

Summary of Proceedings of the Second Assembly of AGAOA, New Delhi, 17th September, 2005

The Second Assembly of Association of Government Accounts Organization of Asia (AGAOA) was held in New Delhi on 17th September, 2005. The meeting was attended by the Heads of National Government Accounts Organizations/representatives of **India, Pakistan, Sri Lanka, Nepal and Bhutan**. Representatives of the Government of Indonesia attended the meeting as observers. Bangladesh and Maldives could not attend, although they are members of the association, but are yet to ratify the Charter.

A list of representatives of member countries who attended the meeting is at Annexure-A.

Welcoming the delegates to the Second Assembly, Mr. H. Prabhakar Rao, Controller General of Accounts, Government of India, thanked the members for attending the workshop on "Accrual Accounting and Classification Systems" held from September 14-16, 2005 organized by the Office of Controller General of Accounts, in association with the World Bank. He then invited Mr. Iftikhar Ahmed Khan, Controller General of Accounts, Government of Pakistan, to chair the Assembly, in his capacity as current Chairperson, and to present his report on the activities of the association, mandated under section 3 of article VI of the charter.

1. Report of the activities of AGAOA by Controller General of Accounts, Government of Pakistan and Chairperson of AGAOA as per section 3 of article VI of the Charter

i. In his address, CGA, Government of Pakistan, requested members to confirm the minutes of the meeting of the first Assembly of AGAOA held at Bhurban, Pakistan, in September, 2004, which were circulated earlier. The minutes were approved. He then outlined the activities of the association during the period under review. The Chairperson referred to the video conference held on 20th December, 2004 in which representatives of the Governments of Afghanistan, Bangladesh, Bhutan, Nepal, Sri Lanka and

Pakistan participated. India was unable to participate due to communication delays. He apprised members of the discussions at the video conference, and decisions taken, to draw up activities of the association for 2005. The activities agreed to, comprised the constitution of four technical committees, two research projects, a journal for the association, training and exchange programmes, hosting a website of the association, expansion of membership, and a Manual of procedure with action plan for 2005-06. He noted that not much progress had been achieved on these activities and that there was a need to reactivate them.

ii. The Chairperson then took up the issue of the term of the Chairperson of the Assembly which was discussed at the meeting of the first Assembly held in Murree, Pakistan, in September, 2004. He recalled the suggestion of the former Director General of state Accounts, Sri Lanka, who had suggested reduction of the term of the Chairperson from two to one year, so as to reconcile conflicting provisions of section 4 of article V, section 2(b) of article V and section 1 a) of article VI of AGAOA's charter. He stated that the first Assembly had agreed to defer this issue to a later date. He then invited views of members to the suggestion of reducing the term of the Chairperson of AGAOA from the existing two years, to one year.

Initiating discussion on this issue, CGA, India, observed that the decision to defer the issue at Bhurban was because it was then not known as to how frequently the Assembly would meet. He also drew a reference to the provision of section 4 of article V of the charter that the Assembly shall meet in regular sessions at least annually. If such annual meetings are to be held, it would follow that the Head of the host Government Accounts organization is elected as the incoming Chairperson in terms of section 2(b) of article V of the charter. By doing so it would enable all members to hold the Chairpersonship by rotation as and when meetings are held. Thus the two year provision in articles V 2(b) and VI 1(a) needed to be reconciled with the provisions of annual meetings with host country to assume Chairpersonship. The representatives of Sri Lanka and Bhutan mentioned that it would be more prudent to define the period as until the next regular meeting rather than "one year" so that any delays in the meetings would not cause problems. All members agreed to this suggestion.

Thereafter the representative of Sri Lanka moved a resolution proposing to amend section 2(b) of article V of the charter, which read as

“The Assembly shall appoint the Chairperson who shall be the Head of the Government Accounts Organization of the host country for a period of two years.”

To be amended to read as:

“The Assembly shall appoint the Chairperson who shall be the Head of the Government Accounts Organization of the host country for the period till the next regular meeting of the Assembly.”

It was also resolved that section 1a) of article VI which read as,

“The Head of the Governing Board, who shall be the Chief Executive, shall be the representative of the Government Accounts Office where the last regular Assembly was held and shall hold Office for two years.”

To be amended to read as:

“The Head of the Governing Board who shall be the Chief Executive shall be the representative of the Government Accounts Organization where the last regular Assembly was held and shall hold the Office till the next regular meeting of the Assembly.”

The resolution was seconded by the representative of His Majesty's Government of Nepal. The resolution was adopted. It was agreed that the amended provisions would be notified in the Charter.

iii Appointment of new Chairperson:

In accordance with the amended provisions of the Charter, the representative of His Majesty's Government of Nepal proposed the name of Mr. H. Prabhakar Rao, CGA India for Chairpersonship. The proposal was seconded by representative of Sri Lanka and was carried unanimously. Accordingly Mr. H. Prabhakar Rao, CGA India assumed Chairpersonship of AGAOA.

2. Initial remarks of Country Representatives

CGA, India thanked members for unanimously electing him as the new Chairperson of AGAOA. He specifically thanked the outgoing Chairperson for his keen interest and contributions aimed at enhancing the activities of the association. He noted that the activities agreed to by members who participated in the video conference in December 2004 needed to be actively pursued. He also noted that even though representatives of Governments of Bangladesh, Afghanistan and Maldives were not present at the second Assembly, they had conveyed their good wishes and support to the deliberations and its outcome. He expressed hope that all members would attend future meetings. He also observed that the Government of India had agreed to host the Second Assembly in conjunction with the just concluded workshop on Accrual Accounting and Classification Systems so that members could benefit from such workshops held on technical subjects. He also suggested that future meetings of AGAOA could be held in conjunction with a technical workshop, on a subject of mutual professional interest. Members felt that this would be a good idea since it would enable wide interaction and be an occasion for professional updating of knowledge along with the sessions of the AGAOA.

Members authorized the Chairperson to take necessary steps aimed at strengthening the activities of the AGAOA. The representative of the Government of Bhutan requested CGA India for assistance in separating the existing budget and accounting functions in the Government of Bhutan.

The representative of Government of Sri Lanka thanked the Chair for accepting their suggestion for inclusion in the agenda a discussion on "accounting as a tool of effective financial reporting". CGA Pakistan, also noted that it should be the endeavor of all members to participate in all the technical committees, and that future deliberations could be conducted through video-conference, on a quarterly basis. This suggestion was accepted.

The representative of the Government of Indonesia thanked the chair for the invitation to attend the workshop, and the Second Assembly of AGAOA as an observer. He outlined the status of the Government authority set up in Indonesia as also the work of the Accounting Standards Board in

Indonesia. He noted that the proposed activities of AGAOA would help in strengthening technical cooperation in Government Accounting between members, and that he would recommend to his Government about joining AGAOA as a full-fledged member. He further suggested that apart from periodical video-conferences on technical topics between members, an internet based e-group could be set-up to facilitate such interactions. This suggestion was also accepted.

Concluding the discussions on this issue, CGA, India, suggested that it would be useful for members countries to circulate information about their respective accounting systems, and new initiatives taken which could be placed on the newly created website of AGAOA. He also requested the representatives of Government of Indonesia to participate in all activities of AGAOA, until they formally join the association as a member.

3. **Discussion on issues deliberated at the meeting of the First Assembly of AGAOA at Bhurban, Pakistan on September 04, 2004**

(a) *Members of the Assembly who are yet to formally ratify the charter, and yet to pay their respective membership fee and annual contribution:*

It was agreed that the Secretariat of AGAOA, now with the Office of CGA, India, would request the counterpart organizations of the Governments of Bangladesh, Maldives and Afghanistan to convey their ratification of the Charter of AGAOA, along with remittance of their membership and annual contributions.

(Action: AGAOA's Secretariat)

(b) *Expansion of AGAOA membership:*

Discussions focused on the need to expand membership of AGAOA. It was felt that the World Bank could be requested to assist in this matter, through their Offices in countries in the Asian region. As regards funding of activities, it was agreed that the World Bank had played a positive role towards the formation of AGAOA, and in funding visits of delegates to the two meetings of the Assembly. It was felt that the organization now needed

to move forward on its own steam and meetings and activities should be taken as the responsibility of the member States. However, assistance and co-operation from International Bodies was welcome, both in organization of future meetings and also in expanding the membership. Members also authorized CGA, India, to explore the possibility of approaching Asian Development Bank (ADB) to consider funding technical studies and specific activities of AGAOA.

(Action: AGAOA's Secretariat)

(c) *Development of AGAOA website:*

CGA, India, informed members that his Office had already developed a website for the association bearing the domain address www.agaoa.org A presentation was also made outlining the features of the website. A suggestion was made to upload the minutes of the video conference held on December 20, 2004. It was agreed this would be done. Members, who were yet to nominate a nodal Officer to interact with the designated Indian Officer, were requested to do so at the earliest.

(Action: AGAOA's secretariat / all members yet to notify their respective nodal Officer)

The suggestions of CGA, Pakistan, regarding uploading on the AGAOA's website the minutes of the video conference held in December, 2004, as well as launching a Journal of the association were also agreed to by members. It was agreed that for the first issue of the Journal, the Members would make available information regarding their respective accounting systems and other technical papers. It was further agreed that a sub-committee of the association comprising representatives from the Governments of Nepal, Sri Lanka and India would be constituted to coordinate this task. The representatives of Governments of Sri Lanka and Nepal would send their inputs to the secretariat of AGAOA in the Office of CGA, India.

(Action: AGAOA's secretariat/sub-committee members of Nepal, Sri Lanka, India)

(d) *Committees and Research Projects:*

Audit Committee

As per Article IX, Section 1 of the Charter of the AGAOA the Audit Committee shall cause audit of the Accounts of AGAOA annually and shall render a report to the Assembly not later than three months after the close of that period.

Other Committees

In the Audio Video Conference of AGAOA held on 20th December 2004 it was agreed by the Members to formulate four committees as under:

1.	Committee on Government Accounting Standards	Chairperson DG, Sri Lanka Member DG, Maldives
2.	Committee on developing I.T. Strategies in accounting functions	Chairperson CGA, India Member CGA, Bangladesh
3.	Committee on capacity building in each member country's organizations – training requirements	Chairperson CGA, Pakistan Member Director, Bhutan
4.	Committee on developing best practices in Public Financial Management	Chairperson Financial Controller General, Nepal Member Dy. Auditor General, Afghanistan

These committees were expected to complete work within 6 months. It was agreed that members would nominate their respective representatives on these committees at the earliest.

In addition, 2 research projects were earlier identified at the Video Conference held on December 20, 2004, and assigned to the CGAs of Pakistan and DG, Sri Lanka.

i) Managing the transition from cash based accounting to accrual accounting

ii) Global trends in financial reporting - usage in member countries

As regards (ii) above, it was earlier decided that DG, Sri Lanka, would obtain inputs from other members about best practices followed in financial reporting in their respective Governments. Members agreed that the above committees and research projects identified would be pursued actively. It was also agreed that the two papers circulated in this context by CGA Pakistan would be put on the website. The papers were handed over to the secretariat.

(Action: AGAOA's secretariat/concerned members)

5. Proposed plan of action for 2005-06:

A) Activate the committees already constituted in accordance with Sl.no.4 (d) of the agenda:

As stated earlier, it was agreed that these committees and research projects would be pursued by all members. The secretariat of AGAOA, which is presently with Office of CGA, India, would coordinate this task.

(Action: AGAOA's secretariat)

B) Annual contribution of members for 2005 and transfer of bank account for host country:

It was agreed that all members would remit their annual contributions for 2005 to AGAOA bank account maintained in Sri Lanka. Office of DG, State Accounts, Sri Lanka, was requested to continue to function as Treasurer of AGAOA which was graciously agreed to by the representatives of Sri Lanka. Pakistan's contribution would be remitted to the bank account of AGAOA in Sri Lanka.

(Action: AGAOA's Secretariat/Pakistan and Sri Lanka)

C) Utilization of funds of AGAOA - identification of specific purposes/activities - prescribing norms for utilization of funds

It was also agreed that a committee would be formed to suggest how best to manage AGAOA funds, as well as frame rules and regulations for spending such funds. A work plan of activities and its budget for 2005-06 is also required to be framed by this committee. The secretariat of AGAOA would co-ordinate this task.

(Action: AGAOA's secretariat)

D) Discussion on the suggestion of DG, State Accounts, Sri Lanka, on “Accounting as a Tool for Effective Financial Reporting”

A Paper on the above topic was circulated by the representatives of Sri Lanka. As time was short, a discussion on the Paper was not possible. It was agreed that this topic could be discussed at the next Video Conference among Members.

(Action: All Members)

E) Sharing of Training Facilities between Members, as suggested by CGA, Pakistan

Discussions focused on the need to share experiences, as well as new initiatives taken by Members in the areas of Government Accounts, through Periodical exchange of visits by Officers through their respective Training Establishments. CGA, India pointed out that their training institute, viz., Institute of Government Accounts & Finance (INGAF) at New Delhi, have been conducting training programs for Officers of the Governments of Bhutan, Nepal, and Sri Lanka. In addition, similar programs are held under the Government of India's Programme on International Technical & Economic Cooperation (ITEC). He noted that it would be useful if such training programmes could be organized under AGAOA's framework. He observed that INGAF would look into the feasibility of bringing some of their bilateral and multi-lateral training programmes under AGAOA's Charter. It was also agreed Members would provide AGAOA's Secretariat a calendar of events of their respective training establishments which would be placed on the website of AGAOA. The designated Nodal Officer of the Office of CGA, India, responsible for maintaining AGAOA's website would coordinate this task with his counterparts. Funding for visits to training

establishments of Members for specialized programmes would also be taken up by AGAOA's Secretariat with the World Bank or ADB.

(Action: AGAOA' Secretariat/ All Members)

F) Presentation on Technical/ Professional Matters of interest by Member Countries/ Representatives

The representatives of Sri Lanka informed the Assembly that the World Bank has initiated a South Asian Study on "Public Sector Accounting and Auditing against International Standards". A copy of the World Bank's Concept Paper was circulated. It was noted that the Concept Paper included AGAOA as one of the partners and collaborators for this Study. It was agreed that Members would examine the Concept Paper and send their inputs to the Secretariat of AGAOA, so as to prepare a regional synthesis and develop proposals aimed at a common strategy among Members.

(Action: All Members/ AGAOA Secretariat)

6. The deliberations concluded with Members thanking CGA, India, for hosting the just concluded Workshop on "Accrual Accounting and Classification Systems" and the Second Assembly of AGAOA. It was agreed that the next meeting would be held at a venue decided through joint consultations. CGA, India assured the Members that he would make all efforts to enhance the scope and activities of AGAOA in line with the valuable suggestions given and would remain in close consultation with Members in furthering the aims and objectives of the Association.

Annexure A

List of delegates who attended the Second Assembly of AGAOA in New Delhi on 17th September, 2005

Bhutan

1. Mr. Choiten Wangchuk, Deputy Controller General of Accounts, Government of Bhutan.

India

2. Mr. H. Prabhakar Rao, Controller General of Accounts, Government of India.
3. Mr. S.W. Oak, Additional Controller General of Accounts, Government of India.
4. Mr. V. N. Kaila, Principal Chief Controller of Accounts (CBEC), Government of India.

Nepal

5. Dr. Madhav Prasad Ghimire, Financial Comptroller General (Acting), Government of Nepal.
6. Mr. Bhaba Krishna Bhattarai, Deputy Financial Comptroller General, Government of Nepal

Pakistan

7. Mr. Iftikhar Ahmed khan, Controller General of Accounts, Government of Pakistan.
8. Mr. Shahzad Hassan, Additional Accountant General, Government of Pakistan.

Sri lanka

9. Mr. D. Widanagamachchi, Director, Dept. Of State Accounts, General Treasury, Government of Sri Lanka.

10. Mr. K. Veerasingam, Director, Department of State Accounts, Government of Sri Lanka.

Delegates who attended the second Assembly of AGAOA as observers

1. Mr. Binsar H Simanjuntak, Chairperson, Government Accounting Standards Committee, Gedung Perbendaharaan II, Level 3, Jin. Budi Utomo No. 6, Jakarta 10710, Indonesia.
2. Mr. Syahman Sitompul, Head, North Sumatra State Treasury, Government of Indonesia.

Members who did not attend the Second Assembly

1. Afghanistan
2. Bangladesh
3. Maldives