

It's about interoperability

Introduction

Few people doubt the growing importance of the Internet, particularly now that some of the more excitable claims have been modified. Progress is being made within and outside government although there's still discussion on the realistic nature of the targets. Moving to a fully electronic environment is easy on a greenfield site although it's far harder implementing changes where legacy computer systems exist and where there needs to be secure communication between different departments or with commercial organisations using different systems and software. At the same time users, and particularly new users, need to be able to get at the information they need quickly and easily and without having first to go on an intensive course of training.



Fortunately the Internet, and more particularly XML, is facilitating this greatly. The real promise of XML is that the handling of documents and related information and their transfer and use between widely differing systems will become as easy as it now is for printed materials. It's about interoperability.

What is XML?

“When I use a word,” Humpty-Dumpty said, “it means just what I choose it to mean - neither more nor less.” *Through the Looking Glass ...*, Chapter 6.

XML stands for eXtensible Markup Language. It's a metalanguage, a mechanism for writing markup languages designed for particular tasks and is a subset of a large, powerful and complex metalanguage called SGML. XML retains the flexibility of SGML but is specialised for producing languages for exchanging data across networks. Markup languages use tags, typically words enclosed in angled brackets, to identify particular sections of text, with HTML (Hyper Text Markup Language) being the most widely known. HTML is a markup language written using SGML and was developed by Tim Berners-Lee and colleagues at CERN in Geneva in 1989, so making possible what's now known as the Web. The crucial difference between HTML and XML-derived languages is that HTML is about format and says nothing, can say nothing, about

content while XML-derived languages unambiguously identify content.

Further, HTML is fixed and can't be changed to reflect particular local requirements (it develops through different versions but that's another issue) whereas XML is capable of producing literally an infinite number of unique languages, each of appropriate to one particular set of data needs. The term “XML” strictly denotes the metalanguage but common shorthand uses it as a generic term for all languages produced using XML.

This very flexibility of XML, the capability of producing an infinite number of languages, is a problem unless it's controlled. After all, a language isn't of much use unless everyone using it understands and agrees on meanings. In some cases this can be handled by having the application or a related framework carry out mapping and translation but in many instances it's more useful to agree the structure and vocabulary of a common language, or schema, so that data can be exchanged simply and without confusion.

BASDA and Systems Union

BASDA, the Business and Accounting Software Developers' Association, is an international body, headquartered in London and representing around 80% of the world's software companies in the accounting field. Its members, nearly four hundred in all, range from developers whose products target the smaller end of the SME market place right through to such as Systems Union which focuses on larger enterprises, the public sector, and on international business.

In summer 1999 BASDA was approached by Microsoft to develop a simple mechanism for exchanging invoices and other documents as attachments within Office and Outlook 2000. A working party of BASDA members, including Systems Union, developed what became known as eBis-XML, demonstrating it at a CBI meeting that autumn. What's interesting about eBis-XML is that it goes well beyond the simple brief requested by Microsoft and has become a true interoperability platform for exchanging business data. In this it's the first in the world with the kind of generalised, many-to-many capability which is essential and which will grow in importance as increasing numbers of users come on board.

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EDITORIAL

In the summer edition, I recall wishing you all a good summer. I write this with the autumn storm season in full swing coupled with railway madness; a sure recipe for preventing us from getting to work !

The summer months has seen the RAB bill pass through the House of Commons, trainee and HOAP conferences take place, the WGA project move up a gear and the DART team commence work on a further training assurance with departments. Our colleagues at Systems Union have provided our opening article on extensible Markup Language, which hopefully will shed some light on this subject for the non IT literate amongst us.

New to this edition is what has been christened 'The Michael Caine' column where I will endeavour to bring pieces of news, hopefully gleaned from our readership that will not be main stream but interesting to all. During recent visits to departments it is apparent that details of guidance produced by my colleagues here at the Treasury, like the mail in the Wild West, is not always getting through to those impacted. Therefore, to help a regular feature will be a list of accounting guidance issued, a brief synopsis and whom to obtain copies from.

It is disappointing to report that we were not inundated by entries to the logo competition so no doubt your editor and her team will have to get creative in the next few months. As always many thanks to contributors; if you have any dates for the diary, information for the new column, examination results we have missed, an article idea, e.g. what makes your role unique, give me a ring on 020 7270 1746. Next copy date 12 January 2001.

Next addition will include an update on the WGA project, the start of our 'Day in the Life' column, news of the relaunch of the Investigative Accountants Group and the recent secondment opportunity to Bermuda.

It only leaves me to wish you all a happy Christmas and a prosperous New Year - nothing like getting in first!

Best wishes for 2001,

Roberta

Send your comments to:-

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Views expressed in GASETTE are not necessarily the official views of the Government Accountancy Service or HM Treasury.

Currently two schemas, for Invoices and for Purchase Orders, have been agreed and twelve BASDA members accredited. One of the first accredited is Systems Union which not only supports the BASDA eBis-XML initiative in its SunSystems product but has also built strong XML support through its eBusiness Gateway module. Other schemas, including one for Pensions, are being considered by BASDA working parties.

SunSystems now includes the capability to generate an eMail purchase order and to send this to a supplier using the eBis-XML framework. If the supplier is using SunAccounts or another BASDA-accredited system and has set up the necessary nominal codes and authorities, it can automatically process the order and have it posted to the relevant parts of the system. If this isn't the case then it can view the document in a browser, print it out and enter it manually. Exactly the same can happen with invoices. Individual lines can be posted to the relevant nominal accounts according to their coding and VAT, discounts, totals and so on can all be posted as appropriate, completely automatically and irrespective of the platform on which the originating or receiving systems are running. This is of huge potential benefit, not just in saving time and labour but in avoiding the risk of error when data has to be re-entered by hand.

However, Systems Union is not just at the forefront of BASDA's innovative approach to common schemas. Its eBusiness Gateway is an integration service designed to link browser-based self-service applications to SunSystems and to provide the means for, among other benefits, casual or inexpert users to query or enter data, subject to appropriate levels of authority. This also means that it's very straightforward to set up delivery of that data through a browser according to user levels and needs. In a health situation, for example, a nurse assistant might have access only to patient name and limited medication details, a doctor to those and to additional treatment information, a pharmacist to drug history and contra-indications, an accounts clerk to some personal and financial but not

medical details and a supervisor to further detailed financial and accounting data, all efficiently managed by the eBusiness Gateway delivering the appropriate subset of information from the same common XML document.

The eBusiness Gateway, although designed with web-based applications in mind, can also provide an entry point for EDI messages, an interface to workflow engines or to pass data between different SunSystems installations. It comes with a number of Public Transaction Formats to be used for common tasks and includes the capability of users' developing private formats to extend its use as local circumstances dictate.

Conclusion

Since the first microcomputers appeared they've gone from being interesting toys to providing extraordinary capability. Many organisations, particularly in the financial sector, simply couldn't do what they do now without the help of IT. Yet one of the major barriers has been the difficulty of operating efficiently across hardware and software from competing suppliers.

The Internet is a significant enabler of interaction while the recent development of XML promises to be dramatic in its effects on exchanging data easily and accurately irrespective of location or platform. Systems Union is one of the earliest promoters of this technology. By building extensive XML capability into its products it's ensuring that the essential element of interoperability will be fully supported both now and in years to come.

Addresses

www.basda.org
www.systemsunion.com

The author

Murdoch Mactaggart is a freelance on IT, the Internet and on business issues.

ANTO (Accountancy National Training Organisation)

The organisation provides a focal point for employers and individuals using accountancy and related financial skills in the UK. In the UK today the role of the accountant is moving away from traditional functions into areas of business and process management, consultancy and customer support. The patterns of employment are changing with more people becoming self-employed, taking short-term contracts or working from home. One of the greatest impacts is the development of information technology and communication systems.

ANTO will work with both employers and individuals to respond to these challenges and encourage the improvement of competencies. Among the issues it will address are:

- Labour market information including current and emerging skill and knowledge requirements and occupational mapping;
- Training and development needs

- Accountancy and related occupational standards and national qualifications, the Modern Apprenticeship and National Traineeship programmes

ANTO will be there to ensure that the country has the individuals with accountancy and finance skills needed to take on the challenges of the future.

It is with pleasure that Gasette is able to announce that Spencer Kerley HOAP at the MOD is on the board of ANTO.

If you want to find out more ANTO can be contacted at:

Viking House
 Swallowdale Lane
 Hemel Hempstead
 Hertfordshire HP2 7EA

Tel 01442 250525

WEBSITE OF THE MONTH

For those of you who will be following the endeavors of the England cricket team in Pakistan a site for you:

www.pricewaterhousecoopers.co.uk

Contained within their site are the test cricket ratings and news of the PGA golf tour. If football is more your sport Deloitte and Touche carry an interesting report on the funding of the professional game; one way of finding out where your ticket money goes.

www.deloitte.co.uk

Lastly this month a site containing information on dumb laws, facts, crimes etc.. For example in Florida it is illegal to sing in a public place while attired in a swimsuit - now there's one to remember next time you're on Naples beach. The site also contains evidence of dumb instructions and the award must go to American Airlines their peanuts carry the following "Instructions: open packet eat nuts". For more log onto

www.dumblaws.com

CIPFA'S NEW RANGE OF QUALIFICATIONS Two new routes to advance your career

CIPFA was recently described by *Accountancy Age* as "resurgent". The Institute's student registrations for the first nine months of 2000 show an increase of almost 40% on the previous year. CIPFA has been developing a range of new ways in which people can advance their career. The Fast Track, in which qualified accountants can acquire CIPFA as a second qualification and the new CIPFA Certificate and CIPFA Diploma which enable people to enhance their qualifications in bite-sized pieces. The Certificate and Diploma are proving particularly popular among Accounting Technicians.

Taking the Fast Track to CIPFA How qualified accountants can acquire CIPFA with just two examinations

The formal launch in June of CIPFA's Fast Track route for qualified accountants was a direct response to customer demand. But even allowing for this, the Institute has been surprised by the level of interest since the launch. Already CIPFA has doubled its forecast number of registrations from this route for 2000.

The Fast Track offers qualified accountants the opportunity to gain the CIPFA qualification in nine months by sitting just two examinations - a small investment of time for something that can enhance your career both in central government and more widely.

For qualified accountants - with any Consultative Committee of Accounting Bodies (CCAB) qualification - the CIPFA Fast Track is a good way to develop your career. With just two examinations, it is not demanding of time, and can be studied using open learning, so you don't need to be away from your desk.

The two examinations are Financial Reporting & Accountability and the Finance & Management Case Study. For the Financial Reporting & Accountability examination you can select a specific Central Government and Executive Agencies paper, so studies are directly relevant to your job.

Heather Cousins of the Northern Ireland Office's Department of Finance & Personnel welcomes CIPFA's Fast Track: "The accountability requirements of public services are quite different to the commercial sector. I encourage all my students to study CIPFA, both because of the relevance and because they have a better chance of passing first time - that's in their interests and the Department's. The Fast Track is a great opportunity for accountants in government departments and agencies to gain the CIPFA qualification."

Chris Turner, Director of Audit at the DSS agrees: "CIPFA is an excellent qualification for accountants and finance managers in government departments. I chose it for its relevance. CIPFA is more than just an accountancy qualification, it develops you as a financial manager too. There is a clear advantage to accountants qualified with other bodies in taking CIPFA's Fast Track. CIPFA is our preferred qualification for students, and we will certainly be supportive of any CCAB accountants who want to take CIPFA as a second qualification."

Siva Sirikanda is a Fast Track student at the Police Information Technology Organisation (PITO). "I am enjoying the course and it is very relevant to my job. I am learning things I did not learn as a CIMA student. I certainly found the fact that I could study by open learning and sit just two examinations very attractive. CIPFA is an excellent for accountants in central government, NDPBs and Executive Agencies. I would recommend the Fast Track to anyone."

The Next Step for Accounting Technicians? How an Accounting Technician can acquire a CIPFA Certificate with just three examinations

Accounting Technicians can now acquire a CIPFA qualification in six months by sitting just three examinations. The qualification is CIPFA's new Certificate, which is both a stand-alone qualification and the first stage of CIPFA's professional accountancy qualification. ATs receive an exemption from half the course.

A second new qualification, the CIPFA Diploma, can be gained by a further six months study. The four papers required to obtain the Diploma equate to Professional level 2 examinations. One exam, Financial Reporting & Accountability, is a specialist Central Government and Executive Agencies paper.

You still need to complete the final test of professional competence at Professional level 3 to become a Chartered Public Finance Accountant and use the letters CPFA after your name.

Kash Pandya, District Auditor with District Audit commented: *"Quite simply, full certification at each stage of the CIPFA qualification makes people more employable. District Audit is CIPFA's largest trainer and we support this move to make the qualification more flexible"*.

These new qualifications are more than just part of an accountancy qualification: they are awarded in their own right to recognise the work that has gone into achieving them. They are available to people whether they intend to pursue the professional qualification or not. We believe it is right to recognise this achievement. There have always been

people who embark on the course fully intending to complete the Professional Accountancy Qualification but have been unable to do so because of changes in their professional or personal life. Such people deserve recognition for the elements of the course that they have achieved.

After receiving the Certificate you have complete flexibility: stick with the Certificate, proceed to the Diploma immediately, or take time away from study and proceed to the Diploma later on.

CIPFA has long been renowned for its strong student support: you have the best chance of passing first time with CIPFA. This applies at each stage: Certificate, Diploma or Professional Accountancy Qualification. Whether you pursue your studies at a college or by open learning, it is our job to make your experience enjoyable and rewarding.

The mode of study is up to you. The method of assessment - a mixture of examination and written assignments - is similar to the one you are used to with AAT.

As Margaret Rawding, a CIPFA Council member and immediate Past President of AAT said: *"Anyone who has achieved AAT qualifications has taken advantage of a huge opportunity to achieve professionalism and a globally respected qualification. But it's essential that you don't stop there"*.

If you, or any of your colleagues are interested in studying any CIPFA qualification contact: Paul Myner or Graham Machin, Education Advisers, CIPFA, 3 Robert Street, LONDON, WC2N 6BH. 020 7407 9010.

Congratulations to DTI !

Accountancy Age held its annual awards dinner at the Natural History Museum on 1st November 2000. Amongst the guests was Keith Hills, HOAP from the DTI, Keith knew that their recent recruitment campaign conducted by Hays Accountancy Personnel was short listed for the Recruitment Advertisement of the Year. The outcome was a surprise to all at DTI when they came out the eventual winners, congratulations to you all from the editor and GAS members.

THANK YOU !

Many thanks to those of you who forwarded on your unwanted textbooks for the AAT President's Millennium Book Appeal. Your books along with another 20,000 are winging their way to centres in Africa and the Caribbean for distribution to Centre libraries and students.

If you have books of any kind that you think may be useful overseas contact Book Aid International in Brixton London on 020 7733 3577, and their acquisitions department will let you know if they have an outlet for them.

LATEST SUCCESSES

AAT RESULTS - OCTOBER 2000		DEPARTMENT
Bill Grey		Child Support Agency (DSS)
ACCA CERTIFIED DIPLOMA GRADUATES JUNE 2000 - MOD		
Sqn Ldr Steven R A Barbour		Lt Col Carel P Bouwens
Marcus I Bridges		Simon Burke
Huw D Cable		Stuart Campbell
Gerrard Cavanagh		Ian M Craddock
David J Curry		Susan J Devon
Raymond C Gibbons		Jane Gunn
Duncan R Haigh		Graham Howe
Andrew R Lapsley		Alan D Little B2
Stephen H Hanson		Michael A Moore
David M Morris		Richard Moseley
Paul R Newton		Alexander M Nileshtar
Martyn A Piper		Jeremy P Richards
Richard A Rigby		Anthony J Sawyer
John A Sealy		Timothy J Sheldon
Cdr John H Waterman		Peter A Wilson
CIMA RESULTS - STAGE 1 OCTOBER 00		
NAME	DEPARTMENT	
Gosling D G	HO	
Erskine D	DSA	
Arkless K	DSS	
Dobson M C	Employment Service	
Steele C E	NHS Executive	
Bowers K M	LCD	
CIMA RESULTS - STAGE 2 OCTOBER 00		
Higgins N P	IR	
Moore A M	The Court Service	
Phillips T J	DVLA (DETR)	
Terry A		
Lumsden D J	Scottish Executive	
Harrison I D	IR	
McLean G	DETR	
Robson C J E	DSS	
Prakash J A	CSO	
Elder R W	MOD	
O'Neil T J		
Vowles S L	HO	
Henry B	UK Passport Agency	
Collins C	Employment Service	
Minns S A	DERA (MOD)	
Cartwright D E	CSA (DSS)	
Conley A	HO	
Harris M D	C&E	
Joseph-Beeston B		
Dixon B	National Insurance Office (IR)	
Pharoah C A	National Insurance Office (IR)	
Lester N	CSA (DSS)	
Down K H	CSC	
Joseph T C	DSS	
Asgill G C	FCO	
Hollinrake M A	DfEE	
George S R	MAFF	
Spick E S	FCO	
McRury I	Benefits Agency (DSS)	
Greensmith L J	Highways Agency (DETR)	
Greaves A M	Benefits Agency (DSS)	
Maggs L A	IR	

CIMA RESULTS - STAGE 3 OCTOBER 2000

NAME	DEPARTMENT
Pinnock D E	MOD
McInnes M	HMC&E
Talton S J S	MOD
Kennedy G	Benefits Agency (DSS)
Latter J A	HMT
Treble P D	IR
Waddington J A	Benefits Agency (DSS)
Higgins P	Prison Service (HO)
Gilliatt H J	DERA(MOD)
Forrest C A	Benefits Agency (DSS)
Maduka C	DfEE
Turner N D	DSS
Coulburn G	IR
Grimes J O	MOD
Guest C B	DSS
Dixon J A	Child Support Agency (DSS)
Bott S	National Savings
Bell G M	HM Prison Service (HO)
Gallagher P	National Savings

CIMA RESULTS - STAGE 4 OCTOBER 2000

NAME	DEPARTMENT
McKinnon G S	Employment Service (DfEE)
Rutherford M B	MOD
Chandler R T	MOD
Ash D P	MOD
Ashcroft P I	War Pensions Agency (MOD)
Cameron P C	NOT ON LIST
Hadlington D A	MOD
Counter P J	Prison Service (HO)
Jackson J F A	Marine and Coastguard (DETR)
Collings R S	DERA (MOD)
Nelson S	DERA (MOD)
Dyer B T	DfEE
Ward A L	Employment Service (DfEE)
Welham S J	Scottish Executive
McLean P	

ALL CHANGE AT DART

On behalf of Kevin and the team I would like to wish Sarah good luck in her move to join Andrew Likierman's office. Sarah has been with us for the last 8 years and her inside knowledge will be greatly missed. I am sure she will enjoy and learn a great deal from what lays ahead during her spell in the Directors office.

I hope to have news of Sarah's replacement in the next edition.

There has been a vacancy in the DART team for a number of months and we are pleased to welcome on board Anne Perryman. Anne is new to the Civil Service and will be responsible for the annual update of the GAS database amongst other tasks.

CONFERENCES AND EVENTS

WGA (Whole of Government Accounts) are seeking ways to inform departments on the latest developments of their project. The proposal is to visit departments to make presentations to accountancy staff and to discuss the impact it will have on them and the benefits. They need your HELP can you let Maria Taulli, 020 7270 4554, have the details of conferences etc to be held during 2001.

DANBURY ! WHERE? HOAP MEETING - 18-19 JULY

The meeting was opened by Andrew Likierman who gave an update on the progress of RAB.

Andrew spoke about the areas of work where accountants might get involved and the role of the Head of Profession and the changing agenda within Government. Andrew, as Head of the Government Accountancy Service, wishes to investigate the relationship and influence of HOAPs/SPs and PFOs/Chief Executives.

A further study would examine how HOAPs/SPs help accountants within their department, the progress departments had made in integrating accounting technicians, how the issues that affected accountants mirrored those of other specialists and whether the role of the HOTGAS and DART should change.

Heads of Profession felt that the problems that used to exist for specialists exist to a lesser extent and that specialists have better recognition now. It was agreed that accountants still need a Head of the Government Accountancy Service (HOTGAS), who would be in a senior position and could influence top management.

Statement of Principles for Financial Reporting

David Loweth gave a presentation on the Statement of Principles for Financial Reporting, one year on. He gave an overview of the Statement of Principles, including the objective of financial statements; the reporting entity; qualitative characteristics of financial information; elements of financial statements; recognition in financial statements; measurement in financial statements; presentation of financial information and accounting for interests in other entities.

The statement of principles (SOP) is geared to financial statements, prepared by profit-orientated entities, that are intended to give a true and fair view. However it is relevant to the financial statements of not for profit entities, although some of the principles would need to be re-expressed and others would need a change of emphasis. Work is underway on a separate paper on SOP and not-for-profit entities.

Four syndicate groups discussed whether

- a framework was required at all;
- if the ASB model fitted;
- recognition and measurement; and
- the reporting entity.

The discussion resulted in the following conclusions that financial reporting is less relevant than other measures and should be relegated to a lower level than it is in the private sector. Performance reporting, regularity and propriety issues

are more important and outputs are more critical than inputs. The conceptual framework was good but that there was not enough focus on the bottom line and profit, with the public sector being so diverse, there needs to be more clarity about the exact nature of the proposal and finally, the issue of Reporting Entity did not apply to the public sector and there would be a potential problem with trying to make it fit.

SAP

Steve Morgan and Glen Lacey gave a presentation about e-Government, being the use of technology to enhance access and delivery of government services. They suggested that this presented more of a cultural challenge to government rather than a technological challenge. Some of the forthcoming changes would be mandatory (such as e-procurement) and were covered in the White Paper on electronic government.

New technology presented many possibilities for different methods of access for the public including call centres and information kiosks. Making use of this new technology would allow citizens to interact with government; allow easier interdepartmental collaboration and joined up government. Organisations who had already use electronic government include NHS Direct, the Inland Revenue and the Land Registry.

Review of the DART Plan 1999/2000 and 2000/2001 GAS Plan

Kevin Ross presented a review of the previous year's plan and the 2000/2001 GAS Plan. He discussed trends and findings from the year's statistics in particular that the take up of the AAT Diploma had been below expectations.

The annual statistics are collected by DART in order to monitor the movement and growth of accountancy posts in government. HOAPs expressed an interest in the impact the growing numbers of AATs would have on the numbers of qualified accountants in the future.

Kevin gave a brief outline of the projects that had been undertaken.

- RAB Training
- CPD
- Key Skills for Senior Financial Posts

The project on key skills for senior financial posts has highlighted the changes in competences needed for the PFO role following the implementation of RAB. Equivalents in other sectors (both private and local government) are normally qualified accountants. At the moment there has

been little change in the role, however it needs to be demonstrated that finance skills are needed

Andrew Likierman posed the question whether the Government Accountancy Service should be campaigning to make the PFO role a finance role. Suggesting that the role of Finance Director could be used as a stage towards achieving this. He felt that there would be a move from traditional civil service roles to a new system, with Corporate Governance being a driver. Therefore, there is a need to look at the potential for change now rather than when changes is about to be implemented.

2000/01 Plan (see edition 71 for full details)

- Maintaining Contacts Overseas

Via their links with other countries Treasury departments DART will pick up on technical accountancy issues in regard to RAB and training.

Several departments had signed up to the interchange programme arranged by DART and there are opportunities on offer in New Zealand and Bermuda. However the whole process did require the backing of the HOAPs, with secondment seen as a valuable experience. HOAPS have been asked to consider if there should be a selection process to decide who can be put forward for secondments.

- RAB Communications Strategy and Training Agenda
- Electronic Government
- AAT Diploma in Government Finance
- Networks

GAS ISSUES

Andrew Likierman asked about whether departments belonged to IT User groups for their IT Finance systems. This issue was followed up by a questionnaire to establish which system each department uses and whether they belong to user groups. It was also suggested that it might be helpful for departments who use outsourced suppliers to have a user group.

Andrew gave an outline of the work of the Sharman Enquiry, which will be the first ever enquiry into audit in government. There followed a discussion about corporate governance, including financial control and risk management, it was felt that Heads of Internal Audit should also sign up to an assurance.

LCD Implications of RAB

Alan Pay gave a presentation about RAB in LCD. He began with an outline of the structure of LCD and its various agencies explaining how LCD, traditionally has a bias towards lawyers, and that finance has been neglected.

The department and its agencies have experience various finance related problems in recent years. For instance, the Court Service has not yet published accounts despite being

in existence since 1995 and the Public Trust Office had received serious criticism from the PAC. Financial training was not included in the departmental strategy and no funds had been allocated.

The finance function was outsourced to CSL in 1998 allowing accountants to concentrate on achieving the RAB Trigger Points. The department now has a financial training strategy and there are funds for financial training, more finance staff across the organisation and a RAB Project was set up.

For the future they hope to concentrate on the priorities, ensure that budget managers can grasp the basics and involve users in developments. They are also hoping to develop an appropriate financial awareness training programme; establish processes and skills to support resource budgeting; develop a financial reporting system to support Output Management and improve the decision making process and produce appropriate procedures and manuals to support the implementation and ongoing operation of RAB.

Preparing for NAO Audit.

Andi Britt and Spencer Kerley gave a presentation about the training that PWC have devised in conjunction with MOD. NAO's key concerns across government are the inadequacy of audit trails, lack of technical knowledge of staff and lack of project management. The PWC training was devised in response to NAO findings at the MOD.

It was vital to keep the training simple and relate it to jobs and processes that are familiar to the delegates. The training made use of mnemonics and exercises to make it both practical and enjoyable for the delegates.

The NAO's view of the training is that with MOD there is an improved level of awareness and readiness; a better quality and depth top the information provided including audit files and the attitude of staff towards audit teams has improved. In the chief accountants view, the training provided a good introduction and demystified the process, but training alone would not provide a solution without a follow up.

*“Wishing
all the members of
GAS
a happy Christmas
and
a prosperous
2001*

FORTY YEARS ON AND STILL GOING STRONG

Many of you reading this will look back with nostalgia to your halcyon days at WORTHY DOWN, where you were introduced into the pleasures of debits, credits, backflush accounting, SSAP's and other accounting terminology. Many aspects of accountancy have changed over the years as indeed has Worthy Down - we are now known as the School of Finance and Management (SFM), having started as Courses Company becoming Professional Training Company (PTC) and then later Professional Training Wing (PTW) before our current title. With the changes in accountancy skills required by our many customers Worthy Down now offers a wide variety of courses to meet their need. As ever we still offer CIMA training by our traditional methods of distance learning and residential. Now in addition we have day release courses, for those people who can travel daily, these run on a six month cycle with students taking two subjects every six months. Further professional courses are offered such as Association of Accounting Technicians (AAT) and Institute of Internal Auditors (IIA), again these courses are offered by a variety of means in order to suit our customers. The School also runs a very popular and successful range of in-house courses which can be tailored to customers requirements including the location.

One thing that will never change at Worthy Down (they change our name, they change the syllabus, they change the variety of courses) is our total commitment to professionalism, flexibility and our customers. Over the years we at Worthy Down have perfected a unique set of skills which continues to be reflected in our pass rates and our acquisition of prizes from the professional bodies.

So if you or your staff need accountancy training or your skills updating then Worthy Down is the solution to your training needs. Information can be obtained in the first instance from:

Sue Seamour on 01962 887232

Jay Barnes on 01962 887333

Fax us on 01962 887237

or E-mail us on agcsfm@gtnet.gov.uk

CCAB VIEWPOINT OCTOBER 2000

AAT

Presidential Visit to Zambia and Botswana - July 2000

Zambia

Members', Affiliates' and Students' reception - Monday 24 July

200 Members, Affiliates and Students attended the AAT reception at the Pamodzi Hotel, Lusaka. AAT President, Andrea White outlined her theme 'AAT - Unlocking your potential', where she encouraged people to get involved with the Zambia Branch to continue with their professional development

Andrea said: "By continuing with professional development you can enhance your skills and achievements. You may need to extend your IT skills, general business skills or even gain further specialised skills and the AAT Zambia Branch

and CPD planner can provide you with a toolkit to identify these needs."

Mrs Mwape M Mwiaya, Lecturer at the National Institute for Public Administration gave a well received presentation on how AAT Members, Affiliates and Students can increase their chances when job-hunting.

Improved opportunities for Accounting Technicians in Botswana

The AAT and the Botswana Institute of Accountants (BIA), have just announced an exciting new initiative which will come into effect on 1st January 2001. The agreement will mean the adaptation of the AAT qualification to meet the specific needs of people in Botswana. In time the initiative will lead to the development of learning and assessment material based on Botswana law and business practice.

AAT Botswana will have a new brand identity. Certificates and Student publications will be jointly badged by the BIA and AAT. Whilst having a local identity, AAT Botswana will benefit from the international recognition of the AAT.

AAT Botswana will be based at the BIA offices. Under the new agreement AAT Botswana Members, Affiliates and Students will receive the following services and support:

- pre-enrolment advice and guidance on courses and training
- modern communication links with AAT headquarters in London
- Local handling of queries including payment of fees and subscriptions in Pula instead of pounds Sterling

AAT President Andrea White said: "We are delighted by the launch of AAT Botswana which cements our close working relationship with the BIA. We are confident that this initiative will increase opportunities for citizens in Botswana to develop the skills which modern business needs."

ABC: log-on to flexible learning

AAT and EQL launch the first e-learning bookkeeping qualification

The AAT Bookkeeping Certificate (ABC), a new qualification launched through a series of roadshows this month, is a complete interactive package of learning materials, assessment tools and AAT certification in basic bookkeeping. Developed by the Association of Accounting Technicians (AAT) in conjunction with education software specialists EQL International Ltd, ABC will introduce learners to basic bookkeeping skills in a flexible, affordable way.

The new qualification, the first of its kind to be offered on CD-ROM, gives you an independent training resource. Available worldwide, ABC provides a cost effective route to developing existing staff wishing to take on greater responsibilities or move into a new role, and is particularly attractive to small and medium sized businesses needing to combine their bookkeeping function with other activities.

Jane Scott Paul, AAT Chief Executive said: "We are delighted to be working with EQL who bring the technical expertise needed to produce a quality electronic product. We expect it to have great appeal to those who want a further entry route into the AAT's NVQ qualifications. It will also appeal to people who have technical bookkeeping ability but no formal qualification."

Graham Divers, Managing Director of EQL International said: "By partnering with the world's leading professional association for Accounting Technicians, we are confident that we have developed a quality product that will be attractive to a new and diverse international audience."

ABC provides excellent training content, focussing on the essentials of bookkeeping. Training can take place whenever required, at a time and place convenient to you and your employees. This means minimal disruption to the working day and complete control for both you and your staff over the pace of their learning. You can also reduce hands-on training time by as much as fifty percent, enabling you to

extend your resources to other training needs within the organisation.

ABC is available as an annual educational site licence to Approved Assessment Centres and recognised trainers. If you are not currently approved to offer any of the other AAT's qualifications you can apply for Recognised Centre status. This enables you to maintain control of both the tuition and assessment of your staff.

Typically the qualification will take about three months to complete. However, this will depend on a student's individual circumstances, including time available to train on-line, their level of experience and the type of work they may already be doing.

If you do not register as a Recognised Centre, the ABC is also available as an individual package to learners at a cost of £99 including VAT (plus postage & packing). For assessment they will need to attend a Recognised Centre to access the assessment programme on-line.

Jane Scott Paul adds: "We can offer our customers more choice and flexibility. As well as presenting principles and concepts, virtual education and training allows people to test their understanding and reinforce their learning. People can learn at their own pace when it is convenient."

If you wish to offer the AAT Bookkeeping Certificate and the assessment, call Project Development at the AAT on Tel: +44 (0)20 7415 7558, or E-mail: projdev@aat.org.uk for details of how you can become a Recognised Centre.

ACCA

ACCA INTERNATIONAL ASSEMBLY BACKS WINNING STRATEGY

The International Assembly of the Association of Chartered Certified Accountants (ACCA) has given strong support to ACCA's growth strategy. At its annual meeting on Friday and Saturday, the representatives gave their backing to ACCA's strategy and the launch of a series of groundbreaking new services for members, students and employers.

Moyra Kedsle, ACCA's President, said "Our members are ready to meet the challenges of an ever-changing business environment. Since the last International Assembly, we have launched a sequence of new initiatives culminating in the new Internet portal accaglobal.com"

She said that ACCA has led the professional sector with advanced online learning programmes, business to business services and new electronic facilities for members and students. ACCA was the first professional body to conduct examinations in international accounting standards. As a global body, ACCA is setting the agenda for the future of the profession.

"We will partner with premier commercial and professional partners for many of these developments. But we must also have the courage of our convictions in defining and

achieving a distinctive vision for the future.”

For further information contact:

Bob Reynolds Head of Communications
+ 44 20 7396 5751

CIMA

CIMA launches brand new range of Study Materials

The launch of the new CIMA (The Chartered Institute of Management Accountants) range of study materials for its Beyond 2000 syllabus has been met with a positive response from the lecturing community.

Charles Tuffin, Managing Director for CIMA courses at ATC said:

“We are so convinced of the quality of the CIMA Study Systems, we will be using them for all ATC’s CIMA Course programmes.”

The new CIMA *Study Systems* have been designed specifically to meet the learning outcomes of the revised syllabus and its focus on deep learning. Written by an impressive team of authors including examiners, syllabus writers and lecturers, the *Study Systems* are the result of extensive market research carried out by CIMA into what students and lecturers look for in good study material.

Key features of the new *Study Systems* include topical readings for ‘3D’ knowledge, web updates for students who don’t pass first time, extensive question banks and of course Examiner input.

“These products will help you and your students achieve excellence. They have been written and developed by people at the heart of CIMA.” Robert Jelly, Director, Student Development, CIMA.

The *Study Systems* are first class support materials that adhere to the syllabus and give students a real insight into the way that the examiners interpret it. They really do encourage students to develop the skills and knowledge that the examiners are looking for.

The new loose-leaf *Study Systems* will be accompanied at CIMA Foundation level by ‘CIMA Inter@ctive’ study systems - CD-ROM courses for the single user, which present topics in a diverting, problem-solving way.

CIMA will also be producing Lecture Systems, tailor-made lecture support material to accompany the Study Systems. These will be available free of charge to lecturers from September.

“The whole package provides a core teaching and learning resource that will be invaluable for students and lecturers when coming to terms with the challenges of the revised syllabus.” Paul Weymouth, CIMA’s Head of Education and Training Development

Technology makes you work more, says CIMA worldwide study

Technology increases the workload, say top executives in the latest global survey published today by CIMA, (The Chartered Institute of Management Accountants) for Global Business Management Week.

Directors of leading organisations around the world were asked whether advancements in communications technology had affected their workload. Nearly two-thirds (73%) believed that technology had prompted a change and, contrary to expectations, 82% of these respondents believed that technology had increased their workload.

The figures show marked differences by region: at least 90% of the respondents in the UK, the US and Asia (92%, 93% and 90%, respectively) who felt that technology had affected their workload claimed that technology had given them extra work to do. The comparative figures for the Middle East, Germany and France are just 73%, 71% and 61% respectively.

Results also varied according to the age of respondents: it was mostly the over 45s who spoke of an increase in workload due to technological developments while younger respondents generally claimed that technology had reduced the amount of work they had to carry out.

John Chester, CIMA Chief Executive, commented: “The survey findings upset the widely-accepted notion that communications technology lessens an individual’s workload. It is quite possible, however, that the reported increase in work is due to the deficient IT skills of respondents, especially among the older generation who are perhaps either struggling to keep up with advances or simply resisting change.”

Global Business Management Week is an initiative taking place internationally across all of CIMA’s divisions and is designed to alert businesses to the challenges facing them over the next few decades.

Only A Third Of Companies Actively Fight Stress, says CIMA survey

Just one third of top companies operates specific stress management policies, suggests the latest global research issued by CIMA (The Chartered Institute of Management Accountants) for Global Business Management Week (GBMW).

At the same time, the survey, which sampled senior executives around the globe, found that respondents did, however, consider policies such as flexible working hours, family friendly and stress management policies to be important and beneficial to their companies.

Gillian Lees, Director of Technical Services at CIMA, said: “Respondents appear to be somewhat contradictory on the issue of staff policies. They rated stress management policies as more important than family friendly policies - yet only one third have the former in place while 50% have introduced family friendly policies. Several businesses clearly fail to practise what they preach.”

She continued: "The UK appears to be lagging behind the rest of Europe in this regard. While only a small percentage of the global sample (12%) consider staff policies to be a financial drain rather than a value-adding measure, the proportion in the UK is significantly higher at 27%. This may indicate that for many UK businesses the running costs of these policies outweigh the benefits they offer."

The survey was launched as part of GBMW, an initiative taking place internationally across all of CIMA's divisions, designed to alert businesses to the challenges facing them over the next few decades.

CIPFA

A Benchmarking Club for Central Government?

The Central Government Panel held a Benchmarking Workshop on 25 September 2000. Contributors included Dan Short and Jane Wignall from IPF and Ben Richardson from the Civil Service College, speaking about benchmarking initiatives by their respective organisations. There was a wide-ranging discussion on the potential for a Central Government Benchmarking or Excellence Club and on what form such a club should take and participants agreed to explore the possibilities further.

If you would like to know more, please contact Lesley Lodge on 020 7543 5772.

CIPFA's Central Government Panel: Future Events

CIPFA's Central Government Panel plans to hold three seminars over the next nine months:

Resource Accounting and Resource Budgeting, provisionally scheduled for January 2001. This event will give participants a timely opportunity to discuss the lessons learnt to date.

Central Government Finance: an Update. This event in 2001 will be linked to the release of the forthcoming Central Government Panel publication "An Introductory Guide to Central Government Finance".

Corporate Governance in Central Government.

If you would like further details of these courses when available, please ring Lesley Lodge on 020 7543 5772. For further details of CIPFA's programme of courses, please ring Alex Aarons on 020 7543 5751

Preparing for the Euro: the Strategic Planning Managers Need to Do Now

As the controversial Euro debate continues, CIPFA has warned managers that they need to start preparing *now* for the introduction of the new currency. The Euro came into being in 1999 and from January 2002 Euro notes and coins will be introduced in 11 countries within the European Union. While the UK did not adopt the Euro in 1999, CIPFA advises that finance managers should start thinking about a possible changeover to the Euro as part of their strategic planning.

CIPFA policy and technical director **Vernon Sore** said:

"Managers in the public sector should include the possible introduction of the Euro in their strategic planning."

"We are urging managers and finance teams across the public sector to start thinking about contingency plans and how a change in currency may affect them."

The recommendations made by CIPFA include:

- establishing a euro planning project team
- considering the implications that the euro may have in planning processes
- discussing with software suppliers their plans to provide software that can handle transactions in sterling and Euro
- where appropriate, consider local economic development responsibilities and support for local business and the public

CIPFA believes that the recommendations should be incorporated at the highest level of management planning activity.

CIPFA Chief Executive **Steve Freer** said:

"The Euro is an issue that will be debated beyond the current Parliament. It is essential that public service managers understand how a change in currency could affect their areas of business and how best to prepare for the challenges that lie ahead."

CIPFA issues regular Public Policy Bulletins on topical issues. CIPFA's Euro Implementation Panel publishes bulletins on the CIPFA website and provides detailed guidance for public service organisations as the Euro timetable progresses.

Public Management and Policy Association (PMPA)

CIPFA, together with 26 other institutions like the ACCA, CIMA and FDA, is a stakeholder in the PMPA. The association is funded by member subscriptions and offers a timely and exciting range of lectures, workshops, and publications.

PMPA Lectures

Lectures this Autumn, for example, will be:

Sylvie Trosa (Prime Minister's Office, France) on *The Future of the State: Can the Lion Learn to Dance?* 1 November 2000, London.

David Henshaw (Chief Executive: Liverpool City Council) on *The Future Role of Local Authority Chief Executives*. *Chairman:* Steve Freer (CIPFA). 7 November 2000, London.

Ewart Wooldridge (Principal: Civil Service College) on *Making Transformational Change Happen in the Public Sector: Developing a New Psychological Contract*. *Chairman:* Sir Michael Bichard (DfEE). 5 December 2000, London.

Lectures in 2001 will include:

Professor Vernon Bogdanor (Brasenose College, Oxford) on Reform of the Civil Service: A Skeptical View. *Chairman:* Sir Christopher Foster (PricewaterhouseCoopers). 6 February 2001.

Sir Richard Wilson (Head of the Home Civil Service) on Reforming and Modernizing the Civil Service.

Rod Aldridge (Executive Chairman: Capita) on Public-Private Partnerships.

Steve Orchard (Chief Executive: Legal Services Commission) on Community Legal Services Partnerships.

Keith Hellawell (Anti-Drugs Co-ordination Unit) on Joining-Up Government to Control Drug Abuse.

Public Money & Management

CIPFA's journal includes articles on themes and freely submitted (not commissioned) development articles. Forthcoming themes are

- Vol. 21, No. 2 (April 2001): Machinery of subnational government
- Vol. 21, No. 3 (July 2001): Public law and management
- Vol. 21, No. 4 (October 2001): Gender, the professions and management

All members of the PMPA receive Public Money & Management as part of their subscription package.

PMPA Annual Conference

The PMPA has chosen a theme for its 2001 conference:

Can 19th Century Institutions Deliver 21st Century Needs?

The conference will be on 14 June in Bournemouth and will run concurrently with the CIPFA conference. Attendance is free to PMPA members. 2001 membership rates are:

Individual members of associate member organizations (including CIPFA, FDA, ACCA, CIMA) £65

Individuals £75

Students and retirees £35

Corporate subscribers (receive 15 individual subscriptions) £875

Corporate subscribers - academic institutions and small charities £675

Joining In

Further information about joining PMPA from Michaela Lavender, PMPA, 3 Robert Street, London WC2N 6RL. Tel.: 020 7543 5702; fax: 020 7543 5695; e-mail: michaela.lavender@cipfa.org

ICAEW**INSTITUTE OF CHARTERED ACCOUNTANTS APPROVES REGIONAL STRUCTURE**

The Council of the Institute of Chartered Accountants today approved the establishment of a regional structure to support locally members in the Institute's existing 22 District Societies.

Implementation of the report's recommendations will enable the new structure to be up and running by the end of July 2001.

The new structure establishes 10 ICAEW Regional Business Centres with a remit to improve the practical support offered to District Societies, Town Groups and Branches and to develop productive relationships with regional government and business forums.

In each region there will be a staff team led by a Regional Manager, supported by a Co-ordinator based at the Regional Business Centre. Locally-based staff in each team will work on a peripatetic basis supporting members. The new structure largely maintains levels of staffing; all existing members of District Society staff will be retained where possible.

Institute President Graham Ward commented,

"Adopting a regional structure provides an opportunity to place the Institute and its members at the heart of the UK's developing regional powerbases, and strengthens the role of the District Society, Branch and Town Group network in serving members locally."

INSTITUTE OF CHARTERED ACCOUNTANTS WELCOMES APPOINTMENT OF ABG CHAIRMAN

John Collier, Secretary General of the Institute of Chartered Accountants in England and Wales, warmly welcomes the appointment of Martin Brooks as the new Chairman of ABG Professional Information, the Institute's commercial arm.

Commenting on the appointment John Collier said:

"Martin's wealth of experience will be invaluable for the future of ABG, which is to be the primary provider of professional information to Institute members and a wide variety of other customers."

Martin brings to the role extensive experience in the field of business-to-business information and publishing operations gained over twenty years in newspaper, professional publishing and information services. A substantial part of his career was spent at the Financial Times Group, where until 1998 he was chief executive of Financial Times Information Ltd.

Throughout his career Martin has focused on developing successful electronic information businesses, more recently

web-based and e-commerce enabled, with a strong international bias. It is this experience that Kelvin Ladbrook, Managing Director of ABG sees as pivotal in the provision of online services for accountants in business and practice, the keystone to the future of ABG.

ICAS

The CA conference was held on the 5th and 6th of October 2000 at the Caledonian Hotel in Edinburgh. The theme of the conference was change.

Richard F Teerlink, former chief executive officer of Harley-Davidson kicked off the conference with a passionate speech on how, in his 18 years with Harley-Davidson he brought the company back from the edge of bankruptcy.

He told the 200 delegates in the audience that the problem was management, not the unions or the strength of the Japanese market.

So how did Harley-Davidson change succeed in this turnaround?

“By empowering people, investing in machinery and reducing the inventory,” Mr Teerlink said.

Mr Teerlink firmly believes that the style of leadership in a company is crucial to the company’s success: “The workers look for authority from the top. I hate that word the top, but the reality is that we want people to be passionate about what they do. We are lucky that we have a product that people can be passionate about”.

Mr Teerlink revealed that he is a fan of life-long learning opportunities rather than training programmes: “We like to spend more time on learning than we do on training,” he said.

Mr Teerlink also spoke about Harley-Davidson’s brand extension programme which now includes 2 Harley-Davidson cafes in the States: “We want to touch as many people as we can,” he said.

Richard Hokenson, Chief Economist with US brokers Donaldson, Lufkin & Jenrette gave a thought-provoking talk on the way that demographic factors interact with the world economy. Population booms and slumps have a major impact on economic development.

For example, Mr Hokenson said, it is no coincidence that Japan has both an ageing population and very low rates of growth and inflation.

Even in the developing world, while populations are still growing the rate of growth has slowed, and in China has reversed. For the US and UK, ageing populations mean that the cost of social security for retired citizens will be a growing problem. Mr Hokenson said: “Governments should be candid. Benefits will have to be shrunk and the age of retirement could go up as far as 72.”

On the optimistic side, Mr Hokenson said conditions of low inflation and high real wages looked set to be the norm for the foreseeable future.

Customer service was the topic for Jacques Horovitz, Professor of Service Strategy, Marketing and Development at the International Institute for Management Development, Lausanne. Professor Horovitz’s message was that “customer service” is a key factor for every business. Companies that focus on product quality while ignoring customer needs and perceptions are potentially making a major mistake. As he put it “You are not buying a drilling machine, you are buying holes.”

Professor Horovitz offered examples from around the world of selling campaigns that turned service into a winning factor, including Singapore Airlines, Amazon.com and the Disney Corporation. And he said that customer service was not dependent on national and cultural factors so much as corporate culture and training. Changing corporate culture is a slow process, he warned, and requires a complete rethink of management and incentives as well as training.

FW de Klerk was elected as President of South Africa in 1989. During his presidency, Mr de Klerk initiated and presided over the constitutional transformation of South Africa and the end of white minority rule. His speech reflected on the management of change.

He had three observations on change which he shared with the very attentive audience. First, that it is accelerating, secondly, it is unpredictable and lastly, it is fundamental.

In South Africa, as President, he had to accept the need for change and the need to articulate a clear and achievable vision of where he wanted to go.

Mr de Klerk added that our society has probably changed more during the past ten years than it did in the first 10,000 years of human development. These changes include the launch of the Internet, the collapse of international communism and the spread of AIDs, particularly throughout South Africa.

He spoke of how companies and individuals should deal with such uncertainty of change. He believed that we all have to develop survival skills and to be aware of the rapid changes to our environment.

“Change management requires special communication skills,” Mr de Klerk said. “Timing is crucially important”.

He concluded by pointing out that one must accept that the process of change never ends.

NEW**PUBLICATIONS FROM THE TREASURY**

It has been brought to our attention that correspondence and publications issued by the various teams within the Treasury are not always reaching the right people.

Therefore to ensure that you are up to date with guidance issued from this edition a list will be published - if you are aware of any team's publication that have been overlooked please contact the editor.

Papers from PSD (Public Spending Division) can be found on their web site www.hm-treasury.co.uk/psd

TOA

Date issued	Issued by	To	Subject
5 May	Glenn Hull	PFOs	Actual and Contingent Liabilities as at 31 March 2000- this letter set out the arrangements and timetable for the completion and submission of annual returns showing contingent liabilities.
5 May	Brian Glicksman	Accounting Officers (AOs)	DAO(GEN)5/00 - Revised Accounting officer Memorandum for Departments - this letter covered a revised copy of The Responsibilities of An Accounting Officer.
22 May	Brian Glicksman	AOs	DAO(GEN)6/00 - Use of External Tax Advice by Government Departments - this letter provides information to ensure that departments and the bodies for which they are responsible are clear about the policy relating to the use of external tax advice
20 June	Glenn Hull	PFOs	Printing, Publishing and Laying Resource Accounts - this letter set out the arrangements, mechanics and timetable for the above
22 June	Glenn Hull	PFOs	Risk Management Frameworks - this letter covers a Cabinet Office letter providing further guidance on the requirements under the Modernising Government Agenda for the publication of risk management frameworks in September 2000
25 June	Brian Glicksman	AOs	DAO(GEN)7/00 - Corporate Governance this letter draws attention to changes in the wording of model statements on the system of internal financial control given in DAO(GEN)13/97
28 July	Brian Glicksman	PFOs	Fees and Charges : Review of Subsidised and Deficit Services - this letter gives details of the arrangements for submitting the regular annual return in fees and charges services
31 July	Brian Glicksman	PFOs(Main Departments)	NAO Access to Papers - this letter sets out some guidance on concerns raised about NAO access to papers between officials and Ministers
24 Aug	Glenn Hull	AOs	DAO(GEN)8/00 - Resource Accounts Direction for 1999/2000 and Subsequent Years - this letter explains the arrangements for the further issue of Accounts Directions to departments for 1999-2000 and later years
12 Sept	Brian Glicksman	AOs	DAO(GEN)9/00 - Issue of Revised Accounts Guidance of Executive Non-Departmental Public Bodies and trading Funds - this letter draws attention to the issue of revised guidance for NDPBs and trading Funds effective from 2000-2001.
25 Sept	Glenn Hull	PFOs	The Sharman Review - this letter gives departments some background on Lord Sharman's review of audit and accountability, for central government, and cover a first draft of the evidence which the Treasury proposed to submit to Lord Sharman.

RAB

Date issued	Issued by	To	Subject
8 May	Ros Dunn	PFOs	Resource Accounting and Budgeting : Parliamentary Approval - this letter provides departments with a progress report on efforts to secure Parliamentary approval for the full implementation of RAB from 2000-2001 and to provide guidance on the conclusion of the Trigger Point exercise.

CA

Date issued	Issued by	To	Subject
21 July	Chris Richards	PFOs	Report of the FRAB : HM Treasury Response - this letter covers a copy of the treasury's response to the FRAB's report for the period May 1999 to March 2000
28 Sept	Andrew Likierman	PFOs	PAC Report on Progress on Resource Accounting : Management Information Systems - this letter takes forward the recent request by the PAC for information on departmental management information systems

Publications withdrawn :

Trading accounts: A Guide for Government Departments and Non-Departmental Public Bodies (1989) to be withdrawn 1 April 2001

Accounting for Capital assets - A Working Draft of Guidance (February 1992) withdrawn with immediate effect

Costing Guide (November 1992) withdrawn with immediate effect

Executive Non-departmental Public bodies Annual Reports and Accounts Guidance (March 1996) to be withdrawn 1 April 2001

NEW AND NOT A LOT OF PEOPLE KNOW THAT !

Special Interest Groups

Following the publication of DART's work plan in the last issue and the HOAP conference a number of departments have expressed an interest in resurrecting the special investigations group. The inaugural meeting to discuss how to take this forward will be on 10th November - if you are working in this area let the editor know what you think the group's aims and terms of reference should be.

Prompt Payment Board Game

Problems with explaining the consequences of prompt payment legislation to your budget monitors, perhaps MAFF have the answer. The training team at Guildford have developed their own monopoly style game to use as part of their training sessions - interested ? Contact Sherry Bramble or Linda Kiff for further details on 01483 403567

Best Value

Which ! magazine has stated that best value in respect of financial advice comes from accountants offering a fixed price fee !

Preparing for NAO Audit

PWC in conjunction with MOD have developed a training session to meet this need. DART are arranging for a series of 'taster' sessions to be run at Allington Towers - if you are interested contact Roberta.

Over to you - let the editor know if you have anything to include in this column from news to wanted items e.g. system reference sites or information on technical issues or publications.

WHATS ON

WHATS ON

November

13	Managing people effectively	CIMA	Birmingham
14&15	GAS Qualified Conference		ChamberlainHotel, Birmingham
17	New accounting standards	CIMA	London
20	Sharpen your time management skills	CIMA	London
21	Financial Reporting Update	ICAS	Glasgow
	Financial Reporting: a refresher	ACCA	London
	What's new in Accounting Standards	ACCA	Birmingham
25	Audit and Accounting Update	AAT	London
27	Benchmarking		Fielden-Cegos Ltd

December

2	The Power of Professional Presentations	AAT	London
4	FTC Main Departments Managing Across Cultures		Allington Towers Communication Skills Europe Ltd
5	What's new in Accounting Standards	ACCA	Southampton
	Accounting standards in depth	CIMA	Bucks/Berks
	Corporate Fraud A Management Perspective		Quorum Training
6	FTC Small Departments		Allington Towers
7	Accounting Standards In Depth	CIMA	London
8	When and how to communicate through E mail	CIMA	London
11	Caught in a Web? A guide through Business e-commerce	ACCA	London
12	Activity Based Cost Management Implementation Workshop	CIMA	London
	Change Management		Quorum Training
13	Christmas Social and VAT Pitfalls	ACCA	Cardiff

January

15	Resource Accounting	CMPS	Sunningdale
16	Resource Budgeting	CMPS	Sunningdale

February

20	Accounting for Fixed Assets		Quorum Training
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RECRUITMENT APRIL - SEPTEMBER 2000

Closing Date	Dept	Grade / Level	Job	Location	Method/ Location of ad.	No. Applied	No. Interviewed	Appointees
7/04/2000	LCD	Grade 7	RAB Project Manager	London	Trawl	3	2	Sinniah Sirikanda
14/04/2000	MOD	HEO; SEO; & G7	Accountants RAF Strike Command	High Wycombe	Press	102	43	Post not filled
17/04/2000	Home Office		Financial Accountant, Accounts Branch	Liverpool	Press	10	4	Alastair Morgan & Anthony Littler
21/04/2000	Tsol Dept	HEO	Head of small Management Accounting Team	London	Trawl	2	2	Ms Linda Weaver
28/04/2000	Inland Revenue	Internal Audit Mgrs		London	Press	7	7	Malcolm Robinson; Trushar Dattani; Jeff Boulton
28/04/2000	MOD	HEO; SEO; Grade 7		RAF Wyton Cambs	Press	1	0	Post not filled
02/05/2000	DoH	SEO	Accountant (dev of IT asset register)	London	Trawl	1	1	Peter Jones
05/05/2000	MOD	G7	Financial Controller	DARA Flintshire	Press	0	0	Post not filled
19/05/2000	National Savings	G7	Business Analysis Manager	Central London	Website & F/T	22	5	Dharmesh Tailor
19/05/2000	Employment Service	SEO	Finance Division Accountant	Sheffield	Trawl	1	0	Internal Candidate
01/06/2000	VLA	G7	Financial Controller	Addlestone, Surrey	Press	5	5	David Deacon
02/06/2000	Medicines Control Ag.	Grade 7	Financial Accountant	London	Press	27	6	Post not filled
09/06/2000	MOD	SEO	Senior Burnham Lecturer	Worthy Down	Trawl	1	0	Casual basis only no permanent appointee
09/06/2000	HMC&E	G7	Divisional Accountant	Reading	Press	3	0	Nobody appointed
16/06/2000	CSC Sunningdale	G7	Senior Lecturers in Accountancy	Ascot Berks	Trawl	22	10	Janet James
21/06/2000	Land Registry	Grade 7	Head of Finance Division 2	London	Trawl	0	0	Miss Jan Turner
26/06/2000	Office of Govt/Comm	Grade 7 and SEO	Finance Magr & Asst. Fin. Magr	Central London	Press	40 50	5 3	Sue Kidd Sheila Laidlaw
30/06/2000 Date extended to 31.7.00	HMT, WGA	Range D	Asst. Consolidation Manager	HMT A/Towers	Trawl	3	3	Nobody appointed readvertised
07/07/2000	DERA (MOD)	SEO	Management Accountant	Farnborough	Press	60	12	Name withheld

Closing Date	Dept	Grade / Level	Job	Location	Method/ Location of ad.	No. Applied	No. Interviewed	Appointees
14/07/2000	Employment Service	HEO	Accountant Adviser	Head Office Sheffield	Trawl	1	0	Internal appointment
14/07/2000	Employment Service	HEO	VAT Liaison Officer	Head Office Sheffield	Trawl	1	0	Internal appointment
28/07/2000	DERA (MOD)	Grade 7	Senior Management Accountant	Worcestershire	Press	103	7	Lesley Gee
10/08/2000	Environment Agency		Principal & Senior Auditors	Bristol	Press	9	2	No appointment
11/08/2000	DCMS	HEO-SEO	Grade B in Finance & Plan.Div	London	Trawl	4	3	Neil O'Grady Nick Hanks
18/08/2000	MOD(SFM)	SEO	Senior Burnham Lecturer	Worthy Down	Trawl	5	3 (to be interviewed)	Nobody appointed yet
01/09/2000	MOD	HEOx2	Management Accountant	High Wycombe	Press	3	3	Names withheld
08/09/2000	HMT WGA	HEO-SEO; EO on promotion	Consolidation Support Officer	A/T London	Trawl	2	2	Awaiting security clearance
08/09/2000	MAFF	HEO	Resource Accounts Branch	York	Trawl	3	2	On going
15/09/2000	Office of Rail Regulator	HEO	Resource Accounts Branch	York	Trawl	0	0	Post not filled

Colloquium 2000 on Financial

Management for National Governments

Quebec City, Canada, was the venue for this year's Colloquium on Financial Management for National Governments, which took place in early October. The Colloquium is an annual event hosted alternately by the Treasury Board of Canada and the Financial Management Service (a Bureau of the US Treasury). In addition to delegates from the US and Canada, this year's event was attended by representatives from the UK, Australia, France, Italy, Mexico, New Zealand, Spain, and Sweden, plus the European Commission, OECD and the Public Sector Committee (PSC) of the International Federation of Accountants (IFAC).

Country Updates

The first session was a brief update on developments in financial management and accounting since the last Colloquium in October 1999. A representative from each country/organisation gave an update as follows:

Australia - there had now been two Budgets prepared on an accruals basis. Work was on-going in a number of priority areas, including:

- Shifting the focus from the cost of inputs to the price of outputs;
- Improving specifications for outcomes and output specifications;

- Upgrading the expertise within departments and agencies to deliver the new framework. The role of the Department of Finance and Administration (DOFA) was to set guidelines, not to get involved in the day-to-day management of individual entities;
- A rolling programme of pricing reviews across Government departments was underway to ensure vfm;
- Developing more consistent and robust performance information.

Canada - delegates were given a progress report on the Modernizing Comptrollership initiative, which sought improvements in the effective management of reforms and decision-making, including a shift in emphasis from controls and compliance to results and values. Major management initiatives were underway, including:

- Financial Information Strategy (FIS) -together with a commitment to the adoption of full accruals accounting, but a decision is still awaited on whether to move to accruals budgeting
- Risk management - like the UK, Canada has an important governance agenda and was looking to improve its management of risk. The focus of internal audit in the public sector was moving to assurance, with a push to improve the quality of audit reports
- Performance Management Program - tackling wider performance reporting and integrating financial and non-financial measures;

Results for Canadians - this was the Canadian equivalent of Modernizing Government and aimed to set out a framework for the management of the Government of Canada and an agenda for change in the way that programmes and services were delivered. In particular, four key management commitments were outlined: a focus on the citizen; the need to be guided by a clear set of values; a focus on results; and the need to ensure responsible spending.

European Commission - the Commission had been working to improve its financial management, control and audit systems. The aim was to devolve controls currently under the responsibility of a centralised Financial Controller function to individual Directorates-General (DGs), in order to make the DGs more responsible and accountable for ensuring the adequacy of internal controls and for financial decision-making. An Internal Audit Service had been established and around 20 auditors already recruited.

France - the main developments in France were:

- The development of a well-defined and explicit public finance strategy, with the move to multi-year public finance planning, clarifying multi-year budgetary options before the annual Parliamentary budget debate, and the setting of budgetary behaviour rules;
- The move towards a more results-orientated management - France had acknowledged that it must evolve its budget-making process towards the model adopted in a number of other countries, with a strong emphasis on accountability;
- Improvements in the internal management of Government - with the development of managerial control practices; formal contracting (both between the Budget Directorate and individual Ministries; and between Ministries and operational services) for the delivery of programme objectives; and seeking greater professionalism in the public management function;
- Improving financial information systems - this included the implementation of an accruals accounting system. A unified computerised system for budgeting and accounting was scheduled to be introduced in stages from 2001 for all ministries.

Italy - key developments were:

- The decentralisation of various decision-making processes - notably the proposal to devolve to regional and local authorities functions and duties previously dealt with centrally;
- A move to focusing on results, and linking resources with objectives.

Mexico - recent initiatives included:

- The strengthening of internal audit within Federal Government departments and agencies - some 290 internal units had been set up, following the passing of a Decree at the end of 1996, with the aim of increasing effectiveness in internal control, and to help in the fight against corruption. All units had annual programmes, which must be approved by the Public Management Oversight and Evaluation Unit, Secretariat of Comptrollership and Administrative Development, (SECODAM) and were required to report monthly to SECODAM;
- Measures for planning the transition to the next administration - Mexico had launched a programme to guarantee a systematic transition from the 1994-2000 administration to the next one;
- Developments in financial management systems - Mexico had

implemented a New Program Structure (NEP), the aim of which was to change the budgetary approach from a focus on inputs to a focus on results. Also in the course of implementation was an Integrated Financial Management System (SIAFF), which aimed to create one central 'clearing house' for financial management in the Federal Treasury.

New Zealand - attention had focused on:

- Reducing the gap between the performance of the public sector and public perceptions;
- Managing the tension between the need to innovate and the need to reduce risk;
- Obtaining more consistent accountability regimes for Crown entities - ie bodies which were outside the 'core' of the public service.

OECD - some of the current issues of interest to the OECD were:

- Accrual accounting and budgeting - an increasing number of OECD member countries were moving to accruals accounting and, in some case, accruals budgeting. This was raising a number of significant issues, including the process of standard-setting, valuation methodologies for assets, in particular those which were very specialised and for which there were no market equivalents (eg heritage and military assets), and the role of the legislature;
- An increasing focus on results - the OECD had produced some guidance on outputs, and was moving to working on outcomes;
- The increasing importance of corporate governance in the public sector, linked to risk management and accountability.

Spain - in terms of recent initiatives and developments, three were highlighted :

- Increasing the scope of the General State Account to bring it in line with the General State Budgets - the General State Aggregated Account would be presented for the first time this year (covering the 1999 financial year), covering the whole of the Spanish public sector;
- From 1999, the State Public Accounts Department would be required to submit an audit report on all accounts to be rendered by public bodies;
- The setting up of a national database on public aid and grants - with the aim of reinforce the control of such aid and grants, and to facilitate the planning and monitoring of control measures.

Sweden - a number of research projects were underway, covering :

- Capital expenditures - how to manage capital under the new regime;
- What constituted the central government? - different definitions of central government existed. Which one should be used?;
- Overall budget restrictions - how to determine what they were. Currently, overall limits on central government finances were set by means of expenditure ceilings, a surplus target and the requirements of the Maastricht criteria concerning gross debt. But a transition to accrual budgeting would mean that the budget and the financial restrictions set by the Parliament (Riksdag) and the government be expressed in terms used in normal accounting;
- Supplying capital to agencies - determining the best model to adopt;
- Tax revenue accounting and budgeting - the review group on this issue had concluded that the concept of accruals was not

clearly settled concerning tax revenue, and had proposed reporting both 'accounted' and estimated amounts in the budget (details not clear); and

- Standardised coding - a code structure had been implemented in the 2000 accounting regulations.

United Kingdom - the update focused on:

- Taking forward the Modernising Government agenda and where financial management fitted in;
- Key issues arising from Budget 2000 and SR2000;
- Progress on RAB;
- Progress on the Whole of Government Accounts project(WGA);
- The corporate governance agenda; and
- Looking forward - the Sharman review.

United States of America - activities in six key areas were identified:

- Budget results and projections - for fiscal year 1999, there was a budget surplus of nearly US\$124 billion, with budget surpluses forecast for the next 10 years. The public debt was forecast to be paid off by 2012;
- E-Government legislation - the Government paperwork Elimination Act, Digital Signature Act etc;
- Consolidated financial report of the US Federal Government - the 4th such report was currently being produced
- Accounting guidance and support - the relationship between the Federal Accounting Standards Advisory Board (FASAB) and the General Accounting Office (GAO), the Treasury and the Office of Management and Budget (OMB);
- Delinquent receivables - the US Government was very concerned with chasing up and collecting outstanding debt, with some US\$60 billion deemed to be delinquent (ie over 180 days old); and
- Performance measures - the work the Government was carrying out work in this area tied to the Government Performance and Results Act.

Issues of Governance

The first main session of the Colloquium covered issues of governance from both the Canadian and UK perspectives. The Canadian presentation covered 'Results for Canadians' which was the Management Framework for the Government of Canada. The objectives of the framework were to define a clear set of management commitments, set out how departments, agencies and the Treasury Board must work together, describe the agenda for change and position the framework and agenda in a way that builds on previous work.

The 'Results for Canadians' framework contained four management commitments:

- Citizen focus in designing, delivering, evaluating and reporting on its activities;
- Management in the public service must be guided by a clear set of values;
- Management in all departments, agencies and functions must be focused on the achievement of results and on reporting them in simple, understandable ways;
- Responsible spending - the costs of initiatives must be linked with results to ensure value for the taxpayer.

The document also outlines the management roles and responsibilities of departments and agencies, the roles and

responsibilities of the management board and how effective control must be maintained.

'Results for Canadians' is available in alternative formats and on the Treasury Board website at <http://www.tbs-sct.gc.ca>.

The UK presentation focused on corporate governance and why it was important, developments in the UK private and central government sectors, the link with risk management, the link with performance reporting and the way forward/issues for discussion.

The three fundamental principles of corporate governance were:

- Openness
- Integrity
- Accountability

Following a brief update of developments in the private and central government sectors, the issue of the potential coverage of the Statement of Internal Control was raised including the role of the Audit Committee, internal audit etc and procedures for regular review and reporting on risk management and internal control. This was followed by the link to risk management and the need for effective systems of risk management as part of the framework of internal control. The UK Treasury's paper Management of Risk - A Strategic Overview was also mentioned in this context.

In terms of developing a strategic risk management cycle, it was necessary to identify the risks, define a framework and allocate responsibility before evaluating the risks and identifying suitable responses such as transfer, tolerate, treat and/or terminate. It would then be possible to gain an assurance on the effectiveness of governance to embed and review at regular intervals in the future.

Finally, the benefits of good governance could be summarised as the adoption of good management practice, greater transparency to focus efforts and raise questions, the identification of areas of over-control, providing the foundation for innovation and well thought-out risk taking and last but not least to improve the delivery of objectives and outcomes in line with the Modernising Government initiative.

e-Government

A number of presentations were based on e-Government from the Canadian, US and UK perspectives. The first session concentrated on legislative initiatives driving e-Government and started with the US Government Paperwork Elimination Act (GPEA). Basically, the GPEA requires US federal agencies to allow individuals or agencies to transact business and maintain records electronically. It also removed any legal barriers to electronic signatures and improved customer service and efficiency. One element of the work arising from the introduction of the GPEA was the need to undertake a risk analysis of electronic business including establishing the relationship between parties, the value of each transaction, the possibility of intrusion and any necessity to access the transaction later.

In response to the GPEA, the US Financial Management Service (FMS) had developed a government-wide electronic authentication policy for financial transactions and procedures to apply the appropriate electronic authentication standard based on the risk inherent in each transaction. The analysis was broken down into monetary risk, productivity risk and reputation risk. From the UK perspective, a brief description was given of the e-Government strategy and the various legislative initiatives which accompanied it including the Electronic Communications Act, the

Regulation of Investigatory Powers Act and Consumer Protection (Distance Selling) Regulations 2000. This covered the role of the e-Envoy and Cabinet Office together with the recently launched UK online initiative to bring government services direct to the citizen. Finally, the impact of legislation in giving legal recognition to electronic signatures and the safeguarding of consumer's rights when buying goods by means other than face to face contact eg the Internet, telephone or fax.

The final legislative session covered the Canadian initiative 'Government On-Line' (GOL). This initiative was a key pillar of the Connecting Canadians agenda and enabled the government to respond with improved performance and access for the citizen by setting standards covering timeliness, knowledge, competence, courtesy, comfort, fair treatment and outcome. The first stage would be complete by December 2000 when an on-line presence would be established containing information on government programs and services through a re-vamped single point of entry (known as a portal). By December 2004 it was intended that electronic service delivery would be possible for key government services incorporating secure transactions, electronic filing and payments. Beyond that, the third stage involved working in partnerships delivering services based on client needs.

Practical applications of e-Government

The UK's Whole of Government Accounts (WGA) programme formed the basis for the first discussion on practical applications of e-Government. The aim of the WGA programme is to produce GAAP-based Whole of Government Accounts for the UK from 2005/6 onwards. The programme had a scoped and staged approach taking on board Central Government Accounts from 2003/4 (of which there were about 50 departments and 250 Non-Departmental Public Bodies, making about 300 accounts in all). This would be followed in 2005/6 by Local Authority accounts (c550), National Health Service Trusts (c800) and Public Corporations (50) making a grand total of about 1700 accounts in all.

One of the main challenges was the number of bodies involved, which necessitated the sub-consolidation at departmental level first. Another challenge was the variety of systems in use and how this would impact upon the consolidation process. Again, this pointed to the need for a flexible consolidation package which was secure, auditable and tried and tested. Potentially, this would be an off the shelf package located within the Treasury which would enable data submission via the Government Secure Intranet (GSI), thereby retaining central control of the consolidation process.

The US Bureau of the Public Debt came next with a session entitled 'The Savings Bond Connection'. This was a system designed to sell US Savings Bonds over the Internet enabling investors to buy up to \$500 worth of bonds at a time using a credit card. Launched in November 1999, 'The Savings Bond Connection' has been judged an instant success with total sales of \$85 million so far with 383,000 bonds sold.

In terms of lessons learned, the Bureau of Public Debt was of the opinion that while being at the cutting edge of technology could be frustrating it was ultimately rewarding. It was vital when launching new systems to plan to capacity and test to destruction. Also, anticipate the effects wider publicity will have on demand and above all, remember flexibility is critical.

A further session from the Bureau of Public Debt covered the

application of a Public Key Infrastructure (PKI). PKI can be defined as 'enabling users of an insecure public network to securely and privately exchange data and/or money through the use of a public and private cryptographic key pair that is obtained through a trusted authority'. In terms of use and potential PKI is currently included in daily business operations for Special Purpose Securities customers and there was also the possibility of extending this to the Bureau's largest auction bidders. PKI was also being considered as an option to authenticate Internet customers for the Bureau's current retail products.

PKI provided the means for users to manage their State and Local Government Securities (SLGS) portfolios on-line. SLGS Treasury securities are a way for state and local government entities to refinance funds designated for public projects and preserve their tax exempt status. The management of portfolios on-line is done through SLGSafe which is a secure Internet site. During the past 8 months SLGSafe processed securities totalling almost one billion dollars and within three years the aim is to have 400 banks on-line processing about \$153 billion in securities.

The Financial Management Service of the US Treasury then took the lead in a look ahead at emerging e-Government applications. The presentation focused on E-Money in terms of new ways of storing and transferring value such as E-cash, e-checks (cheques), stored value cards, digital signature authorisations, Internet transaction accounts etc.

An additional emerging e-Government application in the US is 'Pay.gov' which is a government-wide electronic collections infrastructure. Essentially, this is a central Internet service operated by the US Treasury through the Financial Management Service for the collection of fees, fines, leases, sales, certain taxes, donations, loan repayments and returns with scope for 80 million transactions per annum totalling \$125 billion. Pay.gov will work in conjunction with hundreds of Federal agency websites and so will avoid duplication of investment by multiple agencies by providing economies of scale across government. The first Pay.gov transactions were due to take place in October 2000 with six Federal agencies joining the pilot scheme by the year-end.

Update on the status of IFAC's projects

This session covered the work of the International Federation of Accountants (IFAC) Public Sector Committee. The main theme was the need for Public Sector Accounting Standards (IPSAS) and the benefits which could be obtained as a result. Concern had been expressed in a number of quarters about the quality and variability of governmental financial reporting. In some areas there was a lack of transparency and/or completeness in terms of the information provided as well as divergence in reporting practice at a time when the pressures of globalisation were moving countries towards greater consistency and comparability in government financial reporting. IPSAS would help in moving towards greater consistency by setting appropriate minimum benchmarks for the discharge of accountability and in the provision of relevant financial information to users. At the same time, international harmonisation would be possible as well as a basis for more efficiency in analysis through the international lending agencies and capital markets.

IFAC was developing the IPSAS framework through a project initiated in late 1996. The aim was to develop IPSAS based on International Accounting Standards (IASs) extant in August 1997 on cash, accrual and modified bases. Departures from IASs would

only take place where there were specific differences within the public sector from the private sector IAS framework. So far, eight IPSASs had been issued (for further information see <http://ifac.org/News/Initiatives.tml#1>). However, a fairly substantial work programme which included post reporting date events, provisions and contingencies, related parties, segments, investment properties, financial instrument disclosures, employee benefits and entity combinations was still to be completed.

Specific public sector issues still outstanding included accounting for the impairment of non cash flow and specialist assets, non-financial performance indicators, government budgets, liabilities under social insurance programs and a framework for financial reporting. In addressing these issues, IFAC was seeking to work with groups of national governments and/or standard setters both to take forward the work and also to ensure that the outcome was 'acceptable to all'.

TECHNICAL UPDATE No. 21

No new accounting standards have been published since July (when Technical Update no. 20 was written). Indeed, things have been relatively quiet on the accounting front, although the next few months should see the publication of three new standards following consideration of the comments on FREDs 19, 20 and 21.

Forthcoming accounting standards

The first is a standard on Deferred Taxation which is based on FRED 19 (see Technical Updates 18 and 20). Although there are one or two NDPBs for which deferred taxation is an issue, it seems unlikely that the standard will have much of an impact for most of the public sector.

The second is a standard on Retirement Benefits which is based on FRED 20. The ASB has had a number of discussions with parties within the public sector to consider the impact of FRED 20's proposals as a result of which some of the requirements regarding multi-employer schemes have been clarified. Although work is continuing on consideration of the implications for the public sector, in particular how the multi-employer provisions can be applied, the immediate conclusion is that most departments will continue to account only for the contributions payable. However, a number of NDPBs might be affected by the proposals. There are also implications for the Whole of Government Accounts. Future Technical Updates will give more information.

The third is on Accounting Policies. The proposals were contained in FRED 21 (see Technical Updates 18 and 20). The plan is for the standard to be issued before the end of this calendar year, and a future Technical Update will give a summary of its main points.

Statements of Recommended Practice

The ASB approved for publication a SORP on Open Ended Investment Companies (OEICs) and is continuing its consideration of a SORP on Limited Liability Partnerships.

Unwinding discount

The ASB has also considered the question of unwinding the discount on a discounted liability - in particular whether this is

Federal Debt Collection in the United States

The concluding session was a detailed look at the mechanisms and processes in place to support the collection of debt owed to the US Federal Government. Key to this was the Treasury Offset Program (TOP) which is a centralised process that matches Federal payments against debts owed to the government. When a match occurs the payment is offset to collect the debt. This is one of the largest and most effective tools available to collect delinquent Federal tax and non-tax debt, child support debt and state tax debt. To give an idea of scale, in 1999 \$2,631,239,132 of debt was collected and year to date figures for Financial Year 2000 show that \$2,598,345,029 had already been collected by the end of August.

(Copies of slides supporting each of the above sessions are available from DART together with further information on contacts etc should anyone wish to follow up on any of the areas described above).

a financing charge or forms part of the underlying cost giving rise to the liability. In the end, the ASB concluded that the accounting treatment should be decided on a case by case basis - for retirement benefits, the unwinding should be treated as a finance cost, but for deferred tax, it should be regarded as part of the tax charge.

Domestic issues

On the domestic front, the Treasury has issued guidance papers on the accounting and reporting arrangements for Executive Non-Departmental Public Bodies and for Trading Funds. The remit of the Financial Reporting Advisory Board has been extended to cover these two categories of public sector bodies and although, with the exception of a couple of NDPBs, neither category falls within the boundary for resource accounting, the purpose of the new guidance is to bring the accounting arrangements as far as possible into line with resource accounting principles. Drafts of the guidance papers were circulated to departments for comment. The existence of the two papers was announced in a Dear Accounting Officer letter (DAO (GEN) 9/00) Issue of Revised Accounts Guidance for Executive Non-Departmental Public Bodies and Trading Funds which was issued on 12 September 2000; this letter also announced the withdrawal of a number of Treasury guidance papers which have become outdated or superseded.

DAO(GEN) 8/00 (24 August 2000) Resource Accounts: Accounts directions for 1999-2000 and subsequent years announced the arrangements for issuing accounts directions for departmental resource accounts. For 1999-2000, departments which have not been issued with an individual accounts direction will be subject to an omnibus direction which was contained within DAO(GEN)8/00. The Treasury has, however, continued to issue a small number of individual directions where the standard wording of the omnibus direction is not appropriate to the circumstances of the department.

Technical Update 20 indicated that a DAO letter to supplement DAO(GEN)3/00 Salary and Pension Disclosures was imminent. In the event, there has been a delay in finalising this letter but hope springs eternal for publication before too long.