

***INTERNATIONAL ASSOCIATION OF
TREASURY SERVICES***

***AIST Executive Board MEETING
Paris – June 30th 2014
Preliminary Paper***



Agenda:

1 – Financial position

- 1.1 Financial position of the association as of 31/12/2013
- 1.2 Financial position of the association as of 31/05/2014
- 1.3 Sale of SICAV and opening of a savings account type livret A

2 – Preparation of the General Meeting

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1- Financial position

1.1 Financial position of the association at the end of the financial year 2013

1.1.1 Income statement (budget implementation) as of 31/12/2013

The table below shows the income statement (expenses and proceeds) as of 31/12/2013¹.

AIST Income statement			
1st of January 2013 to 31st of December 2013 financial year			
Expenses		Proceeds	
Annual conference-related costs	€ 52,400.25	Proceeds from membership fees	€ 80,186.42
Themed seminar-related costs	€ 29,599.58	Exceptional proceeds	€ 43,301.90
Fees	€ 2,394.82		
Travel, assignments, receptions	€ 5,727.00		
Banking services	€ 408.77		
Various running expenses	€ 2,308.76		
Total	€ 92,839.18	Total	€ 123,488.32
Balance	€ 30,649.14		

1.1.2 – Budget implementation as of 31/12/2013

1.1.2.1 Proceeds

- Membership fees:

Upon the end of the financial year, on December 31st 2013, 23 countries out of 30 had paid their membership fees for the year 2013, for a total amount of € 63,576.42 (€ 71,922.40 in 2012). The total amount of membership fees collected in the financial year ending on December 31st 2013 is of € 80,186.42. The difference between the two amounts consists in payment of outstanding fees or down payments:

- payment on January 15th 2013 of France's membership fee for the year 2012 (€ 5,625.00);
- payment on October 22nd 2013 of Guinea's overdue membership fees for the years 2009, 2010 and 2011 (€ 4,485.00) ;
- payment of December 17th 2013 of Ivory Coast's membership fee for the years 2014 and 2015 (€ 5,000.00) ;
- payment on December 19th 2013 of Madagascar's membership fee for the year 2014 (€ 1,500.00).

There are six countries still behind with fee membership payment for the year 2013 and previous, amounting to € 46,125.

All member countries receive a call every year for membership fees payment and, in the event of non-timely payment, a reminder before each AIST action. The recovery policy of outstanding amounts is differentiated and adapted depending on the conditions of the countries in question, so as to consider their particular political or administrative context (frequently the change of the director general) most often the cause of outstanding fees.

¹ Starting with the 1st of January 2013, the financial year is equivalent to the calendar year (decision of the General Meeting in Kiev on November 11th 2011).

Upon its meeting on June 25th 2013, the Executive Board recalled the importance of membership fee payment as this enables proper functioning of the association. The Board insisted nevertheless on the need to have a differentiated and tailor-made approach depending on the condition and constraints particular to each country, the purpose remaining that of reducing outstanding amounts.

- *Exceptional proceeds:*

According to the decision of the Executive Board upon its meeting on June 25th 2013, the Secretary General went on with the sale of FONSICAV securities held by the association. The sale of the said securities generated exceptional proceeds of € 43,301.90. The securities had been acquired for an amount of € 41,602.10. The profits obtained from their sale are thus of € 1,699.80.

1.1.2.2 Expense

- *Seminar and conference-related expense:*

Expenses are made up of costs incurred for the:

- annual conference: € 52,400.25;
- themed seminar: € 29,599.58.

▪ *The breakdown of the main costs related to the annual conference is as follows:*

- translation of summary papers and written transcript of plenary debates of the annual conference in Hammamet (Tunisia) on November 15th and 16th 2012, amounting to € 1,239.75;
- costs related to the preparatory assignment for the annual conference in Abidjan (Ivory Coast) on November 28th and 29th 2013 (flight ticket cost for the Secretary General, accommodation and food costs for the Secretary General and the Project Officer) amounting to € 4,761.20;

It should be mentioned that the Secretary General seized this opportunity to undertake an assignment in the context of his duties with the Centre de rencontres et d'études des dirigeants des administrations fiscales (CREDAF - Center for Studies and Meetings of Directors in Tax Administration) and thus half of the aforementioned costs will be reimbursed to AIST by CREDAF in the framework of the yearly adjustment of shared costs between the two associations;

- organization costs of the annual conference in Abidjan on November 28th and 29th 2013 amounting to € 44,269.67 (see appendix 2 for detailed costs);
- Secretary General travel costs to Madagascar from January 20th to January 26th 2013 on a preparatory assignment for the annual conference in 2014 (€ 2,129.63).

▪ *The breakdown of the main costs related to the themed seminars is as follows:*

- English translation costs for summary papers of the themed seminar organized jointly with CREDAF from the 17th to the 19th of September 2012 in Kinshasa (Democratic Republic of the Congo) on the topic of *modernization of debt collection*, amounting to € 1,277.28;
- organization costs of the themed seminar held on the 19th and 20th of June 2013 in Marrakech (Morocco) on the topic of *internal control and internal audit in the public sector* amounting to € 28,322.30 (see appendix 1 for detailed costs). It should be mentioned that on 25/07/2013 a recovered amount of € 3,140.31 is entered in accounting, and stands for a reimbursement by the hotel in Marrakech that hosted the seminar following the cancellation of the presence of several registered participants.

- *Payment of intermediaries:*

This expense stands for:

- internship compensation for a student, amounting to € 1,844.82, in the framework of a study on local governments in AIST member countries, in connection to the topic selected for the annual conference in November 2013;
- French/Russian interpreting fees amounting to € 550.00 for the AIST Executive Board meeting on June 25th 2013 (for the Ukrainian delegation).

- Travel, assignment and reception costs:

This expense, amounting to € 5,725.00, stand for:

- travel costs (€ 3,481.06) of the Secretary General for an AIST representation assignment at the 50th Anniversary of the Malagasy Treasury Service;
- travel costs (€ 816.63) of the Secretary General for a visit undertaken on behalf of AIST to Mrs. Svetlana LJUBICIC, Director of the Serbian Treasury and AIST member;
- travel costs (€ 987.41) of the Secretary General for an AIST representation assignment carried out from the 3rd to the 6th of February 2014 in Ouagadougou, in the framework of the 15th International Conference of Francophone Treasury Services.

- Banking services fees:

Banking fees charged to AIST by the bank managing the association's current account amount to € 408.77 (bank account management fees, bank card fee, fees for exchange operations...).

- Various running expenses:

It stands for:

- hosting costs for the website and subscriptions for the business e-mail boxes with Orange operator amounting to € 180.76;
- down payment to CREDAF for the AIST quota of shared costs allotted to the running of the General Secretariat (€ 2,200.00).

1.1.3 Financial position and assets as of 31/12/2013

The table below shows the financial position and assets (bank account, cash account, investment securities) upon financial year end.

	Position as of 31/12/2012	Position as of 31/12/2013
ASSETS		
1- Funds available		
Bank account	€ 35,412.27	€ 66,025.64
Cash balance	€ 116.37	€ 152.14
2- Investment securities		
SICAV and FCP MONETAIRES	€ 41,602.10	
Total	€ 77,130.74	€ 66,177.78
LIABILITIES		
1- Balance carried forward		
Debit balance	€ 65,111.89	€ 35,528.64
2- Profit or loss for the year		
Profit	€ 12,018.85	€ 30,649.14
Total	€ 77,130.74	€ 66,177.78

1.2 Provisional financial position of the association as of 31/05/2014

1.2.1 Income statement (budget implementation) as of 31/05/2014

The table below shows the income statement (expenses and proceeds) as of May 31st 2014.

AIST Income Statement from the 1st of January to the 31st of May 2014			
Expenses		Proceeds	
Annual conference-related costs	€ 4,673.95	Proceeds from membership fees	€ 33,122.91
Themed seminar-related costs	€ 12,225.12	Exceptional proceeds	€ 68.00
Studies and services	€ 376.74		
Travel, assignments and receptions	€ 1,338.11		
Banking services	€ 284.35		
Various running expenses	€ 2,535.63		
Total	€ 21,433.90	Total	€ 33,190.91
Balance	€ 11,757.01		

1.2.2 Remarks related to budget implementation as of 31/05/2014

1.2.2.1 Proceeds

- Membership fees:

Upon May 31st 2014, date of the provisional settlement of account, 14 countries paid their membership fees, for a total amount of € 37,122.90 (11 countries had paid € 26,609.99 upon the same date in 2013).

The total amount of proceeds from membership fees cashed in and entered in accounting from the 1st of January 2014 to the 31st of May 2014 is € 33,122.91, the difference consisting in membership fees paid in advance:

- payment in 2013 of the membership fee for 2014 by the Union of the Comoros (recorded in accounting in 2013), to be added for an amount of € 2,624.99;
- payment in 2013 of the membership fee for 2014 by Ivory Coast (recorded in accounting in 2013), to be added for an amount of € 2,500.00;
- payment in 2013 of the membership fee for 2014 by Madagascar (recorded in accounting in 2013), to be added for an amount of € 1,500.00;
- payment in 2014 of the membership fee for 2015 by the Union of the Comoros (recorded in accounting in 2014) to be deducted for an amount of € 2,625.00.

Upon May 31st 2014, date of the provisional settlement of account, 18 countries were still to pay their membership fee for the year 2014. Calls for payment were sent to AIST member countries on December 4th and 5th 2013, with March 31st 2014 as due date.

A reminder was sent on March 18th to countries that had not yet settled the fee.

Slovenia informed the General Secretariat by a letter sent on the 30th of April of its impossibility to settle its € 4 000 membership fee for the year 2014 as the Finance Ministry did not authorize it due to budget cuts in place.

Please note that non-payment of the membership fee does not prevent a member country from participating to the actions of the association, but the costs related to its delegate(s) will in this case not be covered.

7 countries have outstanding membership fees, amounting to a total of € 47,625.00.

For the previous years, outstanding membership fees per each year are broken down as follows:

Country	2.007	2.008	2.009	2.010	2.011	2.012	2013	Total
1			1.500			2.625	2.000	6.125
2					1.500	4.125	4.000	9.625
3					1.500	3.000	2.500	7.000
4							1.500	1.500
5				1.500	1.500	2.250	1.500	6.750
6				1.500	1.500		1.500	4.500
7	1.500	1.500	1.500	1.500	1.500	2.625	2.000	12.125
Sub-total	1.500	1.500	3.000	4.500	7.500	14.625	15.000	
* Outstanding membership fees in Eur as of 23/01/2014								47.625

Actions, consisting particularly in settlement plans that would facilitate payment, are being undertaken for the recovery of overdue fees.

-Exceptional proceeds:

Following the decision of the General Meeting on November 28th 2013, the Secretary General opened a savings account "Livret A" with the bank Crédit Agricole Mutuel de Paris and d'Île-de-France. The opening of the said account entailed also the opening of a current account accompanied by means of bank card payment.

For promotional purposes, the bank reimbursed a share of the first bank card fee, namely 68,00 €, that was recorded in accounting as exceptional proceed.

1.2.2.2 Expense

Expense for the period consists in:

- Procurement of services:

This expense stands for services paid to the company "ALGO DATA", hosting the online registration sites for AIST actions, for the graphic design of the sites based on the graphic identity manual of AIST website. It amounts to € 376.74.

- Conference and seminar-related costs:

Expenses stand for costs incurred for:

- the 7th annual conference in Abidjan: € 4,673.95;
- the themed seminar in Paris: € 12,225.12.

▪ The main expense related to the annual conference are broken down as follows:

- costs with the written transcript of round table debates: € 928.00;
- French/English translation costs for the summary paper of the 6th AIST annual conference held on November 15th and 16th in Hammamet (Tunisia) and French/English and English/French translation costs of the working papers for the 7th AIST annual conference held on November 28th and 29th in Abidjan (Ivory Coast). Total costs amount to € 2,745.68;
- costs incurred for the Secretary General preparatory assignment to Antananarivo from the 20th to the 25th of January 2014 for the 8th AIST annual conference to be held from the 10th to the 13th of November in Antananarivo (Madagascar). Costs include: travel (travel to and from airport by taxi), accommodation and meals for the Secretary General for a total amount of € 1,000.27.

▪ **The expense related to the themed seminar consists in:**

- down payment to the hotel "Novotel Paris Bercy" for hosting and accommodation related to the AIST themed seminar to be held on July 2nd and 3rd in Paris (France), amounting to € 12,225.12 (delegates' accommodation costs, meals, rental of conference rooms and related equipment).

- ***Travel, assignment and reception expenses:***

This expense amounting to a total of € 1,338.11 stands for:

- mainly (€ 821.22) for travel, accommodation and meal costs for the Secretary General, in relation to his AIST representation assignment at the 15th international conference of Francophone Treasury services held from the 3rd to the 6th of February 2014 in Ouagadougou (Burkina Faso);

- for meal costs (€ 486.99) incurred for receptions (New Year celebration, visit of a Malagasy delegation in Paris, thank-you gifts to SDNC for the development of the new AIST presentation brochure).

- ***Banking services fees:***

Banking fees charged to AIST by the bank Caisse des Dépôts for the management of an association's current account amount to € 148.35 (bank account management fees, bank card fee, fees for exchange operations...).

For the opening of a current account with Crédit Agricole Mutuel Paris and d'Île-de-France the association was charged € 136.00 in subscription (account management).

- ***Various running expense:***

This stands for:

- hosting costs for the website and subscriptions for the business e-mail boxes with the Orange operator amounting to € 23.76;

- reimbursement to CREDAF of the remaining quota pertaining to AIST for the shared costs for the running of the General Secretariat amounting to € 2,511.87 (a down payment of € 2,200.00 was made on the 30th of December 2013):

- capital expenditure (IT and office equipment),
- seminar-related costs (training),
- running costs (gifts, advertising, publications, printing, maintenance, office supplies, IT, small equipment, drugs, telecommunications-internet, travel, assignments, other expenses).

1.2.3 Financial position and assets as of 31/05/2014

The table below shows the financial position and assets (bank account, cash account, investment securities) upon May 31st 2014.

	Position as of 31/12/2013	Position as of 31/05/2014
ASSETS		
1- Funds available		
Bank account CDC*	€ 66,025.64	€ 47,679.27
Bank account CA**		€ 1,022.00
Cash balance	€ 152.14	€ 223.52
2- Savings account		
Livret A account – CA**		€ 29,010.00
Total	€ 66,177.78	€ 77,934.79
LIABILITIES		
1- Balance carried forward		
Credit balance	€ 35,528.64	€ 66,177.78
2- Profit or loss for the year		
Profit	€ 30,649.14	€ 11,757.01
Total	€ 66,177.78	€ 77,934.79

* CDC: Caisse des Dépôts

** CA: Crédit Agricole

1.3 Sale of FONSIKAV and opening of a Livret A savings account

The association assigned in 2013 the FONSIKAV securities it used to hold because of their very poor performance (their yield net of administrative charges and tax reached 0.05 % in September 2012). Moreover, Caisse des Dépôts had informed the General Secretariat that the yield was bound to decline and that the rate of these FONSIKAV securities will eventually no longer cover the administrative charges.

Consequently, the Executive Board decided to sell all the securities for an amount of € 43,301.90 that was then deposited in the bank account of the association. This decision was validated by the General Meeting on November 29th 2013 that also unanimously approved the opening of a Livret A savings account (resolution no. 2).

The Secretary General, acting upon his mandate, took the necessary steps to open a Livret A "Association" (savings account under French law) with a Crédit agricole outlet located close to the offices of the association.

This investment is not time-bound, is regulated and guaranteed by the state, and thus completely secure. The funds are available at any given time and the return rate is 1.25 % net of tax, for a deposit ceiling of up to € 76,500.

Since the opening of the account required the presence of the President of AIST, it was carried out on the 19th of March 2014 in the context of a visit to Paris. Regulations required that the association also open a current account, since the funds transferred to the savings account had to be deposited first in the current account.

Upon the date of the present report, the balance of the Livret A savings account is of € 40,010.

2 – Preparation of the General Meeting

Following e-mail consultation of Board members concerning the date and design of the annual 2014 conference, an amendment to the projected schedule initially announced was suggested and consisted in the proposal of holding the General Meeting on Monday, the 10th of November (in the morning) so as to enable a higher attendance by general and national directors.

2.1. Partial renewal of the Executive Board

The General Meeting of the association will be held in Madagascar on November 10, 2014. According to the AIST statutes adopted in Hammamet (Tunisia) in 2012, a partial renewal of the Executive Board shall take place at the General Meeting, the President and the two Vice-President positions being, by law, granted as follows: the presidency is assigned to the country organizing the annual conference, whereas the VP positions shall be held by the countries previously having organized the annual conference, in Y-1 and Y-2.

Therefore, the AIST presidency shall be held by the country organizing the conference in 2015, and the VP positions shall be occupied by the countries having organized the annual conference in 2013 and 2014.

Ukraine is candidate country for the organization of the 2015 AIST annual conference. After Hammamet in 2012, Marrakesh and Abidjan in 2013, this application ensures a rotation that matches the geographical diversity criterion. However, the evolution of the Ukrainian circumstances has to be monitored in order to make sure that the conditions for organizing the conference are met.

The two VP positions shall be held by the Ivory Coast (organizing country in 2013) and by Madagascar (organizing country in 2014).

Since Ukraine shall take over the presidency, an administrator position becomes vacant. All member countries can apply, as long as the member quality is doubled by all rights and obligations stipulated by the statutes. And, as the VP position held by Tunisia – organizing country of the 2012 conference – becomes vacant, Tunisia can run for the administrator position, if the country finds it desirable. In fact, board members can get re-elected.

The AIST statutes otherwise stipulate that “the configuration of the Executive Board will reflect as much as possible the geographical diversity of association’s membership”.

2.2. Call for applications for future events

The Secretary General shall launch a call for applications for hosting future events (conferences and seminars) so that the planning will enable a better management of AIST events.

2.2.1 Conferences

The General Meeting in Abidjan unanimously adopted the following schedule for conferences and general meetings:

- **2014:** Madagascar
- **2015:** Ukraine
- **2016:** Kuwait. Kuwait’s expression of interest – made at the General Meeting in Abidjan – was endorsed by an official letter sent on the 18th of December 2013.

2.2.2 Seminars

Mr. DIENG (Senegal) expressed, on behalf of Senegal, the country’s interest to organize the 2015 theme seminar. The application was endorsed by an official letter sent on the 16th of December 2013.

3 – Organization of the themed seminar

Upon decision of the General Meeting held in Hammamet in 2012, a second event, open only to AIST members shall be organized as a theme seminar.

3.1. Choice of topic

A 2-day seminar, it shall focus on “Government Cash Management and the Single Treasury Account”. The theme was chosen in April by members of the board, consulted via email, out of proposals made by AIST members via answers to a call for proposals (8 countries submitted proposals) and/or assessment forms filled in at the Abidjan Conference (26 forms were filled in).

Within the seminar, plenary sessions shall alternate with workshops. Debates shall tackle conditions for an efficient government cash management and possible improvements, the single treasury account, and future prospects. Complementary presentations on the experience of 4 association members shall be delivered: by Morocco, Serbia, France and Mauritania.

Two experts, Mr. Noureddine BAMOU (Morocco) and Mr. Oleg SEKULOVIC (Serbia), accepted to design and moderate the seminar.

3.2. Date and place of the seminar

France shall host this seminar in Paris, on July the 2nd and the 3rd, 2014.

3.3. Financing means

According to resolution no. 8 voted by the General Meeting at Hammamet, AIST shall cover accommodation and meal costs for two delegates per member country, for all member countries that have duly paid their membership fees. The increase in the amount of membership fee voted in Kiev enables the association to cover these costs without endangering its budgetary balance.

3.4. Forecast budget

A budget was drafted for 40 participants. All expenses incurred by AIST amount to € 33,194.

Accommodation	€ 7,700.00
Meals	€ 4,770.00
Venue (rooms lease)	€ 9,492.00
Interpreting/technical equipment	€ 10,032.00
Translation of written documents	€ 1,200.00
Total	€ 33,194 .00

4 – Preparation of the annual conference

4.1. Choice of topic

Several theme proposals were collected by the General Secretariat via online assessment forms and a call for proposals sent via email:

- 1) Public budgetary and accounting information system/Paper free taxes;
- 2) Local public sector / Decentralization / Management of public institutions;
- 3) Cash and debt management / Banking activity / Role of the Central Bank; the Single Treasury Account;
- 4) Internal audit / internal control;
- 5) Accounting standards / Public sector budgetary and accounting consolidation / Financial assessment and communication
- 6) Treasury services' role in financing the economy, in government budget regulation; Treasury services strategic orientations. Three sub-topics:
 - ✓ Modernizing the revenue and expenditure implementation system;
 - ✓ Improving the management of public companies;
 - ✓ Developing the Public Treasury Services' financial role.
- 7) Control of budgetary expenditure;
- 8) Authorizing officers - accountants: authorizing officers and accounting structure; relations between the activities run by bodies in charge with drafting the public budget, authorizing officers and public treasury services: goals of public finances; accountant's personal and compensation liability before the Court of Auditors; third-party's liability for public debt collection;
- 9) Presentation of accounts: current and future perspectives; how to draft the report for the revenue and expenditure account (regulations, financial statement, administrative account...); program-based budgeting and accruals accounting;
- 10) Resources: government employees' payment system.

The General Secretariat recommends two topics: main theme, “The Role of Treasury Services for a better governance of public finances”, and a complementary theme, i.e. “Accounting standards”, the two topics being frequently requested by member countries (see Annex 1).

4.2. Date and place of the conference

The General Meeting in Abidjan on November 29th 2013 unanimously accepted Madagascar's application. The Secretary General made a preliminary visit to Antananarivo in January 20-25, 2014.

Upon agreement with AIST president, the conference shall be held November 10-13, 2014.

4.3. Organization-related approaches

The Executive Board was consulted in January via email on the date and the suggested new format for the conference, without waiting for the board's meeting in June so that the organizational committee and the General Secretariat were able to start the significant preliminary workload necessary for the organization of the event.

All Board members were in favor to an additional conference day so that conference works shall last for 2 and a half days (instead of one day and a half), taking thus into account the requests regularly made to the General Secretariat in this respect. This shall give more room for debates and presentations made by member countries. In this format, the cultural day (Wednesday in this case) comes in-between the working days. The cost of an additional conference day (accommodation and meals for the head of the delegation per country) is estimated to € 4,000 at maximum, amount which the AIST budget can cover.

The provisional agenda of the conference is to be found in annex 2 of the present minutes.

5 – Miscellaneous

5.1. Request for membership termination

On April 30th 2014, the Technical Advisor of the Ministry of Economy and Finance of the Kingdom of Cambodia informed, via email, the Secretary General that the Deputy General Director of the National Treasury Service of the Kingdom of Cambodia wishes to terminate the country's membership starting with 2014.

He was inquiring about the formalities to be complied with for the membership termination and stated that the National Treasury Service of the kingdom would also like to settle its accumulated debt (3 years of due membership fees for a total that amounts to € 6,125).

According to the association's statutes, the Director General of the National Treasury Service of the Kingdom of Cambodia is supposed to send a termination request letter with a 6 months' notice. The termination request shall be submitted to the General Meeting in November 2014. According to the statutes, the termination shall take effect six months after the termination request letter is received and, therefore, the 2014 membership fee will also be due (i.e. € 2,000).

To date, no further action has been taken by Cambodia to officially confirm the termination of its membership.

5.2. Change of the statutory auditor

The current statutory auditor, Mr. Jacques ORTET, holds a job position that makes it difficult for him to get to the AIST headquarters and perform his duty of statutory auditor. Mr. Jacques ORTET asked thus for a termination of his mandate.

Upon his recommendation, the Secretary General suggests the appointment of Mr. Laurent ROUSSEAU, Administrator of Public Finances with the Directorate General of French Public Finances, as statutory auditor. Mr. Laurent ROUSSEAU currently carries out this mission for CREDAF (Meeting and Studies Center of Tax Administration Directors), center that equally shares the general secretariat with the AIST.

*8TH AIST annual conference– Topics proposed:
The Role of Treasury services for a better governance of public finances*

International contexts and requirements for good cash management had governments redefine their action and intervention methods. New requirements were put forward and governments have to account to a plurality of stakeholders: citizens, local governments, public managers, but also donors or regional and international bodies, financial markets... These requirements put pressure on public finances and imply their better management and modern governance.

The quality of public action depends on the efficacy and efficiency of public management. The role of Treasury services is essential – both from the point of view of their organization and action and from that of their relation with the other stakeholders.

Budgetary and accounting reforms carried out in the AIST countries redefined the role and action of Treasury services, modifying the manner in which public budgets are drafted, implemented and controlled. They represent an important component of government reform consolidating the readability of budgetary programming and implementation, while making the financial processes more transparent. Fully taking part in this process, the Treasury services show a dynamic and structural modernization of the action and organization.

Focused on public managers' accountability and on the efficacy of financial processes, these reforms define new relations between stakeholders. Increased cooperation between authorizing officers and accountants takes place and deeply modifies the roles and responsibilities of each. This cooperation is to be found at local level as well, since the support granted by Treasury services is key to the sustainability and quality of local budgets, even if this support varies according to the institutional organization specific for each country.

This evolution also leads to a change in processes and control, since there can be shared services between various administrative units. Differences in terms of organization in the AIST member countries could be the starting point for a debate on implications and impact of these reforms which influence the whole public financial sphere.

This theme is the more topical in the current context of public finance-management tools that go beyond national borders (Treaty on Stability, Coordination and Governance, UEMOA directives, international financial institutions). The debates could also target the role of Treasury services in how these regulations are applied, and how Treasury services assimilate the new requirements and their consequences.

In view of these elements, discussions should focus on how the action of Treasury services serves the reinforcement of the efficacy and efficiency of public management. Central and local governments are to be included in the scope of the approach.

Two main subjects can structure the debates, each of them subdivided further in two, secondary subjects:

I. A renewed organization of services to the benefit of structural modernization dynamics

1. Fostering new relations between players and decision makers in the budgetary and accounting area:

- ✓ New logic of relations between authorizing officers and accountants.

2. Organization of services in a larger framework in order to strengthen the coherence of public action.

- ✓ Integrate a supranational dimension in budgetary management;
- ✓ Develop shared financial services for several state institutions.

II. Tools and methods to the benefit of financial transparency and an improved understanding of financial mechanisms.

1. Develop new control processes:

- ✓ Goals of hierarchical control for central and local governments.

2. Implementation of an enriched and enlarged partnership approach to the benefit of central and local governments:

- ✓ partnership protocols;
- ✓ actions for the authorizing officers and for the economic world.

- **Complementary theme: Accounting standards**

Accounting reforms carried out in AIST member countries must necessarily include a component consisting in accounting standards implementation. This necessity is even more obvious given that reform processes more often than not consist in setting up an accrual-based accounting.

In fact, the aim of such reforms is to bring public sector accounting closer to the standards of private sector accounting. Nevertheless, the same reforms need to be compatible with the requirements of governmental action. When talking about such reforms, international accounting standards such as IPSAS are often referred to. There is no doubt about the fact that such standards facilitate comparisons between accountancy data. However, their implementation in the public sector is not without shortcomings. Hence a need for adaptation and convergence.

I) The fundamental piece of the accounting reform, accounting standards contribute to the credibility and quality of accounting data

Accounting standards represent the framework and the basis for the output of accounting data. They are absolutely inseparable from accounting reforms as they stand for both a condition and a factor influencing the “quality” of accounting records.

Accounting records reflect the activity of governments and, when based on the accrual principle, they can be an objective source of information about their assets and financial condition. By defining a theoretical framework and indicating accounting methods to be used depending on the type of the operation, accounting standards represent a central piece for the credibility and reliability of accounting and accounting records.

Since it relies on a reference framework, standardization enables an effective (internal and external) control of accounting information and influences the quality of the aforementioned information. Standardization also enables comparisons between countries which, in the current context, is of utmost importance.

II) Although international standardization of public sector accounting facilitates comparisons between accounting records, it does not integrate all the specificities of the public sector

International accounting standardization is supervised by the IPSAS Board. Acting under the authority of IFAC, this body aims to bring the public sector standards it prescribes closer to IAS/IFRS standards so as to meet reliability and transparency requirements expected from government accounting data.

Aiming to lay down a universal reference framework, the IPSAS Board would like that their standards be used by all countries in order to ensure a comparable level of accounting data from all states and to enable comparisons between them.

Nevertheless integrating the specificities of the public sector is just as important as aligning public sector accounting standards to IFRS. The approach based on balance and profit and loss account needs to be adjusted if we want to have a meaningful analysis of key operations carried out by governments. Sovereign governing powers, non-profit seeking, the nature of fiscal revenues are particularities that require specific standards. Furthermore, the valuation of assets (especially bearing in mind control-related specificities and the particular nature of certain assets) or the accounting of certain liabilities are carried out under rules that are different from those used in the private sector. The IPSAS Board includes very few public sector experts and there are no specific standards for public entities besides the central government (for instance, for social security benefits...).

Consequently very few countries apply the IPSAS standards directly. Local circumstances determine countries to adopt different solutions suited to their legal and socio-economic features. And this is not in favor of the harmonization sought and enabled by standards.

Comparisons between the experience and practices of AIST member countries would foster an open dialogue between AIST member countries, representatives of international organizations and the IPSAS Board on what should be the fundamental ingredients when implementing an accounting reform.

**Provisional Agenda of the 8th AIST International Conference
November 10th -13th, 2014
Venue: Hôtel Carlton – Anosy**

Sunday, November 9th, 2014

19.30 – 21.00 : Welcome cocktail dinner

Monday, November 10th, 2014

9.00 – 9.30 : Conference opening ceremony

- Key speech – AIST President
- Key speech – AIST Secretary General
- Key speech – Madagascar’s Minister of Budget and Finances

9.30 – 9.45 : Commented, choreographed performance on a given topic

9.45 – 10.15 : Group photo and break

10.15 – 12.30 : General Meeting

12.30 – 14.00 : Lunch

14.00 – 17.30 : 1st working session

Dinner at your leisure

Tuesday, November 11th, 2014

9.00 – 12.30 : 2nd working session

12.30 – 14.00 : Lunch

14.30 – 17.00 : 3rd working session

19.30 – : Gala dinner

Wednesday, November 12th, 2014

10.00 – 17.00 : Cultural trip

Dinner at your leisure

Thursday, November 13th, 2014

9.00 – 12.30 : 4th working session

12.30 – 14.00 : Lunch

14.30 – 17.00 : 5th working session

17.00 – 17.30 : Conference closing ceremony