

From: Paul Sutcliffe [psutcliffe@ifac.org]
Sent: Monday, July 19, 2004 11:46 AM
To: Ryoko Shimizu
Subject: FW: Update on IFAC Board meeting

Hi all

Below please find a report from Philippe on the meeting of the IFAC Board at which the Review Panel Report was discussed. Regards Paul

Hullo everybody.

I hope you had a good trip home. I attended the IFAC Board meeting with Paul following our PSC meeting. Sir Andrew attended on Thursday afternoon to speak to the Review Panel Report. I was asked to respond and explained that the PSC generally welcomed and supported the Report but had comments on specific items. I also noted that we were very pleased with the survey results, which confirmed that we were performing an important function. I then went through each of the items that the PSC had identified as requiring some elaboration. We had a good hearing. Plenty of interest and discussion. I emphasised the need to act on the recommendations of the Panel (where they were accepted) to ensure that momentum was not lost. Let me highlight a couple of key areas:

A. I pointed out very strongly: 1.our current perilous funding position, 2. the need to generate funds for the short and long term, and 3. that we did not believe that our skills were in the area of fund raising or that our role was to raise funds - rather our skills and role was focussed on the technical aspects of standards setting. The Board was sympathetic and the following points/actions were agreed. 1. The current IFAC President, Rene Ricol agreed to spend some of his time early next year on fund raising activities for the PSC. 2. The Board will consider mechanisms to support raising external funds for the PSC, including discussing PSC funding with the World Bank as apart of ongoing IFAC funding, and 3. Individual Board members were encouraged to seek funding for the PSC from within their jurisdictions, whether from governments, or other sources.

B. I noted our discussion and agreement that public sector specific issues were the first priority of the PSC's work program in the medium term, followed by IASB Convergence and GFS Convergence in that order. Sir Andrew and the Board agreed with this ordering of priorities.

C. I noted our disagreement with the recommendation of the Review Panel that the PSC not initiate its own conceptual framework project, but only interpret the IASB's framework. I noted that we thought we should develop a PSC framework. We had quite a lengthy discussion of this point with some Board members agreeing with the PSC view, and others noting that what we were proposing was not that far away from what the review panel proposed. Sir Andrew noted that the Panel's recommendation was not intended to reflect that a PSC Framework was not important but that given the resources currently available to the PSC, the PSC would get better value from interpreting the IASB framework. Some sort of

consensus appeared to develop around the proposition that the PSC should develop its own Conceptual Framework using the work of the IASB where possible, and the work of other standards setters where appropriate.

D. I noted that the PSC strongly supported the Review Panel's recommendation that the PSC should not be required to meet in New York. This was also supported by some Board members, with some Board members explaining the benefits of the PSC (and other committees) meeting in their country. However, the IFAC President noted that whether or not this decision of the Board should be overturned was better considered when the new President took over after November 2004. So at this stage we are pencilling New York for July 2005. However, I intend to pursue this matter further when the opportunity arises.

E. I explained it was very important that the PIOB include additional members with specific public sector financial reporting expertise if the PSC was to be brought under the PIOB overview. This was noted and I think understood and accepted. Advice was given that establishment of the PIOB was further away than we expected - perhaps not until late this year.

F. I explained our position that in the long term Not for Profit entities could come within our scope but that in short term our work program was full. I also noted we would need to clarify with the IASB their role re Not For Profits. This was accepted. Some Board members expressed the view that Not for profits should be under our wing and may need a separate framework.

During the course of discussion it became clear that at least some members saw the cash basis IPSAS was very important for the PSC and that we would need to maintain and develop it, particularly for developing countries.

Now the decisions: The Board accepted all the Recommendation of the Review Panel subject to 1. revision of the conceptual framework recommendation as noted above and 2. the requirement that the PSC hold one meeting a year in New York, again as noted above. The Board directed that Paul and I prepare an action plan for implementing all the Panel's Recommendations for presentation at the next Board meeting. We will do that. This of course is why I think it very important that I attend the November Board meeting to present the action plan. It is a great opportunity to follow up on funding opportunities that were raised at this meeting and get changes moving. I apologise for the inconvenience the proposal to change meeting dates may cause some members, but the need only arose after our meeting and I can see no alternative. As explained by staff we previously had arranged meeting dates to allow me to attend the IFAC Board for at least one day if needed, but then had to reschedule meeting dates on the advice of our hosts such that the PSC meeting dates totally overlap with the Board meeting.

On Friday morning the committee Chairs presented and discussed their Committee reports with the Board. The Chair of the PIOB was in attendance and we were asked to focus on the public interest activities of our committees. Once again the PSC report was well received and there was good interest in our activities - more than I expected.

However, discussion with Board members indicated to me that we will have to do more work explaining that the success of our IPSAS program should not necessarily be measured only by the number of countries or organisations that state that they adopt IPSASs. The extent to which IPSASs influence and contribute to domestic standards is also important. Some Board members also noted that IPSASs and the PSC was not well known in certain parts of Africa. Clearly we need to increase our promotion activity when we can - Our meeting in South Africa in 2005 will help in this regard but we also have to reach out to North and West Africa.

I hope you find this useful. best Regards Philippe

Paul Sutcliffe
Technical Director
Public Sector Committee
International Federation of Accountants
1302/530 Little Collins Street
MELBOURNE VIC 3000
Australia
Main: +61 3 9909 7677
Fax: +61 3 9909 7669
PaulSutcliffe@ifac.org



International Federation of Accountants

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA

Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org

July 14, 2004

Sir Andrew Likierman
Head of Government Accountancy Service, Managing Director,
Government Financial Management
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

Dear Andrew,

Chairman of External Review Panel on the Public Sector Committee (PSC)

On behalf of IFAC and the PSC, I would like to thank you for accepting the position of chair of the External Review Panel of PSC and for successfully completing the task assigned to the Review Group.

We very much appreciate your willingness to undertake this role, and are very pleased with the Report of the Panel, which is clear, perceptive and persuasive.

Your report of the review of the role, governance and operations of PSC has already become and I am sure will continue to be very useful to the IFAC Board as it considers the way forward for the PSC. I thank you once again for giving up your time to present the report to the IFAC Board at its meeting last week in New York, and also for your willingness to be consulted on the Action Plan which will be developed. Ian is writing separately, on my behalf, to the members of your Panel to thank them for their contribution.

Kind regards,

A handwritten signature in black ink, appearing to read 'R. Ricol', with a horizontal line drawn underneath the name.

Rene Ricol
President



International Federation of Accountants

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA

Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org

July 14, 2004

Steve Freer
Chief Executive
Chartered Institute of Public Finance and Accountancy
3 Robert Street
London WC2N 6BH

Dear Steve,

Secretariat support to the External Review Panel on the Public Sector Committee (PSC) by CIPFA staff, John Stanford

On behalf of IFAC and PSC I would like to thank you for providing secretariat support, through CIPFA staff member John Stanford, to the External Review Panel of PSC.

I am most grateful for the smooth arrangements for all the meetings laid out by John, the distribution of all the papers, collection and analysis of data and his contribution during the meetings of the panel. John played a critical role in putting together the final report of the review.

The IFAC Board received and debated the Review Panel's Report last Thursday in New York. Sir Andrew introduced the report and Philippe Adhémar, PSC Chair, responded on behalf of the PSC, which had discussed the report at its own meeting earlier that week. The IFAC Board greatly appreciates the efforts of all those who contributed to the report of the review panel.

The contribution of CIPFA to the improvement and enhancement of public sector financial reporting through your support to PSC in general and to the External Review of PSC in particular is very greatly appreciated.

Kind regards,

A handwritten signature in black ink, appearing to read 'Ian Ball', written in a cursive style.

Ian Ball
Chief Executive



International Federation of Accountants

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA

Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org

July 14, 2004

Mrs. Blandina Nyoni: Member of External Review Panel on PSC,

Dear Blandina,

External Review Panel on the Public Sector Committee (PSC)

On behalf of IFAC, I would like to thank you for your participation as a member of the External Review Panel of PSC which has recently concluded and presented its report to the IFAC Board.

The IFAC Board received and debated the Review Panel's Report last Thursday in New York. Sir Andrew introduced the report and Philippe Adhémar, PSC Chair, responded on behalf of the PSC, which had discussed the report at its own meeting earlier that week. I note that John Stanford, secretary to the panel, has written to you giving you a brief update on the deliberations of the IFAC Board on your report.

I am most grateful for your time and effort and that of your colleagues on the Panel. Your report of the review of the role, governance and operations of PSC has provided critical input to the IFAC Board as it deliberates on the way forward for the PSC.

Kind regards,

A handwritten signature in black ink, appearing to read 'Ian Ball', is written in a cursive style.

Ian Ball
Chief Executive
International Federation of Accountants



International Federation of Accountants

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA

Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org

July 14, 2004

David Loweth
Accounting Standards Board
Holborn Hall
100 Gray's Inn Road
London
WC1X 8AL
Dear David,

Secretariat to the External Review Panel on the Public Sector Committee (PSC)

On behalf of IFAC and PSC, I would like to thank you for providing the secretariat support service, together with John Stanford of CIPFA, to the External Review Panel of PSC whose report was presented to the IFAC Board last Thursday.

Your assistance in drawing up of the questionnaire which was used for collection of responses and your participation in the subsequent analysis of the responses and compilation of the report are greatly appreciated.

I am most grateful for the support you gave to all the arrangements even during a period you were in the middle of changing jobs from the UK Treasury to the UK Accounting Standards Board. I take this opportunity to thank you for your contribution during the discussions of the Review Panel and wish you success in your new position.

Kind regards,

A handwritten signature in black ink, appearing to read 'Ian Ball', written in a cursive style.

Ian Ball
Chief Executive

Summary of the Ballot on whether the PSC should send to the IASB the proposed submission on the IASB's ED on Proposed Amendments to IAS 19 "Employee Benefits"

Tally of the ballot:

Yes – send the proposed submission to the IASB	9
No – do not send the proposed submission to the IASB	4
Abstain from voting	1
Did not submit ballot	1
Total	<hr/> 15 <hr/>

Comments from Members

One member who voted that the PSC should submit the proposed response because it only dealt with specified amendments. This member also noted that IAS 19 did not adequately deal with some significant public sector specific issues such as multiemployer plans or deal at all with multiple-employer plans (a defined plan maintained by more than one entity that is not a multiemployer plan).

The reasons why certain members voted no are outlined below:

- Three members noted that that the PSC should not submit a response until it has evaluated the public sector impact of the existing IAS 19. They believe that the PSC should reinstate in its work program as a priority item, a review of the applicability of IAS 19 to the public sector. This is because they believe that there are some public sector issues related to IAS 19, particularly on multiemployer plans;
- One member did not believe that the submission will assist the IASB in finalizing its proposed amendments to IAS 19 as the IASB has have little interest in public sector issues;
- Three members did not support having the addition of an option to recognize actuarial gains and losses directly into retained profits (or losses). One member noted that the addition of this option is in contrast with one of the main objectives in the IASB's improvements project of removing alternatives; and
- Two members noted that the submission should include an assertion that the corridor approach, which is conceptually not well-founded, should be phased out as part of a further rationalization of options.

One member abstained from voting because he was concern about the possible implications of the PSC's ITC on social policy obligations (SPO) for employee benefits.

One member also noted that it is preferable that each country send its own response directly to the IASB.

Staff Recommendation

Given these responses, Staff propose that the PSC not submit the proposed response to the IASB on its ED proposing changes to IAS 19 "Employee Benefits". There were less than two-thirds who approved the proposed submission. (In the New York

meeting, the PSC agreed with the recommendations from the externally chaired review panel that the approval arrangements require two-thirds of members.)

In addition, Staff remain uncomfortable that the PSC provides a response to the IASB on that ED prior to reviewing IAS 19 and do not believe that the proposed response will add value to the IASB in its consideration of the proposed amendments to IAS 19.



International Federation of Accountants

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA
Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org

ITEM 20.7
page 1 of 1

July 29, 2004

Jay Karia
Director, Accounts Division, Office of Programme Planning, Budget and Accounts
United Nations
304 East 45th Street
New York, NY 10017

Dear Jay,

I am writing on behalf of all members of the PSC and IFAC to express appreciation to you for your efforts in organizing a successful roundtable and seminar with UN delegates on July 7, held in conjunction with the PSC meeting in New York. I would also like to thank you for arrangements of the informal dinner for PSC delegates on the evening of July 4th followed by access to watching the spectacular fireworks of the independence holidays from your offices.

I am sure you will agree with me that we had a very successful meeting in New York. I think we made good progress on a number of crucial agenda items including IFRSs/GFS/ESA/IPSAS convergence/harmonization strategy, Impairment of Non-cash generating assets, Budgetary Reporting, Development Assistance and other issues. I was also pleased with our Consultative Group meeting and meeting with UN delegates to discuss the challenges facing the UN in its migration to an accrual accounting basis and possible adoption of IPSASs.

Thank you for your contribution to the success of our meetings in New York. The PSC is very keen to follow your progress and to assist in any possible way the migration by the UN to the accrual basis of accounting and will appreciate getting regular updates on this matter. Kindly convey our appreciation to your colleagues at the UN who participated in the roundtable of July 7, 2004.

Best regards.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'P. Adhémar', with a stylized flourish at the end.

Philippe Adhémar
Chair, Public Sector Committee
International Federation of Accountants

JUL-26-2004 16:37

IFAC

12122869570 P.02

CIPFA

Mr Philippe Adhemar
Chair, Public Sector Committee
IFAC
545 Fifth Avenue, 14th Floor
New York
USA
NY-10017

3 Robert Street
London WC2N 6RL
Telephone (020) 7543 5600
Facsimile (020) 7543 5700
www.cipfa.org.uk

23 July 2004

Dear Philippe,

I am writing to let you know that CIPFA is currently involved in exploratory discussions with CIMA (the Chartered Institute of Management Accountants) and ICAEW (the Institute of Chartered Accountants in England and Wales) with a view to combining our three existing organisations into a single new body. A press statement announcing this initiative is attached for your information.

CIPFA's Council believes that a consolidation initiative of this sort will be good for members, employers, the public services and the accountancy profession. Above all we believe that the public interest will be better served by a single organisation which can span all sectors of the economy and all of the specialisms within the modern profession. The new Institute will be in a remarkably strong position to set the standard and bring real leadership and influence to bear in its activities in the UK and overseas.

Each of the three bodies has considerable existing strengths as well as further untapped potential. We believe that by bringing them together it will be possible to create an organisation which is demonstrably greater than the sum of its parts.

Inevitably there is a tremendous amount of detailed work which needs to be undertaken before a firm proposal can be put to the memberships of the bodies. Many previous proposals to simplify and rationalise the structure of the UK accountancy profession have foundered at this stage, so it is particularly important that this work is undertaken with great care and attention to detail. Subject to satisfactory progress we hope to be able to ask members to vote on a specific proposal by June 2005.

I hope that you will welcome this initiative and that you will follow and support its progress. In the meantime please do not hesitate to contact me if there are any questions or queries you wish to raise.

Yours sincerely

Steve

Steve Freer
Chief Executive

The Chartered Institute of Public Finance and Accountancy
Registered with the Charity Commissioners of England and Wales Number 231060



869570

**14 July 2004**

Contact: Clare Rice or Elizabeth Hetherington-Senger, CIPFA Press Office
tel: 020 7543 5712/5687 email: pressoffice@cipfa.org

Press Statement

CIPFA today announced that it is in exploratory talks with the Institute of Chartered Accountants in England and Wales (ICAEW) and the Chartered Institute of Management Accountants (CIMA) to examine the possibility of a major consolidation which would combine the three bodies into a new institute.

If established the new institute would rank amongst the most influential bodies in the global accountancy profession. It would span all sectors of the economy – public, private and voluntary – and the full breadth of the many specialisms which make up the profession – financial management, financial reporting, audit and assurance, tax, corporate finance, etc.

CIPFA's President, Mike Barnes, said

"This is a tremendous opportunity for us to demonstrate that the whole really can be greater than the sum of the parts. A new institute built on the impressive foundations of three highly successful organisations would be able to command a position of tremendous influence in the global profession.

Of course, the proposal will have to be worked up and tested very carefully. We must be able to demonstrate with real conviction that it serves the public interest and that it offers practical benefits for members."

Steve Freer, CIPFA's Chief Executive added:

"CIPFA comes to these discussions from a position of strength. Our current strategy is delivering very positive results and progress on a range of fronts. That said, consolidation does have significant attractions. It would create a simplified structure and a more joined-up profession, better equipped to deal with both the inexorable convergence of public and private sector standards and the sharing of innovation and good practice across the economy."

"Ultimate decisions will be taken by members of the three bodies. Providing we make good progress that would mean working up and putting a detailed proposal to members at AGMs in June 2005 at the latest."

Ends

Press Statement - July.doc

From: JerryGutu [jerrygutu@ifac.org]
Sent: Saturday, July 24, 2004 5:13 AM
To: azizadiey@cabinetazizdiey.sn
Cc: 'philippe Adhemar'; 'Paul Sutcliffe'; mbohun@ifac.org
Subject: Contact with Francophone Africa
Mr. Aziz DIEYE,

Allow me to introduce myself. I am Jerry Gutu, Technical Manager with the Public Sector Committee (PSC) of the International Federation of Accountants. Your name has been passed onto me by a colleague, Claire Egan of the Education Committee of IFAC as well as the Developing Nations Task Force on which you participate.

For quite some time, PSC has been attempting to establish links with Francophone Africa in its endeavor to spread and promote the issues of accountability, transparency and good governance particularly through the promotion of our International Public Sector Accounting Standards (IPSASs) and other guidance. As you may have now come to know PSC is one of the committees of IFAC. PSC is responsible for development and issuance of IPSASs and other guidance in the public sector financial reporting arena. The committee has 15 members from IFAC member organizations and also has several steering committees which are used in tackling specific technical matters assigned by the PSC. PSC currently has steering committees handling the following issues: non-exchange revenues, social policies of governments, budget reporting, development assistance accounting etc.

PSC also has a Consultative Group made up of 66 plus experts from the worldwide spectrum of stakeholders in public sector financial reporting. The members come from preparers of financial statements, auditors, legislators, consultants, lenders, users of financial statements, academia, standards setters, professional bodies and many other organizations. The Consultative Group acts as a sounding board and advisory body to PSC on agenda and project priorities and giving feedback on implementation and adoption of IPSASs in the various parts of the world. The group is divided into 8 regional groups covering Europe, North and South America, Africa, Asia, the Oceania etc. However, our attempts to get contact with Francophone Africa have so far not been so successful. Of particular interest we would like to get feedback on the practice in accounting in the public sector in Francophone Africa. We would want in this connection to know whether the region is aware of the developments so far undertaken by PSC. Is the region aware of what the IPSASs are and the various studies carried out by PSC and in particular Study 14 dealing with the transition from cash to an accrual basis in the public sector? We would also be interested to know whether there are any Francophone African bodies whose mandate is to promote government accounting, the composition of their membership and the activities of such bodies and their links with the international bodies if any.

I hope you will forgive us for firing so many questions at you before we are very much acquainted with each other but such is the interest at PSC to engage organizations in your part of the world in promoting standards of accounting in the public sector. We have commenced in conjunction with the IASB to work on translations of our IPSASs and publications into French with other organizations working on other languages including Spanish, Russian, Chinese, Arabic and others. Once the French translations are out hopefully we can increase our dialogue and exchange with your part of the world.

Will you please indicate whether you are able to assist us with a short summary report even of one page giving us some feedback on the issues I have raised of the status of government accounting in Francophone Africa and any institutions involved and whether you would be interested in being our contact in this matter. We could even suggest that you join the Consultative Group if this is something you consider worth your while.

I thank you and look forward to your response.

Jerry Gutu
Technical Manager
Public Sector Committee
International Federation of Accountants
545 Fifth Avenue
New York, NY 10017
USA
Telephone: +1 212 471-8714
Fax: +1 212 286-9570
www.ifac.org

This e-mail is intended only for the person to whom it is addressed. If an addressing or transmission error has misdirected this e-mail, please notify the author by replying to this e-mail. If you are not the intended recipient, you must not use, disclose, print, or rely on the information contained in this e-mail.

IFAC may monitor outgoing and incoming e-mails and other telecommunications on its e-mail and telecommunication systems. By replying to this e-mail, you give your consent to such monitoring.

Article provided by Mr Aziz Dieye of Senega

The West African Accounting System (SYSCOA)

(Article by Alioune Dieye of Senegal)

The establishment of Accounting Standards by IASC since 1973 shows the Accountants desire to respond to the standardization needs for the accounting procedures with a view to facilitating and promoting the exchange of information worldwide.

This globalization process concerns the advanced economies as well as the developing countries. The IASC is currently in the process of conducting reflexions on the elaboration of accounting standards adequate for transition economies. In general, those countries have their own standards but rarely those standards are in harmony with the international ones.

There are in the African continent two organizations interested in the normalization of accounting. The East Central and Southern African Federation of Accountants (ECSAFA) was created in 1990 for the purpose of coordinating the promotion of the accounting profession. That organization regroups 13 countries (South Africa, Botswana, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Namibia, Uganda, Swaziland, Tanzania, Zambia) and represents the accountants of the public sector, the industry and commerce sectors as well as the education sector. All those countries are former anglo-saxon colonies. Each of the ECSAFA member-countries has its own accounting system which takes into account the international standards. In general all these countries maintain accounting systems close to the IASC standards.

The second organisation is "FIDEF", the Francophone Chartered Accountants International Federation which regroups, in Africa, the following countries : Algeria, Cameroun, C^mte d'Ivoire, the Republic of Guinea, Madagascar, Morocco, Mauritania, the Democratic Republic of Congo, Senegal and Tunisia. That organisation aims at :

- developing cooperation among the francophone chartered accountants in the accounting profession domain ;
- bringing together the national organizations for the definition of education curricula and the levels of qualifications ;
- exchanging information on the regulations and practices in force in the different countries.

The "FIDEF" has permitted to its member-countries to be conscious of the diversity of the accounting practices in this geographic area. Though a real willingness of harmonization exists since several decades. In 1968, the African, Malagachi and Mauritian States Common Organization "OCAM" has laid the groundwork for an accounting system common to the member-states. The accounting system was adopted in 1970 but the dismantlement of "OCAM" has limited the durability of the system.

The willingness of unification of the accounting was marked as from 1985 by the establishment of the African Accounting System of Reference "SCAR", corresponding to the "OCAM" system improved.

On the initiative of the Western African States Central Bank "BCEAO", a new accounting system has been developed by the West African Economic and Monetary Union "WAEMU". That organization which regroups 8 member-countries (Benin, Burkina-Faso, Côte d'Ivoire, Mali, Niger, Senegal, Togo, Guinea-Bissau) has elaborated the West African Accounting System "SYSCOA" which was brought into force on January 1st, 1998. That new accounting system has rendered null and void all the other accounting systems previously utilized without marking a discontinuity with the ancient accounting systems.

In the present article, we will examine the reasons which have incited the WAEMU to envisage the establishment of a new accounting plan. We will then insist on certain aspects of the accounting system while highlighting the specificities of the "SYSCOA". By ensuring a continuity with the preceding accounting systems, the "SYSCOA" integrates international and anglo-saxon specificities. This new referential is characterized by innovations in the area of economic and financial analysis. Moreover, it presents formal specificities.

About the inappropriate accounting systems :

Five major facts relating to the African accounting systems have brought the organizations concerned to work on a draft of a system of norms.

¥ Several accounting systems were coexisting in the geographic zone concerned. Certain countries were utilizing the French Accounting System of 1957. A group of countries adopted the French Accounting System of 1982. Certain other countries were referring to the Accounting System put in place within "OCAM" and put in application in 1970. A few countries within the same geographic space did not have a national accounting system ; in those countries, each enterprise could use an accounting referential of its choice.

That heterogeneity prevents the comparability of enterprises and renders more difficult the strategic decision-making processes. The enterprises partners faced with a multiplicity of information diffused through balance-sheets not always adapted to their specific needs.

¥ The co-existence of different accounting referentials resulted in the plurality of balance-sheets and financial statements.

A same enterprise could be forced to supply balance sheets and financial statements in different referentials according to the needs of the enterprise partner with the high risk of loss of information.

¥ Inadequacy of the accounting standards applied

The accounting standards applicable emanated from a referential which was not based on any doctrine and methodology. Because of

their ancientness, they could not take into consideration the international accounting standards.

- ¥ The standards which were applied did not respond to the productive sector needs.

In fact, one the characteristics of the economy of the developing countries is the important role played by the informal sector. The accounting systems were not however taking into account the specificity of the economy. A large part of the economic activity of those countries was not reflected by the balance sheet.

- ¥ The organization for the Harmonization of Business Law in Africa "OHADA", the uniform laws on general commercial law, company law, and economic interest groupings and on the organization of guarantees, in effect since January 1998 in 16 signatory states (Benin, Burkina Faso, Cameroun, Centrafrican Republic, the Comores, Congo, C^mte d'Ivoire, Gabon, Guinea, Guinea Bissau, Equatorial Guinea, Mali, Niger, Senegal, Chad, Togo) include an "Accounting Law" component to take into consideration for the general accounting referential.

THE SYSCOA SPECIFICITIES

Based on the observations made about the inadequation of the accounting systems in effect in Western Africa, the "SYSCOA" was designed in order to palliate certain deficiencies and allow the inclusion of the new international requirements. Thus, the "SYSCOA" is a synthesis of a necessary continuity in respect of the previous accounting systems and of the integration of certain aspects of the international or anglo-saxon accounting systems. In addition, the "SYSCOA" presents a certain number of innovations related to the economic and financial analysis. The "SYSCOA" Elaboration Committee has taken a certain number of formal options that give an authentic specificity to the referential.

CONTINUITY IN RESPECT OF THE PRECEDING ACCOUNTING SYSTEMS AND INTEGRATION OF CERTAIN ASPECTS OF THE ANGLO-SAXON SYSTEM:

The continuity has been safeguarded in respect of the preceding General Accounting System of 1957 and the "OCAM" Accounting System. The "SYSCOA" does not put into question the Continental School. It is not only designed for the investors but it is relevant for the social and economic partners of the enterprise (i.e. the banker, the lender, the supplier, the client, the staff and the Government). This aspect is particularly important for the Governments of the developing countries where the statistical and fiscal data are often difficult to diffuse.

Henceforth this type of information will be readily accessible and diffusable by means of the balance sheet. That option of relevance for all the enterprise partners facilitates the diffusion of the information.

As in the preceding systems, the general model of analysis has been maintained ; the general accounting is still separate

the west african accounting system

The establishment of Accounting Standards by IASC since 1973 shows the Accountants desire to respond to the standardization needs for the accounting procedures with a view to facilitating and promoting the exchange of information worldwide.

This globalization process concerns the advanced economies as well as the developing countries. The IASC is currently in the process of conducting reflexions on the elaboration of accounting standards adequate for transition economies. In general, those countries have their own standards but rarely those standards are in harmony with the international ones.

There are in the African continent two organizations interested in the normalization of accounting. The East Central and Southern African Federation of Accountants (ECSAFA) was created in 1990 for the purpose of coordinating the promotion of the accounting profession. That organization regroups 13 countries (South Africa, Botswana, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Namibia, Uganda, Swaziland, Tanzania, Zambia) and represents the accountants of the public sector, the industry and commerce sectors as well as the education sector. All those countries are former anglo-saxon colonies. Each of the ECSAFA member-countries has its own accounting system which takes into account the international standards. In general all these countries maintain accounting systems close to the IASC standards.

The second organisation is "FIDEF", the Francophone Chartered Accountants International Federation which regroups, in Africa, the following countries : Algeria, Cameroun, Côte d'Ivoire, the Republic of Guinea, Madagascar, Morocco, Mauritania, the Democratic Republic of Congo, Senegal and Tunisia. That organisation aims at:

- developing cooperation among the francophone chartered accountants in the accounting profession domain;
- bringing together the national organizations for the definition of education curricula and the levels of qualifications;
- exchanging information on the regulations and practices in force in the different countries.

The "FIDEF" has permitted to its member-countries to be conscious of the diversity of the accounting practices in this geographic area. Though a real willingness of harmonization exists since several decades. In 1968, the African, Malagachi and Mauritian States Common Organization "OCAM" has laid the groundwork for an accounting system common to the member-states. The accounting system was adopted in 1970 but the dismantlement of "OCAM" has limited the durability of the system.

The willingness of unification of the accounting was marked as from 1985 by the establishment of the African Accounting System of Reference "SCAR", corresponding to the "OCAM" system improved.

On the initiative of the Western African States Central Bank "BCEAO", a new accounting system has been developed by the West African Economic and Monetary Union "WAEMU". That organization which regroups 8 member-

countries (Benin, Burkina-Faso, C^{te}te d'Ivoire, Mali, Niger, Senegal, Togo, Guinea-Bissau) has elaborated the West African Accounting System "SYSCOA" which was brought into force on January 1st, 1998. That new accounting system has rendered null and void all the other accounting systems previously utilized without marking a discontinuity with the ancient accounting systems.

In the present article, we will examine the reasons which have incited the WAEMU to envisage the establishment of a new accounting plan. We will then insist on certain aspects of the accounting system while highlighting the specificities of the "SYSCOA". By ensuring a continuity with the preceding accounting systems, the "SYSCOA" integrates international and anglo-saxon specificities. This new referential is characterized by innovations in the area of economic and financial analysis. Moreover, it presents formal specificities.

About the inappropriate accounting systems :

Five major facts relating to the African accounting systems have brought the organizations concerned to work on a draft of a system concept of "Value Added" introduced in the "1970 OCAM Accounting System" is paramount because it permits to highlight the productive structure of the enterprise. The "Value Added" in the "SYSCOA" is calculated by subtracting from the production (i.e. the manufactured goods sold or services provided plus the goods stocked or in-progress) the expenses (services, taxes and other management charges). The "Operating Surplus" is the result obtained after subtracting the personnel expenses from the "Value Added". It is an important statistical indicator because it shows the profitability of the operations. As a matter of fact, the salaries often constitute in those countries the heaviest expenses. That is why it is the indicator always studied prior to all other structural expenses, financial policies impacts, or taxes.

The "SYSCOA" has introduced innovations as regards the financial analysis, permitting to evaluate the "autofinancing capacity" and establish the Sources and Applications of Funds Table.

The "autofinancing capacity" corresponds in part to the anglo-saxon concept of "cash flow". It consists of the sum of the result (profit or loss) and the amortizations. This indicator permits to determine the autofinancing which is obtained by subtracting the dividends from the "autofinancing capacity".

Another innovation for financial analysis is the Sources and Applications of Funds Table, adapted to the "SYSCOA" specific needs :

¥ the sales of fixed assets bring about the recourse to different accounts for the recording of the "sale price" and that of the "Net Accounting Value". This represents an innovation as for the recording of the flows.

for the analysis purposes of the financing needs, a distinction is made between the operating items (stocks, receivables, payables related to the operations) and the extra-ordinary items.

The "SYSCOA" has introduced in the balance-sheet another way of recording the foreign exchange losses and gains at the assets and

liabilities in such a manner permitting to determine a cash flow global net position.

FORMAL INNOVATIONS OF SYSCOA

"SYSCOA" presents formal specificities. On the one hand, the financial statements are enriched and, on the other hand, a certain flexibility has been introduced in the accounting system through the creation of three types of financial statements designed in function of the size of the enterprise. The general system of classification for the accounts has been maintained. The decimal system of codification has still been kept and improved.

The number and content of the financial statements have been enriched. The system includes 4 different financial statements (the balance sheet, the loss and profit or income account, the Sources and Applications of Funds Statement and the Appended Statement). That change in the number of the annual financial statements responds to the requirements of the international standards and strengthens the option of the common relevance of the system for all the enterprise partners.

In order to be in consonance with the economic realities of the african continent, three (3) types of financial statements are provided for by the "SYSCOA" and designed in function of the size of the enterprise :

¥ **The Normal System : is the most elaborated. It corresponds to the above description of the "SYSCOA".**

It is used by the large and medium-size enterprises.

¥ **The Light System : corresponds to a simplified version of the normal system. The number of the annual financial statements is reduced to three (the Sources and Applications of Funds Table has been suppressed) .**

The Income Statement and balance-sheet categories and accounts have been lessened as well. The enterprises concerned by the "Light System" are defined in function of the turnover and of the number of employees as at the preceding financial year.

¥ **The Minimal System is designed for the small enterprises. It is established on the basis of the flows of cash. It is in several respects derogatory to the normal accounting standards and presents the advantage of covering the enterprises of the informal sector and integrating them in the formal sector of the economy.**

The "SYSCOA" will fortunately permit to the African countries to harmonize their management information systems, sine qua non condition to achieve a realistic economical integration based on a same visibility of the economies of the member-countries and on convergent economical policies.

The "SYSCOA" will accordingly play a new and unsuspected role as an integration tool and as a means of implementation of the economic policies of the member-countries.

The "SYSCOA" emphasizes the reliability of the information through a recording of the flows and the extension of the mandatory accounting records to a six-column trial balance. Moreover, the strict and precise regulations relating to the treatment of the accounting information assure chronological and irreversible recordings. The "SYSCOA" provides for the verification and certification of the balance-sheets by legal financial auditors.

The "SYSCOA" which has become effective since January 1st, 1998 constitutes a significant step towards the integration of the western african countries in the economic system. The process is still underway because the institutions of normalization work at reconciling the "SYSCOA" with the Uniform Laws of the Organization for the Harmonization of Business Law in Africa (OHADA).

At the YAOUNDE Meeting of the Francophone CPAs Federation (FIDEF) held from the 1st to the 3rd of April 1998, a comparative table between the two different accounting systems was established and will enable to realize the harmonization of the two accounting systems in a near future and widen the geographic African space governed by the same Accounting System.

From: JerryGutu [jerrygutu@ifac.org]
Sent: Thursday, September 16, 2004 3:49 AM
To: 'philippe Adhémar'; 'Paul Sutcliffe'
Subject: FW: Contact within Francophone Africa
Philippe and Paul,

In addition to the article I sent earlier about public sector accounting practice in West Africa the email below contains interesting information for reading. It is heartening to know that IPSASs promotion is happening. Thank you.

Jerry Gutu
Technical Manager
Public Sector Committee
International Federation of Accountants
545 Fifth Avenue
New York, NY 10017
USA
Telephone: +1 212 471-8714
Fax: +1 212 286-9570
www.ifac.org

-----Original Message-----

From: ABD CAD [mailto:aliounedieye@cabinetazizdiey.sn]
Sent: Wednesday, August 18, 2004 12:02 PM
To: JerryGutu
Cc: Belinda Laclé; Aziz DIEYE
Subject: Re: Contact within Francophone Africa

Dear Jerry:

Sorry for the delay.

Here are some answers to your queries; we will continue our research and will keep you posted.

Practice in accounting in the public sector in Francophone Africa?

As you may know the francophone Africa was and continue to be under the influence of France and the practice in the public sector reflects this situation. The first accounting rules are edicted by the Decree dated December 30, 1868. (Décret portant règlement de l'Administration publique).

At the end of the colonization the accounting principles were those contained in the chart of accounts Organization for the African and Malagasy Trade (Plan comptable OCAM).

But now the practice in accounting in the public sector in Francophone Africa refer to the SYSCOA or SYCOAHADA which is the chart of accounts common to the (16) member states of the organization for the harmonization of business law in Africa (OHADA). (See attached file on the SYSCOA or SYSCOHADA chart of accounts)

Is the region aware of what the IPSASs are and the various studies carried out by PSC and in particular Study 14 dealing with the transition from cash to an accrual basis in the public sector?

Yes the region (particularly the CPAs) is aware of what the IPSASs are and the various studies carried out by PSC and in particular Study 14. But more communication and sensitization is welcome.

Francophone African bodies whose mandate is to promote government accounting, the composition of their membership and the activities of such bodies and their link with international bodies if any?

Among the African bodies are:

The FIDEF (Federation of francophone experts) www.fidef.org

The West African Monetary Union (UEMOA) www.uemoa.int

CEMAC : www.beac.int/int_cemac.asp

National associations of chartered accountants (which have generally links with the French board of chartered accountants and FIDEF)

FECAO

FRECAC

FECMA

----- Original Message -----

From: JerryGutu
To: 'ABDCAD'
Cc: azizdiey@telecomplus.sn
Sent: Monday, August 09, 2004 1:13 PM
Subject: RE: Contact within Francophone Africa

Alioune Dièye,

I acknowledge receipt and thank you for your response. I shall look forward to your report.
Thank you once more.

Jerry Gutu
Technical Manager
Public Sector Committee
International Federation of Accountants
545 Fifth Avenue
New York, NY 10017
USA
Telephone: +1 212 471-8714
Fax: +1 212 286-9570
www.ifac.org

-----Original Message-----

From: ABD CAD [mailto:aliounedieye@cabinetazizdiey.sn]

Sent: Monday, August 09, 2004 7:34 AM

To: jerrygutu@ifac.org

Cc: Aziz DIEYE

Subject: Contact within Francophone Africa

Importance: High

Dear Sir:

I am writing you this message on behalf of M Aziz Dièye to let you know that we are collecting the needed information and hope to be able to send you a short summary report by the end of this week.

Best Regards

Alioune Dièye

Conseil juridique et fiscal
Arbitre agréé auprès du Centre
d'Arbitrage, de Médiation et de Conciliation (CAMC / CCIAD)
Manager Cabinet Aziz Dièye
2, Place de l'indépendance 1er étage
BP 188 Dakar RP Sénégal

From: John Pitzer [jpitzer1610@msn.com]
Sent: Wednesday, July 28, 2004 7:36 AM
To: psutcliffe@rabbit.com.au
Cc: Christoph Maier
Subject: Request for information
Dear Mr. Sutcliffe:

I am not sure if we have met, but it is likely. I wrote the *Government Finance Statistics Manual* for the IMF, and we had several meetings with representatives of the Public Sector Committee. I also wrote a paper for the meeting last February in Paris of the Task Force on Harmonization on Public Sector Accounting, but was unable to attend the meeting. I am writing today as a member of a group of economists revising the international guidelines for compiling national accounts with respect to nonfinancial assets (the Canberra II group). As I am sure you know, the current version of these guidelines are in *System of National Accounts 1993* (published by the Commission of the European Communities, the International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, and the World Bank). The particular subject with which a colleague and I are concerned is accounting for the building, financing, and use of public infrastructure assets by private enterprises. There is a wide variety of these arrangements and they are known by a number of names, such as public finance initiatives, public-private partnerships, and build-own-operate-transfer (BOOT) schemes. The essence of these schemes is that a private enterprise contracts with a government to construct and finance an item of public infrastructure, such as a toll bridge or a prison, and then operate it for a period of years, receiving regular payments, either from the government or the general public. At the end of the contractual period, the government may obtain legal ownership of the infrastructure without payment or it may have the option to purchase it at a price defined in the contract. I think the Canberra II group is supposed to co-ordinate with the Task Force on Public Sector Accounting on this subject.

There are two major accounting difficulties. First, who economically owns the assets constructed by the private enterprise? If they are constructed and maintained according to government specifications and can realistically be used only for government infrastructure purposes, then it is likely that the government has most of the risks and rewards associated with the assets and should be considered the economic owner, much as occurs with financial leases. Second, when the government obtains legal ownership of the assets at the end of the contract period, either without any payment or with only a nominal payment, how should the transaction be interpreted? The private enterprise obviously will undertake its part of the contract only if it expects to earn an adequate return on its investment. Thus, the government really has paid for the assets in some manner.

There is some literature on the first of the two questions cited here (how to decide whether the private enterprise or the government is the economic owner) but I have seen very little about accounting for disguised long-term purchases of assets by the government. In particular, I am not aware that the Public Sector Committee has dealt with

the issue. Are you aware of any financial accounting standards or other financial accounting literature on these topics? Thank you for any assistance you can provide.

John Pitzer
Washington, DC

I am sending a copy of this message to my colleague Christoph Maier at Eurostat, the statistical agency of the European Union.

From: Paul Sutcliffe [psutcliffe@ifac.org]
Sent: Thursday, July 29, 2004 4:28 PM
To: John Pitzer
Subject: RE: Request for information
Hi John

I don't think we have met, but I have seen your name on publications. You are quite right that the PSC has not dealt with this issue, but we have recognized that it is another issue which we should deal with. At its last meeting (in July) the PSC agreed that we should develop a brief report noting the status of requirements/guidance in the jurisdictions of PSC member countries for consideration by the PSC at its next meeting in November 2004. We will compile this information during August and September. I will be more than happy to share whatever we put together with you. The PSC members include France, Australia, NZ, UK and USA who I know have considered this issue, so we should have an update from a number of authoritative bodies on where they and/or their treasuries are re this issue.

In addition, the PSC directed staff to monitor and if appropriate become involved in developments occurring at the IASB. The IASB's Interpretation Committee (IFRIC) is dealing with service concessions - primarily for private sector entities, but none the less relevant for our program. I will send you a separate email with a link to the relevant page of the IASB web.

I have previously been involved in the development of an Invitation to Comment on this topic for the (then) Public Sector Accounting Standards Board of the Australian Accounting Research Foundation. I just looked at it and feel old - it was issued in 1997. It focussed on rights and obligations of the public sector reporting entity arising from the arrangement under the then Australian accounting standards. The focus was on resources controlled (rather than ownership) and obligations arising as a result of the arrangement - rather than on ownership of assets and which party held the majority of the risks and rewards. That Invitation to Comment didn't result in a standard and I don't have an electronic copy of it. I could get it scanned if you thought it might be useful, but again it was 1997...

The UK Accounting Standards Board also issued an application note to FRS 5 'Reporting the Substance of Transactions' on Private Finance Initiatives which dealt with such arrangements. I will send you a separate link.

Sorry, I can't be more helpful at this stage - but I will keep you in the loop re any further developments from the PSC. Regards Paul

Paul Sutcliffe
Technical Director
Public Sector Committee
International Federation of Accountants
1302/530 Little Collins Street
MELBOURNE VIC 3000 Australia
Main: +61 3 9909 7677
Fax: +61 3 9909 7669
PaulSutcliffe@ifac.org

From: Paul Sutcliffe [psutcliffe@ifac.org]
Sent: Tuesday, September 07, 2004 11:51 AM
To: ddgasab
Cc: Andrea Fallon; 'Philippe Adhemar'
Subject: RE: Government accounting

Dear Mr Abbas

Thank you very much for this enquiry and for your ongoing interest in the activities of the PSC. The process for nomination and approval of PSC members falls under the responsibilities of the IFAC Nominating Committee and the IFAC Board. I will forward this email to Andrea Fallon, IFAC Manager for Governance and Member Relations who will advise you on the nomination process. Andrea's contact details are andreafallon@ifac.org.

As you are aware the PSC will meet in Delhi in November of this year and it is intended that a seminar and round table discussion be held on November 1 - details of this are currently being finalised with the Indian Institute. The PSC meeting in Delhi seems a good opportunity to meet to also discuss other mechanisms for GASAB involvement in PSC activities, including involvement in the Consultative Group, Project Advisory Panels and/or Steering Committees. I shall also forward this email to the PSC Chair, Philippe Adhémar, whom I am sure will welcome the opportunity to meet with you during the PSC meeting in Delhi.

Once again thank you for your interest in the PSC. I look forward to meeting you in November.
Best Regards. Paul

Paul Sutcliffe
Technical Director
Public Sector Committee
International Federation of Accountants
1302/530 Little Collins Street
MELBOURNE VIC 3000 Australia
Main: +61 3 9909 7677
Fax: +61 3 9909 7669
PaulSutcliffe@ifac.org

-----Original Message-----

From: ddgasab [mailto:ddgasab@cag.delhi.nic.in]

Sent: Friday, September 03, 2004 2:42 PM

To: Paul Sutcliffe

Subject: Re: Government accounting

Dear Mr. Sutcliffe,

The Government Accounting Standards Advisory Board (GASAB), India is in the process of formulating accounting and financial reporting standards for the financial reporting of the government in India. This however, includes standard setting for the non-business governmental reporting. We are also constantly referring to the PSC documents for our guidance. However, we wonder if PSC membership could be possible for GASAB. I would be grateful if you could guide us in this regard. The GASAB is working as advisory body to the Comptroller and Auditor General of India and the Ministry of Finance, Govt. of India

with regards

H. Abbas

Dy. Director, Government Accounting Standards Advisory Board (India)

mail: ddgasab@cag.delhi.nic.in

**16th International Colloquium on Financial Management
for National Governments**

Location: Federal Reserve Bank of Boston

Schedule

Tuesday, September 28

5:30 p.m. – 7:00 p.m. Registration and Kick-Off Reception
Wyndham Boston Hotel
Calterra Restaurant – First Floor

Wednesday, September 29

7:30 a.m. – 8:15 a.m. Continental Breakfast
Federal Reserve Bank of Boston (FRB)
Fourth Floor Conference Center

All sessions will be held in the FRB Fourth Floor Conference Center

8:15 a.m. – 8:30 a.m. Opening Remarks – Co-hosts:

Dick Gregg, Commissioner
U.S. Department of the Treasury
Financial Management Service
&
Charles-Antoine St-Jean
Comptroller General
Treasury Board of Canada Secretariat

8:30 a.m. – 10:15 a.m. **Session:**
**Updates on Developments in Financial Management
And Accounting since the last Colloquium**
United States, Canada, China, Italy, France, Japan
The Netherlands, New Zealand, Spain,
Sweden and United Kingdom

10:15 a.m. – 10:30 a.m. Break
10:30 a.m. – 12:00 p.m. Country Reports (continued)
12:00 p.m. – 1:30 p.m. Lunch
FRB Dining Room on the 32nd Floor
Speaker: Kathy Minehan
President
Boston Federal Reserve Bank

1:30 p.m. – 2:00 p.m.
2:00 p.m. – 3:00 p.m.

Country Reports (continued)

Session:

Preparing for Tomorrow:

Financial Workforce of the future

- *Current profile of government employees
- *Sea change from transaction processing to analytic
- *Technology also driving change
- *How are governments reacting?
- *Best practices

Panel Discussion: U.S. (Karen Alderman)
France (Frank Mordacq)
U.K. (Mary Keegan)

3:00 p.m. – 3:15 p.m.
3:15 p.m. – 4:00 p.m.
4:00 p.m. – 5:30 p.m.

Break

Preparing for Tomorrow (continued)

Session:

Accrual Budgeting in Sweden and New Zealand

- *Appropriations
- *Capital expenditures
- *Borrowings
- *Benefits from approach
- *Political implications

Lead: Sweden (Claes Goran Gustavsson)
New Zealand (Ken Warren)

5:30 p.m. – 7:00 p.m.

Reception
FRB Dining Room on the 32nd Floor

Thursday, September 30

7:30 a.m. – 8:15 a.m.

Continental Breakfast
Federal Reserve Bank of Boston (FRB)
Fourth Floor Conference Center

8:15 a.m. – 10:15 a.m.

Session:

Government Financial Systems – Called to do More

- *Enhance and consolidate government systems
- *Obtain more timely information
- *More interoperability among departments
- *Reduce costs
- *Business continuity/contingency

Lead: Canada (Jim Libbey)
Commentary: U.S. (Judy Tillman and Gary Grippio)
Commentary: U.K. (Mary Keegan or Ian Carruthers)
Break

10:15 a.m. – 10:30 a.m.

10:30 a.m. – 11:30 a.m.

Session:

Cash and Investment Management

- *Keeping cash at work
- *How low can we go?
- *Emergency fall back options
- *Affect of interest rates

Lead: U.S. (Steve Vajs)

11:30 a.m. – 12:15 p.m.

Session:

Reports:

IFAC (Philippe Adhemar)

European Commission (Arturo Caballero Bassedas)

12:15 p.m. – 1:30 p.m.

Lunch

FRB Dining Room on the 32nd Floor

1:30 p.m. – 2:30 p.m.

Session:

XML

Lead: Mark Crawford (LMI Government Consulting)

2:30 p.m. – 3:15 p.m.

Session:

Impact of International Accounting Standards

- *International Financial Reporting Standards
- *Convergence Between National and International Standards
- *General Finance Statistics

Lead: New Zealand (Ken Warren)
U.K. (Ian Carruthers)

3:15 p.m. – 3:30 p.m.

Break

3:30 p.m. – 4:00 p.m.

**Impact of International Accounting Standards
(continued)**

4:00 p.m. – 5:15 p.m.

Session:

Conducting Financial Transactions Over the Internet

- *Are there limitations on the use of the Internet?
- *Use of public Internet or more localized networks
- *Meeting the challenges of viruses, worms, denial of service attacks and phishing
- *Public reaction and optional versus mandatory

Lead: U.S. (Nancy Fleetwood and Cindy Springer)
Commentary: Canada **(To Be Provided)**

Evening Open

Friday, October 1

7:30 a.m. – 8:15 a.m.	Continental Breakfast Federal Reserve Bank of Boston (FRB) Fourth Floor Conference Center
8:15 a.m. – 8:45 a.m.	Conducting Financial Transactions Over the Internet (continued)
8:45 a.m. – 10:15 a.m.	<u>Session:</u> Use of Cards in Conducting the Government's Business (Credit, debit and stored value cards) *Advantages and disadvantages *trends *costs---especially interchange fees Lead: U.S. (Gary Grippo) FRB Boston (Jim Cuhna) Commentary: Canada <u>(To Be Provided)</u>
10:15 a.m. – 10:30 a.m.	Break
10:30 a.m. – 12:00 a.m.	<u>Session:</u> Consolidated Financial Statements *Required audit coverage *Differences between individual agency and whole of government statements *Determining materiality *Audience for financial statements/is transparency being achieved *Have statements improved financial management? Panel Discussion: U.S. (Jim Sturgill) New Zealand (Steve Leith) U.K. (Ian Carruthers)
12:00 p.m. – 12:30 p.m.	<u>Closing</u> Remarks from Co-hosts Remarks from Others Colloquium Evaluation

Mr/s O.S. Danevich
Deputy Head of the State Treasury of Ukraine
Ukraine

Dear Mr/s Danevich,

Application for membership to join IFAC PSC

I acknowledge receipt and thank you for your letter dated 9th August, 2004 in which you expressed interest in joining the IFAC PSC. I am delighted by your interest in the work of our Committee but have to inform you that the process of nomination falls under the IFAC Board's Nominating Committee to which I have referred your letter. Andrea Fallon, IFAC Manager for Governance and Member Relations, will attend to your request and provide you with a response in that connection. Her contact details are andreafallon@ifac.org.

I would like to draw your attention to other possibilities of participating in the work of PSC regardless of membership on the Committee level. PSC has a Consultative Group comprising sixty plus experts from all over the world drawn from various fields and professions including accounting, auditing, consultancy, rating agencies, lenders, users of public sector financial information and others. This group has regional chapters covering the major continents of the world and meets in conjunction with PSC meetings which are held three times per year around the world.

The Consultative Group is a forum which operates electronically as well as having physical meetings to give feedback to PSC on its standards, International Public Sector Accounting Standards (IPSASs) and other guidance it issues. The group also gives its views on the priorities, projects and technical agenda of the PSC as well as providing information on developments in their regions on the issues of public sector financial reporting. Joint seminars and roundtables with the PSC are held with the Consultative Group to which other participants from the regions are invited. This helps in promoting IPSASs and bringing them to the attention of the responsible authorities in the public sector and to interested stakeholders. At these fora member countries on PSC who have already made the transition to accrual accounting from the traditional cash accounting in the public sector often share their valuable experience. Feedback from the participants has indicated that this exchange and sharing is very important to countries which are in the process or are yet to embark on such reforms.

You will be pleased to note that since 2003 PSC has opened its meetings to the public who are invited to observe from a public gallery though they may not participate in the discussion unless invited by the chairman to speak. Membership to the Consultative Group is decided by the PSC and is kept open and flexible. If you are interested in considering joining the Consultative Group I would be pleased to hear from you. Please note that this would be treated as a separate issue from your request to join the Committee which falls under the Nominating Committee of the IFAC Board as mentioned earlier.

I take note with keen interest of the reforms you mentioned as being underway in your country and look forward to hearing you soon.

Yours sincerely,

Philippe Adhémar
IFAC PSC Chairman

FROM : TS*PROJECT

FAX NO. : 044 2944981

SEP. 06 2004 10:40AM P1



ДЕРЖАВНЕ КАЗНАЧЕЙСТВО УКРАЇНИ

01014, м. Київ-14, вул.Бастіонна, 6, тел.294-49-34, факс 295-20-36

6.09.2004р. № 08-09/139-7686
На № _____ від _____

To: Mr. Philippe Adhémar
IFAC PSC Chairman

From: Mrs. Olena Chechulina
Deputy Head
State Treasury of Ukraine

Application for joining PSC Consultative Group

Dear Mr. Adhémar,

Thank you very much for your letter dated 24th August, 2004 in which you invited our officials to join the PSC Consultative Group. Please review our candidatures of two Ukrainian Government officials – Mrs. Olena Chechulina, Deputy Head of the State Treasury of Ukraine and Mrs. Ludmila Lovinska, Head of Department for methodology of budget accounting and control of the Research Institute of Finance under the Ministry of Finance of Ukraine.

We're also curious about English language skills for Consultative Group members. Do you provide the translation in Russian during the meetings, seminars etc. or it is necessary to bring own interpreters for the meetings.

Could you please provide us with the dates and places of PSC meetings and the schedule of joint seminars and roundtables and inform also about the financial arrangements for attending the meetings (trip, accommodation etc).

Thank you very much for your assistance and look forward to hearing you soon.

Yours sincerely,

OLENA CHECHULINA
Deputy Head
State Treasury of Ukraine

069617