

Global Financial Management Partnerships

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Financial Arrangements for FY09 (Amount in US \$ Million)	
Total Budget:	59.90
DGF Funding Request:	0.35
DGF Percentage:	0.6%
Objectives and Expected Outcomes	
<p>The Global Financial Management Partnership (GFMP) is the vehicle that the Bank uses to provide support for the development and issuance of international accounting and auditing standards for the public sector. These global public goods are essential components of good governance and financial accountability around the world - but especially in developing countries, where there is typically an acute lack of capacity in the fields of accounting and auditing.</p> <p>The objectives of the Bank's involvement in the programs are to: (i) Facilitate and support the ongoing development and issuance, in the public interest, of high-quality accounting and auditing standards for application in the public sector, (ii) Encourage the dissemination and adoption of IPSASs and INTOSAI Financial Audit Guidelines in client countries, (iii) Facilitate developing country "voice" in the programs, and (iv) Support training and capacity building initiatives to foster the skills and aptitudes required for successful implementation of the standards.</p>	
Main Components	
<p>The Global Financial Management Partnership comprises two distinct programs: (i) the public sector accounting standards activity of the International Public Sector Accounting Standards Board (IPSASB); and (ii) the development of Financial Audit Guidelines for the public sector based on (private sector) International Standards on Auditing (ISA), under the auspices of the INTOSAI Professional Standards Committee (ASC).</p>	
Performance Indicators	
<p>IPSASB – The issuance, and widespread adoption, of high-quality IPSASs addressing public sector specific issues, as well as the continued development of a conceptual framework for public sector financial reporting and progress on the accounting standard for development assistance.</p> <p>INTOSAI-PSC – Full participation in the standards-setting process for international auditing standards published by IFAC-IAASB. This participation includes providing public sector perspectives to each new standard & to selected existing ones, as well as developing guidelines for their implementation in the public sector. In addition, the PSC submits proposals to INTOSAI's Governing Board.</p>	
Progress and Achievements	
<p>IPSASB</p> <p>During 2007 the IPSASB achieved a significant milestone with the completion of its financial disclosure requirements for recipients of external assistance. This is a project that the Bank had specifically asked the IPSASB to commission, and which has taken several years to develop. The final pronouncements are highly relevant to improving accountability in the Banks partner countries, addressing issues of consistency, completeness and transparency in government financial reporting of both sources and uses of development assistance received.</p>	

Other highlights during the year included the publication of:

- (i) the IPSASB's first ever public sector-specific financial reporting standard, IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers);
- (ii) two standards that identify disclosures to be made by governments and other public sector entities that make their approved budgets publicly available;
- (iii) 11 revised standards under the auspices of the improvements project; and
- (iv) Exposure Drafts on impairment of non-cash generating assets and employee benefits.

The IPSASB also completed and published its Strategic and Operational Plan, 2007-2009, and made considerable progress with its standards translation program.

In December 2007, IFAC announced the results of its first annual Global Leadership Survey of the Presidents and Chief Executives of its member bodies and regional accountancy organizations. The survey sought to determine the issues impacting economic growth and those affecting the accountancy profession worldwide over the next year. A key finding with respect to public sector accounting was that survey respondents in countries that are not applying IPSASs overwhelmingly agreed that adoption of the standards by their governments would increase economic growth and development.

Those surveyed also indicated that applying IPSASs would enhance public sector accountability in their jurisdictions.

INTOSAI

The INTOSAI Professional Standards Committee has continued to participate actively in the process of developing new international standards on audit (ISAs) working with the main standards setting body IAASB. It is also leading the work to facilitate adoption of the ISAs by supreme audit institutions through the development of Practice Notes. These Practice Notes provide specific guidance for SAIs on the application of the international standards in the public sector. An important achievement during the year was the approval of 9 Practice Notes by the INTOSAI Congress.

Partners

Asian Development Bank (ADB), IMF, UNDP, Inter-American Development Bank, OECD.

Governance and Management

The two recipients are all well-established international bodies with their own governance structures and oversight boards. The IPSASB is a standing technical committee of the International Federation of Accountants. The IPSASB consists of 18 volunteer members from around the world with experience and expertise in public sector financial reporting. Members include practitioners from ministries of finance, government audit institutions, public practice, as well as public members.

The INTOSAI Professional Standards Committee is a standing committee of INTOSAI, with membership drawn from a representative group of supreme audit institutions. It reports to the INTOSAI Congress.

Exit Strategy

At this stage there is no explicit disengagement strategy for these partnerships. However, an external review of both programs is being conducted during 2008, and exit plans will be considered as part of the review.