



**INTERNATIONAL FEDERATION  
OF ACCOUNTANTS**

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Internet: <http://www.ifac.org>

DATE:                      FEBRUARY 21, 2006  
MEMO TO:                MEMBERS OF IFAC IPSASB  
FROM:                      MATTHEW BOHUN  
SUBJECT:                  **IPSASB CONSULTATIVE GROUP**

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### **ACTION REQUIRED**

The IPSASB is asked to:

- **Note** the current status of the appointment process;
- **Note** the Consultative Group Membership profile and operating procedures; and
- **Note** the Consultative Group members attending this meeting.

### **AGENDA MATERIALS**

	Pages
19.2 Current Status of the Appointment Process	19.2 – 19.3
19.3 Consultative Group membership and Operating Procedures	19.4 – 19.8
19.4 Consultative Group members attending IPSASB Meeting	19.9

### **BACKGROUND**

At the meeting in July 2005, the IPSASB decided to maintain the Consultative Group in its current form, but not to undertake any major restructuring or recruitment, until such time as it is clarified whether the Public Interest Oversight Board will undertake oversight of the IPSASB.

### **UPDATE ON CONSULTATIVE GROUP**

#### *Appointments*

There have been no changes to appointments since the last meeting.

**Matthew Bohun**  
**TECHNICAL MANAGER**

**IPSASB Consultative Group current status**

The details are shown in the table below:

**Table on Status of Nominations to date**

<b>Region</b>	<b>Nominations Confirmed</b>	<b>Nominations Outstanding</b>	<b>Remarks</b>
Africa	6	0	All nominations have been made.
Asia	7	1	ASOSAI has yet to nominate.
Europe including Russia	16	0	Still awaiting the name of the Ukrainian Ministry of Finance's nominee.
Latin America	3	2	OLACEFS –Auditors & Latin American Assoc of Public Acc Schools are yet to nominate
North America	12	1	AAA is yet to nominate
Australasia/Pacific	10	2	Association of Public Accounts Staff of Australia & New Zealand yet to nominate. Awaiting the name of the Australian Department of Finance and Administration Nominee
Middle East	3	3	Arab Bankers Union, Chamber of Commerce, BADEA & ACC & Auditors Assoc yet to nominate
International	6	0	4 committees of IFAC are in this group.
<b>Totals</b>	<b>63</b>	<b>9</b>	The total number is 72 with 63 nominations made so far and 9 outstanding.

The current status of appointment process to the Consultative Group is that 63 nominations have been made so far with 9 outstanding nominations. The total number of the group is 72. I am awaiting the names of the nominees of the Ukrainian Ministry of Finance, the Australian Department of Finance and Administration and the American Accounting Association.

CONSULTATIVE GROUP MEMBERSHIP

Region	Auditors Associations	Preparers/ Ministries, of Finance/ Accountants General etc	Academia	Regional Bodies	Independent Standard Setters/ Professional Bodies	Users incl. Lenders, Aid Agencies, Rating Agencies etc	Others eg Consultants, Individuals, Legislature	Organizations currently represented on PSC through members/observers & technical advisors etc	Ex-PSC Members/Observers	Totals
<b>Africa</b>	1. AFROSAI/ SADCOSAI Mr. Rajun Jugurnath	1. ESAAG Mr Jerry Gutu	1. ABWA Prof. Ato Ghartey	1. ECSAFA Mr Lebohng Thotanyana	1. ASB OF SA*  2. KPMG Tunisia Mr Rached Fourati	1. AfDB Mr Charles Muthuthi		1. SAICA* 2. IPFA*		6
<b>Asia</b>	1. ASOSAI	1. Government of Hong Kong Treasury*  2. Ministry of Finance of Japan Mr. Seichii Inoue  3. Ministry of Finance of PRC Dr. Lou Hong	1. Indonesia Prof. Indra Bastian	1. Confederation of Asian & Pacific Accountants Mr Pyan Ho-bum	1. India Representative Mrs Soma Roy Burman  2. Mongolia Institute of CPA Prof. Dondog			1. ADB*	Mr. M. Rafi	8
<b>Europe/ Eastern Europe+</b>	1. National Audit Office of Netherlands Mrs Anneke van Zanen	1. Ministry of Finance of Croatia Mrs Vesna Vasicek  2. UARG Germany Federal Statistical Office Mr Hans Rehm  3. Swedish Financial Management Authority Mr Claes-Goran Gustavsson  4. Ministry of Finance of Malta Mr Pierre Pace	1. Prof. Ricardo Mussari of Siena University of Italy	1. Federation of Experts Comptables Europeens FEE PSC Chair Ms. Caroline Mawhood,  2. European Commission Mr Brian Gray  3. FEE rep. Mr Marinou Athanassiou (Poland)  4. FEE rep. Mr Daniel Faura (Spain)  5. FEE rep. Dr Tuomas Poysti (Finland)	1. French Professional Body of Accountants Ms. Daniele Lajoumard  2. ACCA GLOBAL Mr Andy Wynne	1. Fitch Ratings – Europe Office Mr Fernando Mayorga	1. UNICON-MS OF RUSSIA Mr Alexander Verenkov  2. Switzerland University of Zurich, Switzerland Prof. Andreas Bergmann	1. OEC – Organization of Professional/ Expert Accountants (France)* 2. IDW (Germany)* 3. Royal Nivra (Netherlands)* 4. ICAS/CIPFA*		15
<b>Latin America</b>	1. OLACEFS	1. Ibero-American (Latin American Accountants General) Mrs Mercedes Vega Garcia Coordinator	1. Latin American Association of Public Accounting Fac & Schools	1. Inter American Accounting Association Ms. Edgar Nieto Sanchez	1. Latin American Federation of Internal Auditors Mr Genaro Soriano			1. IADB* 2. Mexican Institute of Certified Public Accountants* 3. Argentina Federation of Professional Accountants*		5
<b>North America</b>	1. CCOLA Mr John Noseworthy	1. GFOA-USA Mr Stephen Gauthier 2. AGA-USA Ms. Sharon 3. NASACT Mr Kinney Poynter	1. AAA		1. FASAB Ms. Wendy Combes  2. CGA Mr David Rattray  3. Institute of Internal Auditors Mr Jiwan Shourie		1. Dr Bob Freeman  2. Dr Jesse Hughes	1. AICPA* 2. CICA* 3. GASB*	1. Mr. Ken Dye Former PSC Chair 2. Mr. Charles Coe 3. Mr Erik Peters	12

<b>Australasia/ Pacific</b>	1. ACAG Dr Arthur McHugh  2. AARF Mr Richard Mifsud  3. SPASAI Mr Todd Beardsworth	1. NZ Treasury Mr Ken Warren  2. Australian Dept of Finance & Treasury  3. NLFMF. Mr. Malcolm Duce  4. HOTARAC Mr Craig Jeffrey  5. PNG Treasury Mr. Jim Kerwin		1. AFAANZ Mr Bryan Howieson		1. Association of Public Accounts Committees Staff of Australia & New Zealand		1. AASB* 2. CPAA* Public Sector Centre of Excellence 3. ICAA* 4. ICANZ*	Mr Ian Mackintosh  Mr Kevin Simpkins	11
<b>Middle East</b>		1. Union of Arab Bankers	1. Prof. Talal Abu Ghazaleh	1. General Union of Chambers of Commerce, Ind. & Agric of Arab Countries	1. Arab Society of Certified Accountants- Mr Esmat Fahmy Nagy	1. BADEA	1. Union of Arab Accountants & Auditors- Dr A. M. Hegazy			6
<b>Inter- national</b>	1. INTOSAI*	1. NATO Mr James Luedeke  2. IFAC- PAIB Mr Robin Mathieson			1. IVSC Mr. Mark Gerold  2. IFAC- IAASB Mr James Gunn		1. IFAC- ETHICS Ms. Jan Munro  2. IFAC- EDUCATION Ms Claire Egan	1. IMF*/WB* 2. OECD* 3. WB*		8
<b>TOTAL</b>	9	18	6	12	10	4	6	0	6	71

**\*Those identified by an asterisk (\*) were proposed for membership to the Consultative Group. However, they currently have access to the PSC through PSC members/observers/technical advisors and therefore have not been included in the consultative group. They are not included in the count. These organizations will be reconsidered for inclusion on the Consultative Group once their members/observers and technical advisors retire from IPSASB.**

#### **ACCRONYMS**

AAA – American Accounting Association  
AARF – Australian Accounting Research Foundation  
AASB – Australian Accounting Standards Board  
ACAG – Australasian Council of Auditors General  
ACCA – Association of Chartered Certified Accountants  
ADB – Asian Development Bank  
AFAANZ – Accounting and Finance Association of Australia and New Zealand  
AfDB – African Development Bank  
AFROSAI – African Organization of Supreme Audit Institutions  
AGA – Association of Government Accountants of USA  
AICPA – American Institute of Certified Public Accountants  
ARABOSAI – Arab Organization of Supreme Audit Institutions  
ASCA – Arab Society of Certified Accountants  
ASOSAI – Asian Organization of Supreme Audit Institutions

BADEA – Arab Bank of Economic Development

CAPA – Confederation of Asian Pacific Accountants  
CCOLA – Canadian Council of Legislative Auditors  
CGA – Certified General Accountants Association  
CICA – Canadian Institute of Chartered Accountants  
CIPFA – Certified Institute of Public Finance and Accountancy  
CPAA – Public Sector Centre of Excellence

ECSAFA – Eastern, Central and Southern African Federation of Accountants  
ESAAG – East and Southern Africa Association of Accountants General

FASAB – Financial Accounting Standards Advisory Board  
FEE – Federation des Experts Comptables Europeens  
FMAC – Financial and Management Accounting Committee (IFAC)

GASB – Governmental Accounting Standards Board, United States  
GFOA – Governmental Finance Officers Association

HOTARAC – Heads of Treasuries of Australia

IAASB – International Auditing and Assurance Standards Board (IFAC)  
IADB – Inter-American Development Bank  
IBEROAMERICAN – Latin American Association of Accountants General  
ICAA – Institute of Chartered Accountants in Australia  
ICANZ – Institute of Chartered Accountants of New Zealand  
ICAS - Institute of Chartered Accountants of Scotland  
IDW – Institute of Certified Public Accountants (Germany)  
IFAC – International Federation of Accountants  
IIA – Institute of Internal Auditors  
IMF – International Monetary Fund  
INTOSAI – International Organization of Supreme Audit Institutions  
IPFA – Institute of Public Finance and Auditing  
IVSC – International Valuation Standards Committee

NASACT - National Association of State Auditors, Controllers and Treasurers, United States  
NATO – North Atlantic Treaty Organization  
NIVRA – Royal Netherlands Institute of Registered Accountants  
NLFMF – National Local Government Financial Management Forum (Australia)

OECD – Organization of Economic Cooperation and Development  
OLACEFS – Organization of Latin American and Caribbean Supreme Audit Institutions

PRC – People’s Republic of China

SAICA – South African Institute of Chartered Accountants  
SPASAI – South Pacific Association of Supreme Audit Institutions

UARG – Sub-committee of the conference of the Ministers of the interior of 16 federal states in Germany

WB – World Bank

## **CONSULTATIVE GROUP OPERATING CRITERIA**

### ***Operating Procedures***

#### *Meeting details*

The Consultative Group is an electronic forum for interested parties to give their views and opinions on public sector *financial reporting* developments and issues. The need for meetings will be assessed as interest develops with members of the Group determining whether formal meetings are required. When a meeting is determined necessary, such meeting will be held in public and may be followed by, or include, a regional seminar. Members of the public who wish to observe the Consultative Group meeting should register prior to the meeting and will be provided with Agenda papers relevant to the sessions for which they register. Public seats will be limited on a first come first serve basis as capacity permits.

#### *Role*

The Consultative Group is not a voting group, but provides a means by which the IPSASB can consult with and seek advice as necessary from a broad constituent group. The Group will operate as a proactive body, which is used to get feedback from various constituencies and act to communicate and promote IPSASs and the work of IPSASB.

#### *Meeting agenda and minutes*

IPSASB agenda papers and meeting minutes will be made available electronically to all Consultative Group members through the IPSASB portion of the IFAC web site.

#### *Confidentiality requirements*

Meeting agenda material and other non-public draft material made available to Consultative Group members may be marked “confidential” in certain circumstances. Consultative group members are responsible to maintain the confidentiality of such material. The confidential materials will not be provided to members of the public Gallery.

#### *Staff Support*

An IPSASB Technical Manager will provide administrative support to the Consultative Group.

#### *Relationship with IPSASB Steering Committees*

The Consultative Group will be kept informed of IPSASB Steering Committees’ activities through access to minutes and meeting agenda materials. The PSC may from time to time invite certain Consultative Group members to join a PSC Steering Committee.

#### *Chairmanship*

The Consultative Group will be chaired by the chairman of IPSASB.

*Size*

As the Consultative Group will start off as electronic forum flexibility in the size of the membership will be maintained.

*Review*

The IPSASB will regularly review the membership, terms of reference and operating procedures of the Consultative Group and amend procedures as necessary.

**CONSULTATIVE GROUP MEMBERS ATTENDING TOKYO MEETING**

Mr. Seichii Inoue  
Japanese Board of Auditors



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DATE: FEBRUARY 21, 2006  
MEMO TO: MEMBERS OF IFAC IPSASB  
FROM: MATTHEW BOHUN  
SUBJECT: **FUTURE MEETINGS**

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**ACTION REQUIRED**

The IPSASB is asked to:

- **note** the dates for future IPSASB and IFAC meetings; and
- **provide** the Technical Director and IPSASB Staff with information about any forthcoming invitations to host meetings.

**AGENDA MATERIALS**

	Pages
20.2 IFAC Yearly Events Calendar	20.2 – 20.4

Date	Host	Location
July 4 – 7, 2006	Conseil Supérieur de l'Ordre des Experts Comptables; and Compagnie Nationale des Commissaires aux Comptes	Paris, France
November 7 – 10, 2006	Not hosted	New York
March 2007	Accra, Ghana	Institute of Chartered Accountants (Ghana)
July 2007	Montreal Canada	Canadian Institute of Chartered Accountants
November 2007	Wellington, New Zealand	New Zealand Institute of Chartered Accountants

The current IFAC policy is for each Board or Committee to meet at least annually in New York. This is primarily intended to foster collegiality between the IFAC Board, the various Boards/Committees and the full staff of the IFAC offices in New York. We currently have three invitations to meet outside New York for 2007. I am currently negotiating a one-off exemption from the IFAC policy with the IFAC Chief Executive, I will advise you at the meeting of the outcome.

**Matthew Bohun**  
**TECHNICAL MANAGER**

<u>DATE</u>	<u>VENUE</u>	<u>EVENT</u>	<u>REPRESENTATION</u>
Last updated January 26th, 2005			
<b>2006</b>			
<b><u>JANUARY</u></b>			
9	London	IESBA-Network Firms TF	JM
9-10	San Francisco	Modifications TF Meeting	KS
10-11	London	IESBA-Independence TF	JM
12	London	IESBA Planning Committee Meeting	JM
12	Paris	TAC Meeting	RG
13-14	Los Angeles	AAA International Section	JS(p), JK(p), DB
16-17	Dubai, UAE	CAP Meetings	SB
18	Tucson	Univ. of Arizona Audit Classes	JS(p)
18	New York	Special Reports Task Force	AP
24-25	New York	Planning & Finance Committee	SW
<b><u>FEBRUARY</u></b>			
3-4	Miami	Group Audits Task Force Meeting	AP
6-7	London	Materiality Task Force	AP
7	Conference Call	Nominating Committee	IB, EK
8-9	Washington DC	PCAOB's Standing Advisory Group Meeting	JG, JK
15-16	Tunis, Tunisia	Developing Nations Committee Meeting	RG, NW
20-21	London	CE Meeting	
20-22	New York	IESBA Meeting	RG, Jan M
22	London	Officers Meeting	IB, SW, JS, RG, HK
23	New York	IESBA Whistleblowing TF Meeting	JM
23-24	London	Board Meeting	IB, SW, JS, RG, HK
24	London	IESBA New TF Meeting-Independence	JM
26-27	London	IASB SAC	IB, PA,
27-Mar 2	New York	IAESB & CAG	ST, JS
<b><u>MARCH</u></b>			
1	Madrid	Nominating Committee Subgroup	?
6-7	Paris	OECD Senior Budget Officers Accrual Acc Forum	PA, PS
8-9	Paris	TF on Harmonization of PS Accounting (TFHPSA)	PA, PS
6-10	Hong Kong	IAASB Meeting	IAASB
13-14	Windhoek, Namibia	INTOSAI PSC Financial Audit Guidelines WG	AP
17	Sydney, Australia	FSF Meeting	IFAC as needed
20-21	New York	PIOB Meeting	IFAC as needed
22	New York	Nominating Committee	IB, EK
21-24	Tokyo	IPSASB Meeting	J St, PS, MB
23-24	London	IESBA Independence TF Meetings	JM
27-28	New York	SMP Committee Meeting	PT
27-28	Buenos Aires	Planning and Finance Committee	SW
28-29	Brussels	Internal Control TF Meeting	KS
30-31*	<i>Brussels or Amsterdam</i>	<i>IAASB National Standards Setters</i>	

<b><u>APRIL</u></b>			
3	New York	IESBA CAG	JM
3-5	London	PAIB Meeting	RM
10-11	Bangkok	Modifications Task Force Meeting	KS
12-13	Dusseldorf	Special Reports Task Force	AP
25-26	Paris	IESBA Whistleblowing TF	JM
27	Paris	TAC Meeting	RG
27-28	Paris	IESBA Independence TF Meetings	JM
<b><u>MAY</u></b>			
8-9	Oslo, Norway	CAP Meetings	SB
8-9	London	New IESBA Independence TF Meeting	JM
10-11	Buenos Aires	Nominating Committee	IB, SW, JS, RG, HK,EK
11-12	Paris	IAASB CAG	IAASB as needed
15-16	London	Planning and Finance Committee	SW
20-21	New York	Internal Control Task Force Meeting	KS
22-26	New York	IAASB Meeting	IAASB
30	Beijing	Nominating Committee Meeting	IB, EK
31	Beijing	Officers Meeting	IB, SW, JS, RG, HK
<b><u>JUNE</u></b>			
1-2	Beijing	Board Meeting	IB, SW, JS, RG, HK
7-8	Washington DC	PCAOB's Standing Advisory Group Meeting	JG, JK
8-9	Barbados	Developing Nations Committee Meeting	RG, NW
13-14	Prague	IESBA Meeting	JM
18-20	Las Vegas, NV	IMA Conference 06	
26-27	Madrid	PIOB Meeting	IFAC as needed
26-27	London	IASB SAC	IB, PA, IAASB?
27-28	Paris	IOSCO Standing Committee #1	JK, JS
29	London	TAC Meeting	RG
29	Brussels	French/Dutch Translation Group	JS
29-30	London	Nominating Committee	IB, EK
<b><u>JULY</u></b>			
3	Hong Kong	SMP Committee Forum	PT
4-7	Paris	IPSASB Meeting	J St, PS, MB
5-6	Hong Kong	SMP Committee Meeting	PT
10-11	London	IESBA Independence TF Meeting	JM
10-14	Brussels	IAASB Meeting	
18-21	Santiago, Chile	IAESB Meeting	JS, ST, HS
24-25	Toronto	Planning and Finance Committee	SW
<b><u>AUGUST</u></b>			
7-8	Stockholm	Special Reports Task Force	AP

<b>SEPTEMBER</b>			
4-5	New York	Nominating Committee	IB, EK
6	New York	Officers Meeting	IB, SW, JS, RG, HK
7-8	New York	IFAC Board	IB, SW, JS, RG, HK
11-12	New York	IAASB CAG	IAASB as needed
18-19	Chicago	IESBA Independence TF Meeting	JM
18-22	Montreal	IAASB Meeting	IAASB
21-22*	<i>TBC</i>	<i>Developing Nations Committee Meeting</i>	<i>RG, NW</i>
21-22	Europe	IAESB CAG	
23-24	Toronto	Planning and Finance Committee	SW
25-26	Madrid	PIOB Meeting	IFAC as needed
27	New York	TAC Meeting	RG
28	New York	FoF Annual Meeting	RG
<b>OCTOBER</b>			
2-4	New York-AICPA	PAIB Committee Meeting	RM
4-5	Washington DC	PCAOB's Standing Advisory Group Meeting	JG, JK
17-18	Sydney, Australia	IESBA	
25-27*	<i>TBC (USA)</i>	<i>IAASB Meeting</i>	
<b>NOVEMBER</b>			
6-7	Istanbul	Nominating Committee	IB, EK
6-8*	<i>Istanbul</i>	<i>IAESB Meeting</i>	
7-10	New York	IPSASB Meeting	MB
8	Istanbul	IFAC Officers Meeting	IB, SW, JS, RG, HK
9	Istanbul	IFAC Outgoing Board	IB, SW, JS, RG, HK
10	Istanbul	Council Meeting	IB, SW, JS, RG, HK
9-10	London	IASB SAC	IB, PA, IAASB?
13	Istanbul	IFAC Incoming Board	IB, SW, JS, RG, HK
13-17	Istanbul	World Congress of Accountants	IFAC as needed
<i>TBD</i>	<i>Istanbul</i>	<i>IPSASB Meeting</i>	<i>J St</i>
<b>DECEMBER</b>			
4-8	London	IAASB Meeting	IAASB
18-19	Tokyo	PIOB Meeting	IFAC as needed
<b><u>2007</u></b>			
<b>MARCH</b>			
<i>TBC*</i>	<i>India</i>	<i>IAESB Meeting</i>	
<b>SEPTEMBER</b>			
<i>10-15 TBC*</i>	<i>Beijing</i>	<i>IAASB Meeting</i>	<i>IAASB as needed</i>
<b>(p)= Presentation</b>			
<b>(*) Tentative</b>			

From: Paul Sutcliffe [psutcliffe@ifac.org]  
Sent: Friday, December 23, 2005 12:05 PM  
To: Alejandro Luna Rodríguez; Andreas Doerschell; Bert Keuppens; Carmen Giachino Palladino; Catherine Viehweger (E-mail); Christianne den Houting; Conrado Villalobos; Daniel A. Duguay; Darshak Shah (UNDP); David Bean; Er Beng Kiong; Erna Swart; Ethan Weisman; Freeman Nomvalo; Greg Schollum; Harald Brandsaas; Hathorn Mike; Haya Prescher; Irene Rio; Jayantilal Karia (UN); Jean-Luc Dumont; 'John Fretwell'; John (IFAC) Stanford; Jon BLONDAL; Keith Dublin; Liz CANNON; Mary Foelster (E-mail); Matthew Bohun IFAC; Mohmd Salleh Bin Mahmud; Nafsiah Bt Mohamed; Norbert Vogelpoth; Pankaj 2; Pankaj 3; Pankaj I. JAIN; Paul Sutcliffe IfAC; 'Philippe Adhemar'; Ping-Yung Chiu; Richard J. NEVILLE; Robert Keys; Ron Alroy; Ron Points; Ron. Salole; Ryoko Shimizu; Simon Bradbury; Tadashi Sekikawa; Tom Henry Olsen; Wayne Cameron

Subject: FW: RE : Update on Observer Review

Hi Everybody.

Below is a brief report from the IPSASB Chair on the results of the IPSASB review of Observers.

Dear colleagues

As you are aware, the IPSASB undertook a review of its Observer Group membership and performance in closed session at our last meeting. You will recall that the external review of the IPSASB (then PSC) recommended that this review occur on an annual basis. That recommendation was accepted by the IFAC Board, and it therefore becomes one of our mandatory obligations.

I just wanted to provide you with a brief update on the results of that review before the Xmas break.

This was the first of these annual reviews. As a first review it was very useful and we identified processes by which it might develop in the future.

We are very pleased with the support and input we receive from our Observer group - both the organization and their representatives who attend the IPSASB meetings. Accordingly the re-appointment of existing observer group member organizations was confirmed in this annual review.

I will be writing to your organizations to thank them and their representatives for their ongoing support.

However, Members noted that following the IFAC Board's decision to increase the size of the IPSASB in 2006, it was important to more strictly apply the principle that in general only one member of each observer organization would be present at the table. I will also note this in my letter.

Observers are expected to attend IPSASB meetings on a regular basis. However, we do recognize that observers can, and do, contribute to the activities of the IPSASB in ways that go beyond simply attendance at meetings. We also recognize that regular

attendance can be difficult given your heavy ongoing work loads. I will write to certain observer sponsoring organization to seek their support for a more regular attendance by their observer.

We also felt that we should try to make more use of some of you to reinforce our links with organizations within your region, or with other arms of your organizations. I will write to you and to your organizations to seek your support in this area.

During the course of our discussion we considered whether an additional observer should be added as a representative of academe. You will recall we had received correspondence from CIGAR to consider this prospect. We agreed that additional representation by the academe in the observer group would have been an important contribution to our work. But we noted that two of the public members to be appointed by the IFAC nominating committee to our Board in 2006 hold current academic posts and a third holds a joint academic/practitioner appointment, thus creating a situation where an additional participation was not justified at this stage.

Thank you all for your support in 2005. I look forward to seeing you again in 2006 - mark up your diaries for meeting dates.

Have a good Christmas season and, if you are taking a holiday, have a good break.  
Très bonne année  
Best Regards Philippe

**From:** [Barry.ANDERSON@oecd.org](mailto:Barry.ANDERSON@oecd.org)

**Sent:** Wednesday, January 11, 2006 8:21 PM

**To:** [padhemar@ccomptes.fr](mailto:padhemar@ccomptes.fr)

**c:** Jon.BLONDAL@oecd.org; Helene.LECONTE-LUCAS@oecd.org; Lyora.RAAB@oecd.org; Deirdre.WOLFENDER@oecd.org; [psutcliffe@ifac.org](mailto:psutcliffe@ifac.org)

**Subject:** IPSASB Observer Status

Philippe,

We were delighted to get your letter of December 28 informing us that OECD would retain its status as an Observer for 2006. We are already planning to attend as many of the 2006 meetings of the IPSASB as we can. We look forward to the continued participation of IFAC at our Annual Symposium on Accrual Budgeting and Accounting, to be held this year on March 6-7 in Paris, and we are pleased that you recognize our inputs to the IPSASB's work on budget reporting.

As to improving linkages between IPSASB and OECD activities, I have asked my staff to make sure you have been included in all notifications and announcements of activities within my directorate and relevant activities elsewhere in OECD. I would like to talk to you--perhaps at the IPSASB meeting in Paris in July--for your assessment as to whether these actions have improved the communication between us.

A gain, we are delighted to retain our Observer status, and look forward to participating on issues of joint interest to both through out the year.

Barry



**International  
Accounting Standards  
Board®**

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1 January 2006

M. Philippe Adhemar  
Chair, International Public Sector Accounting Standards Board  
International Federation of Accountants  
530 Little Collins Street  
Suite 1302  
Melbourne  
Victoria 3000  
AUSTRALIA

Dear Philippe

**IPSASB Observer Status**

Many thanks for your kind letter of 28 December. I am delighted that the Board wishes us to continue as observer. I hope you don't mind if we don't necessarily send the same observer – mainly to save expense – and in that respect we would hope to be represented at two of your meetings by our Japanese representative, Tatsumi Yamada (who can only attend on 21 March due to a prior engagement) and in Paris by Gilbert Gelard, our French representative.

May I wish you every success in the coming year.

Kind regards.

Yours sincerely

David Tweedie

From: Keuppens, Bert E. [BKEUPPENS@imf.org]  
Sent: Thursday, January 19, 2006 1:50 AM  
To: Paul Sutcliffe; Philippe Adhemar  
Cc: Hemus, Chris; Kuhn, Michael G.  
Subject: Observer Status IMF-IPSASB

Philippe, Paul,

Effective January 9, Management of the IMF asked me to become the Director of Internal Audit of the International Monetary Fund. In view of this function I would appreciate it if you would be kind enough to change the contact information of IMF staff as observers to the IPSASB.

I would appreciate it you could add the name of Chris Hemus as the IMF Observer and delete my name. Chris is a highly respected accounting professional in the IMF, with the senior function of Advisor in our Finance Department. I believe Philippe may also know him personally and Chris also served as Alternate I would think he will make a highly qualified addition to your list. Prior to his career at the Fund, Chris worked for one of the big four firms, worked in academia and published a book on accounting standards in South Africa. Despite his long absence from South Africa while being employed in the Fund, I still rejoice in the fact that standard setters in South Africa still seem to remember his name when the matter comes up. His Email is chemus@imf.org

May I also suggest that you keep Michael Kuhn, Director of Finance, IMF on your contact list of high levels officials at the IMF. Michael Kuhn needs no introduction and he is very well known to Philippe.

It was a pleasure serving on the IPSASB (and also on the former PSC of IFAC), almost from its inception until now, first as Alternate to Günter Wittich and then as Observer. It is a very worthwhile cause that will have far reaching repercussion in the public sector, and that has all my support and sympathy.

Best regards

Bert E Keuppens



Asian Development Bank

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Office of the President

2 February 2006

Mr. Philippe Adhemar  
Chair, International Public Sector Accounting Standard Board  
International Federation of Accountants  
530 Little Collins Street  
Suite 1302 Melbourne, Victoria 3000  
Australia

Dear Mr. Adhemar:

Thank you for your letter to me, dated December 28, 2005. We are pleased to learn that Mr. Ping-Yung Chiu, ADS's Controller, has made contributions to IPSASS's standard-setting activities as an observer to IPSASS.

The Bank is willing to continue as an observer for 2006 and Mr. Chiu will continue to represent us to participate in your meetings if his time and work allow.

Best regards,

Yours sincerely,

Haruhiko Kuroda  
President

CC: Mme. K. Pholsena, Vice-President (Finance & Administration) Ping-Yung Chiu,  
Controller

Item 21.5 ADB Observer for 2006  
IPSASB Tokyo, March 2006

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**Invitation to Participate in  
International Accounting Seminar on Public Sector Issues  
~ Activities of IPSASB and Experiences in Selected Member Countries~  
Friday, March 24, 2006**

**Objectives and Structure of the Seminar**

The Seminar is designed in order participants to obtain the latest information about accounting in public sector in the world. The Seminar will be conducted in morning of Friday, March 24<sup>th</sup>, in conjunction with a meeting of International Public Sector Accounting Standards Board (IPSASB) held in Tokyo, Japan. The seminar will be transmitted through World Bank's "Global Development Learning Network (GDLN)" to Eastern Asian countries. Participants in those countries can attend a live seminar using video conference system at respective bases of GDLN in each country.

**Contents of Seminar**

Distinguished guest speakers selected among members of IPSASB and others will speak what kinds of change have been occurred and will be occurred in public sector accounting. Tentative speakers and topics are as follows:

- "Activities of IPSASB": Philip Adhemar, Chair of IPSASB
- "Public Sector Accounting in Japan - Present Situations and Issues - "
- "Accounting Standard Setting for Public Sector - Experiences of GASB -": David Bean: Director of Research, Government Accounting Standard Board (U.S.A.), Technical Advisor to US member of IPSASB
- "Public Sector Accounting Reform in France": Jean-Luc Dumont, JLD Expertise & Conseil, Technical Advisor to French member of IPSASB

**Importance of Accounting in Public Sector**

Many countries have been transformed or have a plan to transform government accounting from traditional cash base accounting to accrual base accounting. Those public sector accounting reforms are designed to achieve higher transparency of Government and to improve efficiency of the Government activities.

Most multilateral and bilateral aid agencies such as World Bank and Asian Development Bank now make a point of public sector financial management and make joint effort with recipient countries to improve their financial management in public sector such as budgeting, accounting, auditing and evaluation. They also support IPSASB's effort to develop International Public Sector Accounting Standards (IPSAS).

### **Who Should Participate?**

- Accountants in public sector who are responsible for preparing financial statements of the Government, such as Accountant-General of Ministry of Finance
- Supreme Audit Institutions (state auditors)
- Internal auditors of government organizations
- Any accountants in practices and academy who are interested in public sector accounting issues

### **Host and Support**

The seminar is hosted by the Japanese Institute of Certified Public Accountants. Transmission of the seminar to countries other than Japan will be supported by Tokyo Development Learning Center of the World Bank. Seminar will be fully supported by IPSASB.

### **IFAC and IPSASB**

**International Federation of Accountants** (IFAC) is the global organization for the accountancy profession. It works with its 163 member organizations in 119 countries to protect the public interest by encouraging high quality practices by the world's accountants. IFAC members represent 2.5 million accountants employed in public practice, industry and commerce, government, and academe. To serve the public interest, IFAC will continue to strengthen the worldwide accountancy profession and contribute to the development of strong international economies by establishing and promoting adherence to high-quality professional standards, furthering the international convergence of such standards and speaking out on public interest issues where the profession's expertise is most relevant.

**International Public Sector Accounting Standards Board** (IPSASB) is one of standing committees or boards of IFAC. It focuses on the accounting and financial reporting needs of national, regional and local governments, related governmental agencies, and the constituencies they serve. It addresses these needs by issuing and promoting benchmark guidance, conducting educational and research programs, and facilitating the exchange of information among accountants and those who work in the public sector or rely on its work.

For Speakers and  
IPSASB Staff

**International Accounting Seminar on Public Sector Issues**  
**~ Activities of IPSASB and Experiences in Selected Member Countries~**

Friday, March 24, 2006,  
JICPA, Tokyo, Japan

Tentative Draft

Time	Duration (mins.)	Topic ,Theme	Speaker
9 30 9 35	5	An opening address	Mr. Tadashi Sekikawa, Japanese Member of IPSASB
9 35 9 45	10	A welcoming address	Mr. Tsuguoki (Aki) Fujinuma, Chairman and President of JICPA, the Former President of IFAC
9 45 10 20	35	“Activities of IPSASB”:	Mr. Philippe Adhemar, Chair of IPSASB
10 20 10 55	35	“Public Sector Accounting in Japan - Present Situations and Issues - ”	Mr. Seiichi Inoue, Director of the Public Accounting Office, the Ministry of Finance, Japan
10 55 11 10	15	Break	
11 10 11 40	30	“The Road to Accrual Accounting - Experiences of USA -”:	Mr. David Bean, Director of Research, Government Accounting Standard Board (U.S.A.), Technical Advisor to US member of IPSASB
11 40 12 10	30	“Public Sector Accounting and Budgeting Reform in France”:	Mr. Jean-Luc Dumont, JLD Expertise & Counsel, Technical Advisor to French Member of IPSASB
12 10 12 25	20	Questions and Answers	Discussion Leader , Mr. Tadashi Sekikawa
12 25 12 30	5	A closing address	Mr. Shozo Yamazaki, President of Confederation of Asian and Pacific Accountants



**International Federation of Accountants**

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ITEM 21.8  
page 21.10

February 10, 2006

Mr Joaquín Almunia  
Commissioner for Economic and Monetary Affairs  
European Commission  
B-1049 Brussels  
BELGIUM

Dear Commissioner Almunia,

I am writing to request a meeting with you to discuss the European Union's support for the International Public Sector Accounting Standards developed by the International Federation of Accountants (IFAC). If you are agreeable to such a meeting, possible dates that we could be in Brussels would include 11 April, 19 and 20 April, 2 to 5 May and possibly the morning of 27 February.

As you know the European Commission has already adopted, and is in the process of implementing, International Public Sector Accounting Standards (IPSASs). We believe there would be very great benefit to be gained from this example being followed by the governments of the member states. Indeed a number of member state government have already moved to adopt accrual accounting, which takes them to the position very close to that required under IPSASs. It is also worth noting that, in addition to the European Commission and some member states, International Sector Public Accounting Standards have been adopted by the OECD and more recently, subject to General Assembly approval in June 2006, by the United Nations and its agencies.

We would wish to explore the possibility of further European Union support for these standards, as we believe that they can contribute substantially to financial reporting, fiscal management and governmental transparency. The European Commission already supports the development of the International Public Sector Accounting Standards by nominating Brian Gray, deputy director-general in DG Budget, as an observer on the technical committee drawing up the IPSAS and we would like to discuss the possibility of even closer support.

While IPSAS are accounting standards, we think they are an essential underpinning of Monetary Union because the concept of fiscal discipline is key to the European Union's stability and growth pact. The important role given to fiscal discipline means that the measurement of the fiscal deficit is also vital to management of the European Union economy. In order for the

economic objectives to be achieved, it is essential that there be a standardized method of measuring the deficit and that the reported result can be relied upon by those using this information. We would observe that over recent years monitoring of the levels of national deficit have been compromised by attempts by various of the member states to engage in creative interpretation of the accounting rules. We would wish to discuss how the adoption of the IFAC's International Public Sector Accounting Standards would assist in addressing the problems created by current Eurostat methodology.

The advantages associated with IFAC's standards fall into two categories. First, the standards are developed in a manner which is intended to that they be subject to an assurance review by the external auditors. A positive audit opinion enables greater reliance to be placed on those financial statements and the information they contain. This is achieved in part by the changed incentives for reporting entities when management is aware that the information is subject to audit. Perhaps more importantly, the IPSASs are a better measure of resource consumption by governments. Present Eurostat measures overstate at least one very critical measure of resource consumption. Here I refer to the fact that Eurostat requires spending on specialized military assets to be treated as an expense, rather than recognizing assets that have useful lives well beyond the reporting period in which they were acquired. Under IPSASs, a government would need to recognize an asset and a depreciation expense each period, reflecting that the asset provides service over many periods. To ignore this significant asset is to fundamentally understate the financial position of the government and contribute to long-run economic instability. The International Public Sector Accounting Standards Board (IPSASB) is also currently developing more appropriate accounting standards for the recognition and measurement of revenue from non-exchange transactions (including taxes and transfers) and for social policy obligations (such as social security schemes), which I believe are not well reported under current financial reporting requirements.

I look forward to the opportunity of discussing with you ways in which the European Commission could encourage member states to adopt International Public Sector Accounting Standards in preparing their own accounts, as well as in reporting against the Monetary Union requirements. In addition, I would welcome the opportunity to discuss possible European Commission support for the process of developing the International Public Sector Accounting Standards. Please do not hesitate to contact me should you require further information or explanation.

Yours sincerely,



Ian Ball  
Chief Executive