for Decision Making
	<b><i>SESSION THREE—Auditing and Accountability (Spring 2005)</i></b>
Financial Audits	Independent Assurance That Financial Statements Accurately Reflect Financial Operations
Performance Audits	Assurance That Governmental Operations Are Efficient and Effective
Accountability	Using the Information for Decision Making

#### *Conference, continued from page 3*

Good Governance and the Eradication of Corruption: International development and finance agencies have heightened their emphasis on good organizational governance, strong internal controls and fraud prevention for recipients and partners. Corruption eradication is a key and on-going element of international governmental financial management.

Transparency and Accountability: Poor transparency and unaccountable leaders both in business and government can destroy development efforts. The ability for the public and other users to scruti-

nize and understand information is an important element in continued economic development.

#### **Who should attend? YOU!**

A wide range of practitioners are expected to participate in the conference, including government officials, representatives of non-government organizations, and representatives from financial institutions, regional organizations, and the international donor community. A key goal for the conference is to foster interaction among public and private sector

financial managers. The timely topics are sure to help you enhance your ability to eradicate corruption, enhance security, improve transparency, and strengthen accountability in your organization.

For more information, please visit the ICGFM Internet site at [www.icgfm.org/springmiami2.htm](http://www.icgfm.org/springmiami2.htm).



## 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:

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

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4. Mailing Address:

Street/Post Box

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City

---

Province/State

Postal/Zip Code and COUNTRY

---

5. Telephone:

Fax:

---

6. Email/Internet:

---

**Credit Card**    MasterCard

VISA

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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,

## Food for Thought

The Consortium provides a forum where organizations and individuals representing the diverse disciplines working in government, the private sector, and academic institutions can come together to discuss and address the challenges facing the governmental financial manager. As part of this community, you should see yourself somewhere in the facts and figures reported above. Are you there? Is the association, department, institution, firm, or organization you are associated with represented, too? If not, can you serve as a membership ambassador to encourage broader participation in your area of expertise?

With a mission to improve governmental financial management by providing opportunities for professional development and information exchange, the Consortium sponsors conferences, training, and publications exploring emerging issues, current topics, and best practices. How are you contributing? Have you been part of a conference or training – as a presenter or a participant? Have you contributed an article for the Newsletter or the Public Fund Digest? Can you become more involved?

Ultimately the Consortium strives to improve governance, enhance accountability, reduce fraud and corruption, and ensure transparency by strengthening financial management practices for the benefit of all citizens around the globe. Are you part of this effort?

We encourage you to make a copy of the attached membership application form and pass it on to your colleagues so that they also can get involved in improving governmental financial management throughout the world.

## FROM THE MEMBERSHIP COMMITTEE: FACTS, FIGURES AND THINGS TO THINK ABOUT – LIN WEEKS, CHAIR

In the past few Newsletters, as chair of the ICGFM's membership committee, I've provided general information about how to become a Consortium member. Today I would like to share information about our members and how they contribute to our organization.

### Facts and Figures

Realizing that many in the financial management community like to have the "facts and figures," the numbers presented below may be of interest to you. They are based on the membership dues paid as of September 30, 2003.

#### Looking at Levels

**Sustaining Members: 11**

**Organization Members: 19**

**Individual Members: 21**

Sustaining members are leading organizations working internationally to promote professional development, training, research, or technical development in governmental financial management. These members assume responsibility for and actively participate in directing the Consortium's programs.

Organization members include government entities with financial management responsibilities, and firms, educational institutions and other regional and professional organizations dedicated to strengthening governmental financial management polices and practices. These members play key roles in supporting the Consortium's programs.

Individual members are interested and involved in the activities related to governmental financial management and wish to be Consortium members in their own right.

#### Considering the Countries: 20 countries

ICGFM members can be found in all continents (except Antarctica). Members from twenty countries, representing diverse governmental and political systems and cultures, contribute their perspectives and experiences to the Consortium. ICGFM colleagues can be found in: Australia, Bahamas, Cameroon, Czech Republic, Gambia, Hungary, Hong Kong, India, Macedonia, Oman, Pakistan, Peru, Portugal, Sierra Leone, South Africa, Sweden, Tanzania, Tonga, United Kingdom, and the United States of America.

#### Examining Expertise and Experience

Consortium members are drawn from the public and private sector; they serve in national, provincial, and local governmental departments; they represent international institutions, professional associations and the academic community. Members are accountants, auditors, budget experts, comptrollers, consultants, debt management

experts, economists, finance ministers, information systems managers, professors, tax administrators, and treasurers. They truly encompass the varied disciplines working in the financial management arena.

#### *Sponsors of regional and international development*

Inter-American Development Bank (sustaining member)

United States Agency for International Development (sustaining member)

The World Bank (sustaining member)

International Monetary Fund (organization member)

#### *Professional organizations/associations*

Association of Government Accountants-USA (sustaining member)

CPA Australia (sustaining member)

National Association of State, Auditors, Comptrollers and Treasurers-USA (sustaining member)

Association of Chartered Certified Accountants-UK (organization member)

Institute of Public Auditors-India (organization member)

#### *Supreme Audit Institutions (SAIs)*

United States General Accounting Office (sustaining member)

Australia-National Audit Office (organization member)

Cameroon-Supreme State Audit Office (organization member)

Hungary-State Audit Office (organization member)

India-Office of the Comptroller and Auditor General (organization member)

Oman-Supreme Audit Office (organization member)

Pakistan-Office of the Auditor General (organization member)

Sweden-National Audit Office (organization member)

Tonga-Audit Office (organization member)

#### *Finance Ministries and Other Government Departments*

Hong Kong-Treasury Department (organization member)

Hungary-Government Control Office (organization member)

Macedonia-Ministry of Finance (organization member)

#### *Educational Institutions*

Graduate School, USDA-Government Audit Training Institute (sustaining member)

University of Texas-Center for International Accounting (organization member)

## AGA Plans Second Leadership Conference

AGA is proud to present the Second Annual National Leadership Conference (NLC), on February 19-20, 2004, in Washington, D.C. The theme of this year's conference is "First Responders: Financial Leadership in an Era of Crisis" and it will bring together federal, state and local government leaders to discuss leadership issues and common challenges in today's complex environment.

Now more than ever before, federal, state and local government financial professionals are working together to do more with less. In an age of heightened security and increased demand for services, the three levels of government are ever more dependent upon each other. Join us for NLC 2004 to hear from top-ranking government leaders who are facing these challenges head on.

Confirmed speakers include: **Ralph Campbell, Jr.**, State Auditor, State of North Carolina, **Bruce M. Carnes**, Chief Financial Officer, U.S. Department of Homeland Security, **Barbara Hafer**, State Treasurer, Commonwealth of Pennsylvania, **Charles Havekost**, E-Grants Program Manager, U.S. Department of Health and Human Services, **John Koskinen**, Former Deputy Mayor and City

Administrator, District of Columbia, **Andrew Mitchell**, Acting Director, Office for Domestic Preparedness, U. S. Department of Homeland Security, **Paul L. Posner**, Managing Director, Federal Budget, Strategic Issues, U.S. General Accounting Office, **Anthony A. Williams**, Mayor, District of Columbia, and **David Zeppieri**, Chief Information Officer, Office of Justice Programs, U.S. Department of Justice.

In addition to an outstanding technical program, the National Leadership Conference offers excellent networking opportunities, an Exhibit Hall showcasing the latest innovations in financial management and accountability, and the ability to earn 14 CPE hours.

Early-bird (by Jan. 16, 2004) registration fees are \$500 for AGA members and \$675 for nonmembers. For more information, visit our website at [www.agacgfm.org/nlc](http://www.agacgfm.org/nlc). Don't miss this opportunity to network with your peers and learn from the best in the government accountability business. We look forward to seeing you in Washington! n

## Audio Training Offered Dec. 17 on FASAB Future

AGA and NASACT are co-sponsoring an audio training conference, "FASAB Future—Bold New Directions," which features Federal Accounting Standards Advisory Board (FASAB) Executive Director Wendy Comes, CGFM.

Join Comes from the convenience of your office for an enlightening two-hour discussion, starting at 2 p.m. Eastern time

Dec. 17. She will discuss how current Exposure Drafts on stewardship land and heritage assets, fiduciary activities, earmarked funds, inter-entity costs and AAPC activities may impact reporting.

Questions will be taken during the last 30 minutes of the audio conference, which is worth 2 CPE hours. Cost is \$249 per phone line before Dec. 10 and \$299 after. The call is toll-free, and attendance is

unlimited. The only equipment needed for group participation is a speaker phone. For more information, contact Lin Latham at 800.AGA.2711.

You can register by faxing the order form found at [www.agacgfm.org/education/fasabconference1103.aspx](http://www.agacgfm.org/education/fasabconference1103.aspx) to 703.548.9367 or mailing it to: FASAB Audio Conference, 2208 Mount Vernon Avenue, Alexandria, VA 22301 or registering online above

*Membership, continued from previous page*

### *Firms*

Casals and Associates (sustaining member)  
Grant Thornton (sustaining member)  
International Business and Technical Consulting, Inc. (sustaining member)  
Bland and Associates, P.C. (organization member)  
CITIGATE (organization member)  
International Management Consultants, Ltd. (organization member)  
Swedish Aid and Agencies Consultants (organization member)  
Urbach Kahn & Werlin Advisors, Inc. (organization member) n

**This Newsletter, as well as prior issues, can be found at [www.icgfm.org](http://www.icgfm.org). Other Newsletters of interest published by a couple of our sustaining members can be found at [www.agacgfm.org](http://www.agacgfm.org) (Association of Government Accountants—US) and [www.cpaaustralia.org](http://www.cpaaustralia.org) (CPA Australia).**

## ICGFM Officers

### Honorary Chairman Emeritus

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**Jacque Williams Bridgers**, *GAO*

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### ICGFM Publications Editor

**Jesse Hughes**, *Consultant*

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**NASACT:** Kinney Poynter

**USAID:** Everett Mosley/Toby Jarman

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**World Bank:** J. Graham Joscelyne

### Representatives of Member Organizations

**Cameroon State Audit Office**

**Hungary State Audit Office**

**India Comptroller and Auditor General**

**International Monetary Fund**

**Pakistan Office of the Auditor General**

### Representatives of Individual Members

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Mortimer Dittenhofer

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Jesse Hughes

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