PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE

Working Party of Senior Budget Officials

9th ANNUAL OECD PUBLIC SECTOR ACCRUALS SYMPOSIUM

ANNOTATED AGENDA

OECD Conference Center, Paris
2-3 March 2009

For further information, please contact Jon BLONDAL at OECD Headquarters
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JT03257697
ANNOTATED AGENDA

Monday, 2 March

9:15-9:30 Opening by Chairman and OECD Secretariat
Delegates’ Introductions

9:30-10:00 Report by International Public Sector Accounting Standards Board (IPSASB)
This session is designed to update Delegates on developments with regard to International Public Sector Accounting Standards (IPSAS). It will provide a progress report on the Board’s on-going work on promulgating standards as well as discussing the Board’s overall strategy and work programme.
Following a lead presentation by IPSASB, the floor will be opened to general discussion among all Delegates.

10:00-10:30 Report by International Accounting Standards Board (IASB)
This session is designed to update Delegates on developments with regard to International Financial Reporting Standards (IFRS) and their possible implications for the public sector.
Following a lead presentation by IASB, the floor will be opened to general discussion among all Delegates.

10:30-11:00 Report by United States Federal Accounting Standards Advisory Board (FASAB)
This session is designed to update Delegates on developments with regard to United States Federal Accounting Standards. It will provide a progress report on the Board’s on-going work on promulgating standards as well as discussing the Board’s overall strategy and work programme.
Following a lead presentation by FASAB, the floor will be opened to general discussion among all Delegates.

11:00-11:30 Coffee Break

11:30-13:00 Reports on Specific Developments in Individual Countries
This session is designed for Delegates to make presentations on specific accrual developments in their respective countries.
Delegates are invited to submit proposed interventions ahead of the meeting. Based on the proposals received, the Chairman will then call on selected countries to make brief interventions on areas that may be of interest to others.
This allows participants to exchange information on recent reforms which are taking place and provides a useful opportunity for Delegates to keep up to date with developments.
The floor will be opened to comments and questions following each selected intervention.
13:00-14:30  Lunch Break

14:30-16:00  Global Financial Crisis I: Fair Value Accounting
Fair value accounting was introduced to make financial statements more transparent, easier to compare and balance sheets more reflective of real values. This would enable markets to adjust as necessary to changing asset values.

Some contend, however, that – due to inactive markets – fair value accounting has been the principal cause of the unprecedented decline in asset values and the concomitant rise in financial instability. It has also been criticized for its pro-cyclicality in that it tends to create asset bubbles and exacerbate the effects of their collapse.

This session is intended as a debate, with lead speakers for and against the use of fair value accounting, exploring its advantages and disadvantages. The floor will then be opened to comments and questions.

16:00-16:30  Coffee Break

16:30-18:00  Global Financial Crisis II: Accounting for the Fiscal Response
OECD countries are spending massive sums of money in response to the financial crisis. This has included extending credit to financial institutions, guaranteeing liabilities of financial institutions, purchasing impaired debt instruments and governments assuming control / ownership of financial institutions.

How these transactions are recorded on the government’s (and central bank’s) financial statements are key to ensuring transparency and accountability. Today’s circumstances are unprecedented in size and scope in terms of the application of various accounting standards and there is pressure to deviate from appropriate accounting standards and not show their full cost.

Following an introductory presentation, the session will discuss current and emerging “best practices” with respect to accounting for the response to the financial crisis.

18:00-20:00  Cocktail
The OECD Secretariat invites all participants to a cocktail in the Château de la Muette.
Tuesday, 3 March

9:30-11:00 Accrual Budgeting and Fiscal Policy
Nearly all OECD countries limit the use of full accruals to accounting and financial reporting and do not apply it to budgeting. In fact, the emerging consensus among OECD countries is to adopt full accrual accounting and financial reporting while continuing to budget on cash, or only to apply accruals to a limited number of transactions in the budget.

This session will explore one of the reasons countries have not adopted accrual budgeting – namely whether an accrual budgeting system can serve the needs of good fiscal policy? The session will explore the practical challenges which may arise in implementing sound fiscal policy with an accrual budgeting system and if those challenges can be overcome.

Following a lead presentation introducing these issues, the floor will then be opened to a general discussion among all Delegates.

11:00-11:30 Coffee Break

11:30-13:00 Managing and Accounting for Intangible Assets
There is increasing interest being shown in the management and accounting for intangible assets. This session will focus on both aspects.

In terms of accounting, it will discuss the definition of what constitutes an intangible asset, including the case of emissions trading schemes (cap and trade allowances).

In this context, the relationship between the recognition of certain intangible assets vis-à-vis the traditional view that the government’s sovereign power to grant rights (and its power to tax) should not be recognized will be explored.

In terms of management, it will focus on what measures governments have taken to “monetize” the often hidden value of their intangible assets.

Following lead presentations on each of the above, the floor will then be opened for Delegates to discuss their views and experiences in this field.

13:00-14:30 Lunch Break

14:30-16:00 Accounting and Budgeting for Natural Disasters
This session will discuss the most appropriate accounting and budgetary treatment for the government’s share (under current policy) of losses from low-frequency, high-cost events whose size and timing are difficult to predict. The key issues are whether governments should recognize estimated costs, over time before the event, rather than after, and if so, how?

It will highlight the potential gains from ex ante accounting and budgeting for natural disasters, including smoothing national consumption, increasing incentives for mitigation and lower total cost, clarifying public policy and increasing cost effectiveness, improving the mix of public and private responsibility, and increasing “beneficiary pays” incidence. It will also survey the potential losses from ex ante accounting and budgeting for natural disasters.
disasters, including sacrificing current consumption for events that may never happen, misallocation of capital from government investment, adding uncertainty and error to budget numbers, added potential for budget gimmicks and misuse, e.g. mandated private coverage, and disregard of technical actuarial estimates. Finally, the session will outline the analytical and accounting requirements for such an *ex ante* treatment, including estimating expected losses and recognizing expected losses in the budget.

Following a lead presentation introducing this topic, the floor will then be opened for Delegates to discuss their views and experiences in this field.

16:00-16:30   **Closing by Chairman and OECD Secretariat**

This session will also feature a discussion of the future directions of OECD work in this area.
MEETING INFORMATION

Reports on Specific Developments in Individual Countries

Countries are invited to submit proposed interventions in this session to the OECD Secretariat -- jon.blondal@oecd.org -- ahead of the meeting. This should briefly highlight the content of the proposed intervention. They can focus on new reforms being proposed or implemented, changes being made to previous reforms, or examples of other specific developments believed to be of interest to other countries. The Chairman will then call on selected countries to make brief interventions based on the proposals received.

Meeting Location

The meeting will take place at the OECD Conference Center which is located at 2 rue Andre Pascal in the 16th arrondissement (district) of Paris. The closest metro station is “La Muette”.

Registration Form

All Delegates need to complete the attached registration form and return it to the Secretariat ahead of the meeting.

Security

Please be advised that OECD Headquarters is a secure complex. Entry passes can only be issued to registered Delegates, and a passport or national identity card needs to be presented in order to receive an entry pass. Delegates will also be required to clear an airport-style security checkpoint for entry. Please allow at least 15 minutes to complete these formalities.

Documentation

The Secretariat will forward the standardized tables showing the spectrum of cash and accrual accounting and budgeting practices in individual Member countries. Member countries are requested to verify this information and update if necessary.

Simultaneous Translation

Simultaneous translation between English and French, the OECD’s two official languages, will be available throughout the meeting.
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Paris, 2-3 March 2009

REGISTRATION FORM  
(TO BE COMPLETED FOR EACH PARTICIPANT)

M. [ ]  Mrs. [ ]  Ms. [ ]

LAST NAME  (in BLOCK letters) ____________________________________________

First Name ________________________________________________________________

JOB TITLE _______________________________________________________________

ORGANISATION ___________________________________________________________

______________________________________________________________

MAILING ADDRESS ________________________________________________________

___________________________________________________________________________

COUNTRY ________________________________________________________________

___________________________________________________________________________

TELEPHONE ________________________________________________________________

___________________________________________________________________________

FACSIMILE _________________________________________________________________

___________________________________________________________________________

E-MAIL ADDRESS __________________________________________________________

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Please return the completed form to:  
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