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THE WORLD BANK

Washington, D.C.

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President Wolfensohn - Briefing Book for President's Meetings - Speeches - Video
Live Teleconference - World Congress of Accountants - Paris - October 26, 1997

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Edit

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A. CLASSIFICATION

☐ Meeting Material
☐ Trips
☒ Speeches

☐ Annual Meetings
☐ Corporate Management
☐ Communications with Staff

☐ Phone Logs
☐ Calendar
☐ Press Clippings/Photos

☐ JDW Transcripts
☐ Social Events
☐ Other

B. SUBJECT: 1. PRE-BRIEF: SPEECH AT WORLD CONGRESS OF ACCOUNTANTS (EVENT DATE: OCTOBER 26 IN PARIS) (B) (N) // TIME: 11:15 A.M. - 12:00 P.M. // VENUE: MC 12-755 (MEETING ROOM) // - 12 // CONTACT: DEBORAH (FOR MUIS) @ 30113 // SOLEDAD @ 35412 // IN ATTENDANCE: JDW, P. STEPHENS (for MMB), MUIS, R. ANDERSEN, (D. SCHERMERHORN-not attending), F. CHOUDHURY, MCDONOUGH, {G. RUSSELL-not attending-sick}, ANSTEY // PER CA STEVENS (for Stiglitz and Ahmed) // PER J. MUIS - G. WEST, H. BECA (for video-conferencing) // (B) AND TALKING POINTS BY MUIS // DUE MON., OCT. 6 // EXC: CA // LFG (8/12)

Brief includes:

- Letter to JDW from J. Muis, Oct. 6
- Briefing Note to JDW from J. Muis: World Congress of Accountants
- Speech by Sir B. Carlsberg: The Role and Future Plans of the International Accounting Standards Committee
- Summary of Bank's active involvement within specific accounting standardization projections
- Program
- Draft Speech for JDW by R. Andersen
- Memo to C. Anstey from J. Muis: JDW's Speech, Sep. 16

2. VIDEO LIVE TELECONFERENCING // WORLD CONGRESS OF ACCOUNTANTS // HOSTED BY IFAC TO BE HELD IN PARIS (B) (N) // JDW TO MAKE SPEECH // TIME: 10/26/97 1:30 - 12: 30 P.M. // VENUE: MC 12-700 (EXC. CONF. ROOM) // CONTACT: MUIS @ 81674 // IN ATTENDANCE: JDW, D. SCHERMERHORN (FOR MUIS) {G. RUSSELL-not attending-sick}, CAROLINE, LUIGI, MARISELA (informally) // 7/11 - CAROLINE CONFIRMED THE TIME FROM 4:30 - 6:30 P.M. // 10/10 CAROLINE CONFIRMED THAT JDW WILL DO HIS SPEECH FROM WASHINGTON D.C. VIA LIVE TELECONFERENCING AT 10:30 A.M. (WASHINGTON D.C. TIME) // (B) BY CAROLINE // SPEAKING POINTS

// EXC: CA // LFG (10/16)

Brief includes:

- Note to JDW from C. Anstey
- Agenda
- Talking Points

DATE: 10/10/97

C. VPU

World Congress of Accountants

JDW:

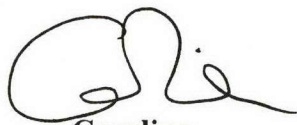
I enclose your speech and a press release. The speech will be up on camera, but we can strip it off at a moment's notice. If you do not read the speech, we would be grateful if you would read out the 2 or 3 quotes from the press release. This will help us maximize coverage.

I also enclose Jules' introduction of you, and a timetable of events. The event begins at 10.30 a.m. Washington time. You go on at 11.15 after Jules introduces you. You are expected to speak for about 20 minutes and take Q&A for 10. Jules will introduce the questioners from the Paris end. You will be thanked by the MC. You should be off air at 12.00 latest.

I also attach the brief submitted by Jules. As you will see from his introductory remarks, he is touching on the more arcane aspects of the Bank's work with accountants, leaving you to cover a more strategic agenda.

Jules' assistant - Debbie Schermerhorn - will be here on Sunday to answer any accounting questions. Jules will also be contactable via cellphone that morning (I will give you the number once I have it). On Friday or Saturday or early Sunday morning you can reach him at the:

Hotel La Fayette
tel: 33-1-40-68-50-68



Caroline

TO: CAROLINE ANSTEE, WORLD BANK 1-202/522-1677

FROM: JOHN GRINER, IFAC

As discussed, this is the schedule for the World Congress. If you have any questions.

Cérémonie d'ouverture

16h30/18h30

Dimanche 26 octobre 1997.

XV^{ème} IFAC

TOTAL P.001

16h30	Noir salle. Clip du XV ^{ème} congrès mondial de la comptabilité	3'
16h33	Introduction. M. Nahum annonce l'ouverture du XV ^{ème} congrès de l'IFAC.	3'
16h36	Allocution du Président de la Compagnie Nationale des commissaires aux comptes, M. Kling.	7'
16h43	Allocution du Président de l'Ordre des Experts Comptables, M. Ricol.	7'
16h50	Allocution du Ministre français du Budget, M. Sautter.	15'
17h05	Allocution du Président de l'IFAC, M. Herrera.	10'
17h15	Conférence exceptionnelle du Président de la Banque Mondiale, M. James Wolfensohn par vidéotransmission.	25'
17h40	Fin des allocutions. Installation des musiciens.	1'
17h41	M. Nahum présente le chef d'orchestre. Présentation des œuvres interprétées.	3'
17h44	Concert de l'Orchestre Symphonique de France.	45'
18h30	Fin du concert.	

6 hrs. ahead
of Washington↑ time
↓ will
expand
if necessary

(202)
John Bliss 840 1661

James D. Wolfensohn
Remarks to the
World Congress of Accountants
October 26, 1997

DRAFT

"Accountants and Society: Serving the Public Interest"

- Didier R. King*
Regret
Ricard, William Nahum
- ✓ Thanks to Juan Herrera and John Gruner, *Apologies* for not having been able to join you in person.....Great honor to be participating in this conference.
 - ✓ Let me first congratulate the organizers of this magnificent event. The World Congress has made enormous strides.
 - ✓ I doubt very much whether the founding fathers meeting in Missouri in 1904 would have imagined that almost a century later they would be discussing "*Partnerships between the public and the private sectors in emerging markets*" or "*The Accountant's Role in environmental and sustainable development*." Your agenda today is a tribute to your continued development as a profession.
 - ✓ Let me offer you some thoughts from my own perspective as a development banker, on how accountants can best serve the public interest, the title you have set yourselves for this Congress, and one that is central to my daily preoccupations.
 - ✓ Today we sit in Paris and in Washington. But the 4.7 billion people who are my clients live in a different world. Three billion live under 2 dollars a day; one billion three hundred million live on under 1 dollar a day; one hundred million go hungry every day; 150 million never even get the chance to go to school.
 - ✓ These aren't numbers at the margin; nor are they numbers which for much longer can be pigeon-holed into boxes labeled overseas aid or development policy and then promptly forgotten.
 - ✓ We can sit comfortably in Paris or in Washington and ignore them. But our children cannot.
 - ✓ There are not 2 worlds, Mr. President, there is one world. We breathe the same air. We degrade the same environment. We share the same international financial system. We have the same health problems. AIDS does not stop at borders. Crime does not stop at borders. Drugs do not stop at borders. Terrorism, war and famine do not stop at borders. *Money does not stop at borders. Accountants do not stop at borders.*
 - ✓ And economics is fundamentally changing the relationships between rich and poor nations.

- ✓ • Today the developing world accounts for 18% of global GDP. By 2020 that may be 30%.
- ✓ • Today China, India, Indonesia, Brazil and Russia - the emerging Big 5 - account for 50% of the world's population but their share of world trade is only a quarter that of the European Union's. By 2020, their share in world trade could be 50% more than Europe's.
- ✓ • Today we think of London, Paris and New York as the major centers. But by 2020 we will be thinking of Jakarta and Beijing, and we will be thinking of São Paulo and Mumbai, and we will be thinking of cities in Africa because these will be the major cities.
- ✓ • What does this mean for 4,000 accountants and auditors gathered in Paris?
- ✓ • First and foremost it means that a key part of your clientele - far more so even than today - will be in developing and transition economies.
- ✓ • The emergence of the Big 5 economies will not only redraw the economic map of the world as we know it. It will have knock-on social and political effects throughout the developing world and beyond.
- ✓ • But it means something more.
- ✓ • Over the last 15 years, we have seen freedom blossom and with it an expanded role for civil society. Today 2 in 3 countries use elections to choose their national leadership.
- ✓ • We have seen a dramatic expansion of the market economy. Today 5 billion people live in a market system - up from 1 billion a decade ago.
- ✓ • We have seen some extraordinary success stories in East Asia, and parts of Latin America.
- ✓ • But we have also seen something else:
- ✓ • We have seen that lack of institutional capacity, poor governance, and public sector management remain major impediments to growth and development. Often in those very countries which for the first time are experiencing political and economic reform and where those reforms are at their most fragile.
- We have seen rampant corruption, by some economic estimates at the cost to countries of half a percentage point of GDP growth per year.

does not set off alarm bells.

- ✓ • And most recently in South East Asia we have seen that lack of disclosure and the free flow of information, are key ingredients in financial crises. That the miracle, was perhaps not quite so miraculous after all.
- ✓ • What does this have to do with auditors and accountants?
- ✓ • The single element which unites these issues is **transparency**.
- ✓ • We know that corruption and financial crises flourish in the dark. We know that lack of transparency imperils effective governance. We know that social consensus is built on information. And we do not have to make too great a mental leap to understand that voice is a crucial aspect of sustainable economic reform.
- ✓ • Irrespective of political systems, public decisions must be brought right out into the sunshine of public scrutiny. This is not a luxury: The icing to be added once countries have reached a certain point of development. This is not a political issue "off limits" to those of us who deal with economics. This is a fundamental prerequisite for maximizing growth and poverty reduction. And it needs to be regarded as such.
- ✓ • Take corruption. Eighteen months ago I couldn't talk about corruption. Eighteen months ago I was told that corruption was a political not an economic issue. Since that time we have come a long, long way. Last year in my annual meetings speech, I spoke of the cancer of corruption - the first time a World Bank president had mentioned the word. This year in Hong Kong, corruption was a central issue. Why? Because we now know that corruption is detrimental to development.
- ✓ • My bottom line on corruption is simple. Corruption impedes growth and investment and penalizes the poor. If a government is unwilling to take action despite the fact that the country's development objectives are undermined by corruption, then the Bank Group must curtail its level of support to that country. We have already done so in the case of one country. And I have no doubt that we will do so again in the case of others.
- ✓ • We are also working with a first half dozen countries on anti-corruption strategies, holding anti-corruption seminars and workshops for parliamentarians and journalists; making sure that our own processes meet the highest standards of transparency and propriety and pushing ahead with deregulation, institutional and policy reform.
- ✓ • But it is not enough to focus only on the corruptees. We also need to focus on the corruptors. However painful and close to home it may be for some of us.
- ✓ • It takes two to corrupt. They are the corruptors and there are the corruptees. A tax-break for bribes in an OECD country is a tax hike for the poor of the developing

world. And yet, to date, such penalties as exist are directed almost exclusively at the bribees not the bribers.

- ✓ • We must all strongly support the OECD's efforts to end the tax deductibility of bribes and criminalize the bribing of foreign officials.

- But you also have a critical role to play. **You are the custodians of probity.** You are the ones who are signing off on public accounts. You have a moral and an ethical responsibility to serve the public interest. It's the title of this Congress.

- And in many cases you are. But take money laundering. Where is the accountancy profession? If you are not there voluntarily, ultimately you'll be pushed by legislators into being there. Wouldn't it be far better to take the first step yourselves and begin to build up a compliance mechanism for ethical standards?

- ✓ • Governments must also take action. Institutionalized accountability mechanisms are a central part of the fight against corruption. We need independent offices of public *center* auditing. We need to agree on common *global* *of Auditors-General for* *as well as for the private sector.* *and auditing* ~~accountancy~~ principles and standards and we need to extend them throughout the developing world. We need disclosure and we need open government. All these are crucial.

✓ But they are crucial not only in the fight against corruption or for greater financial stability. They are crucial because they lie at the heart of successful development.

✓ If education and investment are the essential building blocks of development, good governance, and within that I include open government, is the lifeblood.

✓ In country after country we see that the institutional foundations - government capacity, an effective and agile public sector, a responsive and clean bureaucracy - are critical to progress. And yet in country after country we know that if private businesses ran their operations and their finances, in the way that the public sector does, they would flounder. And no one would be surprised.

✓ We at the Bank can and are working to improve accounting and auditing capacity building - in Ghana, Zambia, China, Pakistan and Indonesia among others. Last year we had a landmark meeting in Washington with the Big 6 accounting firms, ~~and as a result~~ *more* we are now recruiting *new* financial management specialists with professional accounting qualifications *to help us work with governments to improve financial management and development effectiveness.*

✓ But you also have to play your part:

✓ • push the agenda for international harmonization of accounting standards to meet the needs of the global marketplace. In a world that is growing more and more like a single economic household, it makes no sense to be speaking in different voices. We urgently need a unified global language of business.

- ✓ • And work with your colleagues in the developing countries. IFAC and IASC have about 90 countries in their membership ... and yes... they cover a significant proportion of world GDP. But there are at least 90 more countries who are members of the World Bank and the IMF who probably don't have what it takes to develop their own professional accountancy bodies.
- ✓ • Reach out and help them develop such bodies, as well as appropriate regulatory financial frameworks and accounting standards boards.
- ✓ • But, Mr. President we also need something more.
- ✓ • I have now visited over 60 countries. And one of the most profound impressions I have from those visits is of nascent enterprise. Small businesses that are taking root amid urban slums and rural villages. People who for the first time in their lives have a sense of hope and independence.
- ✓ • The woman entrepreneur in Katwe, Uganda, converting banana peels into charcoal briquettes and showing me her pencil-written records with all the pride of the head of Societe General. Women in India setting up microenterprises with small loans of less than \$100, showing me passbooks with their expenditures and their receipts. The father in La Paz, borrowing to raise a small herd of milk cows on the outskirts of the city, and for the first time in his life beginning to do accounts.
- ✓ • These people need your help. These people have a real and pressing need to understand business practice, double entry book-keeping, and computation. *simple*
- ✓ • I have looked through the 862 pages of the IFAC Handbook on Technical pronouncements. It is a very impressive volume. Covering almost everything from ethics, to quality control, from education to management accounting. The only thing I missed was any reference to civic responsibility.
- ✓ • Many of you here come from firms that already have the networks, and branches and representatives in developing and transition economies. You are already out there. But you must be out there with something other than drumming up immediate business. You must be out there thinking in terms of what we you can give back; thinking in terms of creating a better world. And for those who prefer to think in terms of self-interest - yes, thinking about creating the clients of the future.
- ✓ • Encourage your people to do *pro bono* work with communities on basic accountancy skills. And reward them for doing it. Set up service awards. Create incentives. Donate your redundant computers and technology. Add a section to your handbook about civic responsibility.

✓ *Staffs in many of your organisations do this because of their personal concern but what are the firms doing individually and collectively -*

- ~~Some of you are doing this (Randolph do we have examples?) and I commend it. But it should become part of all our business lives.~~ *A-----*

✓ Mr. President, multilateral, bilateral and international organizations can do much to stimulate growth and poverty reduction and help create the kind of enabling environment to attract private capital.

✓ Governments can do much to throw open their doors to public scrutiny. To reform their public administrations. To create independent auditor generals and to invest in their people.

✓ Civil society can do much to use voice to combat corruption and to monitor transparency.

✓ But the role of the private sector is crucial. Not just in transferring private capital to developing countries or record amounts of FDI. But in helping to provide the skills and technology to those 3 billion people who live on less than \$2 a day to help them help themselves and take that crucial first step towards entrepreneurship.

✓ Mr. President, we need to create a **private sector peace corps**. We could start here today, simply by having half a dozen service awards in each one of the Big ~~4~~ firms. *(same to US) to recognise such civil society contributions.*

✓ Let me conclude by quoting the very first sentence of your handbook,

✓ "A distinguishing mark of a profession", it says, "is acceptance of its responsibility to the public."

✓ We surely have enough environmental, financial and economic evidence of the interlinkages between the developing and the industrialized worlds to convince us that whether we talk about auditing or accountancy standards, professional ethics, or civic responsibility, in the world of 1997 that "public" is international.

✓ For more than ~~20~~ ⁹⁰ years you have proved your ability to keep the profession relevant. I am confident that in pioneering civic responsibility, in agreeing on international standards for auditing and accounting practices and in taking the first steps towards creating compliance mechanisms for ethical standards, you could enjoy 90 more.

✓ Thank You

NOT 2 worlds BUT ONE WORLD —

RECOGNISES NO BOUNDARIES
ENVIRONMENT

HEALTH

MIGRATION

CRIMES

DRUGS

FINANCE AND

— EVEN ACCOUNTANTS —

COMITÉ ORGANISATEURS

① THE WORLD

② Common LANGUAGE

Sir BRYAN CARSGENE

③ FREE Flow OF RESOURCES

INCLUSION -

ISSUE OF PEACE -

FUTURE OF OUR CHILDREN

PEACE

→ CONCLUSION - LAST YEAR

④ TRANSPARENCY AND OPEN GOVT.

⑤ RESPONSIBILITY - ^a A DISTINGUISHING
MARK OF A PROFESSION IS
ACCEPTANCE OF ITS RESPONSIBILITY
TO THE PUBLIC ¹

¹¹ IFAL HANDBOOK DOES NOT
HAVE A SECTION ON CIVIC
RESPONSIBILITY ¹

WANY OF YOU HAVE TAKEN STEPS ON
CIVIC RESPONSIBILITY

THANK YOU -

- to the International Accounting Standards Committee (IASC) particularly for the development of an international accounting standard for agriculture - an area where we and other lenders need some clarity on financial statements and what they mean particularly where biological growth assets are concerned.
- to the International Federation of Accountants' Public Sector Committee (IFAC/PSC) to help bring some common bases to government accounting - There is a movement for government accounting towards the full accrual end of the spectrum. So we look to the IFAC/PSC to develop models suitable for our developing country clients that address issues concerning cash accounting as well as modified cash and modified accrual accounting approaches as interim measures.
- to the International Organization of Supreme Audit Institutions (INTOSAI) to help improve training for staffs in the offices of Auditors-General - these staff struggle along with their government accounting colleagues to bring some semblance of accountability in areas often fraught with ambiguity, possible rent-seeking and other diversions from true financial accountability and transparency.
- to the International Group of Experts on Standards of Accounting and Reporting (the ISAR Group) in UNCTAD to help develop guidelines for environmental financial accounting. I know that some of the Securities and Exchange Commissions are becoming a little more excited about third party risk where one institution loans money to another organization for development but in so doing there are environmental impacts which affect other parties. Some of these environmental issues are not being adequately reflected in private sector company, public sector enterprise or government financial statements. We need a balanced view on such disclosures and the ISAR Group forum brings together those interested parties into the debate.

We also provide funds, sometimes through our Institutional Development Fund and sometimes directly through loan or credit funds to help develop special accounting and auditing capacity building activities as we have done or are doing in such countries as Ghana, Zambia, China, Pakistan and Indonesia. We cannot do these things on our own we need your help. My appeals to you today therefore are as follows: -

- Continue to push the agenda for international harmonization of accounting standards to meet the needs of the global market place in a period when the world is growing more and more like an economic household. We urgently need a unified global language of business.
- While good accounting will not stop - and good auditing will not necessarily detect - all fraud and corruption, we have to start somewhere... and starting



Fax Transmittal Sheet

The World Bank
European Office - Conference Unit
66, avenue d'Iena, 75116 Paris
Fax number: (33 1) 40 69 30 67

To: Caroline Austey, President's Office, World Bank
Fax number: (202) 522 16 77
From: Randolph A. Andersen c/o World Bank, Paris
Date: October 24, 1997
Re: WORLD CONGRESS OF ACCOUNTANTS, PARIS

Pages including this page: 3

Number of Message:

RE : QUESTIONS AND ANSWERS

Attached herewith are the 4 Questions that are likely to be asked after Mr. Wolfensohn's speech on Sunday. Jules and I suggest the answers as indicated. Should you need either Jules or me outside of Paris Office hours we are both staying in the Hotel Concorde La Fayette tel: 33.1.40.68.50 68 and Fax: 33.1.40.68.50 43. Jules is in Room 1131 and I am in Room 2404.

Kind regards,

Randolph
Randolph

If you experience problems with this transmission, please call (33.1) 40 69 30 46

**QUESTIONS FOR JIM WOLFENSOHN
FOLLOWING HIS SPEECH**

1. The World Bank has been a leader in the struggle against corruption. What specific proposals do you have for the accountancy profession to help you in this effort?

- Compliance with own Ethics set out in your handbook;
- Always remember your independence and impartiality when giving an opinion - do not compromise;
- Let us know whenever your engagement fails to be renewed because you refused "to go along" with an inappropriate suggestion at defalcation/misrepresentation;
- More proactive and less reactive in tackling systemic symptoms such as in money laundering.

2. You have mentioned the ways in which the World Bank is assisting accountancy development around the world. It is also apparent to me, in my many travels that other organizations are also helping. It seems, however, that these projects are not always properly coordinated and/or they have unrealistic expectations. How could we, as a profession, help to make these funds and grants be used in the most effective and efficient manner?

- Yes we are also concerned that there is no proper coordination and harmonization of the different donor requirement; please do draw our attention to any situation where you believe there is an ineffective approach. We acknowledge that we at the Bank have had inadequate staffing with the right skills to provide effective coordination on this issue with other donors. I mentioned that we are correcting that through major recruitment exercise of Financial

management specialists including accountants. We shall give some careful thought to how donors can harmonize and standardize their requirements. I will ask my staff for suggestions.

3. IFAC and IASC are well-known as standard setters, but I would like your comments on other ways in which the accountancy profession can contribute to the advancement of civil society?

- International and National scholarships. High school teaching mentoring programs as well as some points I mentioned in answer to Q.I. Pull in, help, catalyse, the development of the problems in countries in need; develop outreach programs and be proactive in tackling good governance issues and the "downside" of the financial world e.g. money laundering;

4. You have cited accountability and good governance as a keystone of development of civil society. How important is the role of international standards in helping these things happen?

- International accounting standards bring clarity and comparability to financial accounting and reporting which is important when dealing with capital markets and investor confidence. Similarly, Audit opinions based on a recognised body of standards such as those of IFAC also add to that confidence. Such standards also offer a ready made solution where no national standards exist. Do remember that many of the countries of the world have no accounting profession, so they need your help in that regard as well as on interpretation of your standards.

James D. Wolfensohn
Remarks to the
World Congress of Accountants
October 26, 1997

DRAFT

“Accountants and Society: Serving the Public Interest”

- Thanks to Juan Herrera, John Gruner, Didier Kling, Rene Ricol, William Nahum. Regrets for not having been able to join you all in person.....Great honor to be participating in this conference.
- Let me first congratulate the organizers of this magnificent event. The World Congress has made enormous strides.
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M. I. C. Watson

Overseas
Investment

Private
Sector

- And economics is fundamentally changing the relationships between rich and poor nations.
- Today the developing world accounts for 18% of global GDP. By 2020 that may be 30%.
- Today China, India, Indonesia, Brazil and Russia - the emerging Big 5 - account for 50% of the world's population but their share of world trade is only a quarter that of the European Union's. By 2020, their share in world trade could be 50% more than Europe's.
- Today we think of London, Paris and New York as the major centers. But by 2020 we will be thinking of Jakarta and Beijing, and we will be thinking of Sao Paulo and Mumbai, because these will be the major cities.
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75% 572
countries

- We have seen rampant corruption, by some economic estimates at the cost to countries of half a percentage point of GDP growth per year.
- And most recently in South East Asia we have seen that lack of disclosure and the free flow of information, are key ingredients in financial crises. That the miracle, was perhaps not quite so miraculous after all. *Boa of Accounts in financial crisis*
- What does this have to do with auditors and accountants?
- The single element which unites these issues is transparency.
- We know that corruption and financial crises flourish in the dark. We know that lack of transparency imperils effective governance. We know that social consensus is built on information. And we do not have to make too great a mental leap to understand that voice is a crucial aspect of sustainable economic reform. *Pakistan*
- Irrespective of political systems, public decisions must be brought right out into the sunshine of public scrutiny. This is not a luxury: The icing to be added once countries have reached a certain point of development. This is not a political issue "off limits" to those of us who deal with economics. This is a fundamental prerequisite for maximizing growth and poverty reduction. And it needs to be regarded as such.
- Take corruption. Eighteen months ago I couldn't talk about corruption. Eighteen months ago I was told that corruption was a political not an economic issue. Since that time we have come a long, long way. Last year in my annual meetings speech, I spoke of the cancer of corruption - the first time a World Bank president had mentioned the word. This year in Hong Kong, corruption was a central issue. Why? Because we know that corruption is detrimental to development.
- My bottom line on corruption is simple. Corruption impedes growth and investment and penalizes the poor. If a government is unwilling to take action despite the fact that the country's development objectives are undermined by corruption, then the Bank Group must curtail its level of support to that country. We have already done so in the case of one country. And I have no doubt that we will do so again in the case of others.
- We are also working with a first half dozen countries on anti-corruption strategies, holding anti-corruption seminars and workshops for parliamentarians and journalists; making sure that our own processes meet the highest standards of transparency and propriety and pushing ahead with deregulation, institutional and policy reform.
- But it is not enough to focus only on the corruptees. We also need to focus on the corruptors. However painful and close to home it may be for some of us.

- It takes two to corrupt. They are the corruptors and there are the corruptees. A tax-break for bribes in an OECD country is a tax hike for the poor of the developing world. And yet, to date, such penalties as exist are directed almost exclusively at the bribees not the bribers.
- We must all strongly support the OECD's efforts to end the tax deductibility of bribes and criminalize the bribing of foreign officials.
- But you also have a critical role to play. **You are the custodians of probity.** You are the ones who are signing off on public accounts. You have a moral and an ethical responsibility to serve the public interest. It's the title of this Congress.
- And in many cases you are. But take money laundering. Where is the accountancy profession? If you are not there voluntarily, ultimately you'll be pushed by legislators into being there. Wouldn't it be far better to take the first step yourselves and begin to build up a compliance mechanism for ethical standards?
- Governments must also take action. Institutionalized accountability mechanisms are a central part of the fight against corruption. We need independent offices of Auditors-General for public sector auditing as well as for the private sector. We need to agree on common global accounting and auditing principles and standards and we need to extend them throughout the developing world. We need disclosure and we need open government. All these are crucial.
- But they are crucial not only in the fight against corruption or for greater financial stability. They are crucial because they lie at the heart of successful development.
- If education and investment are the essential building blocks of development. Good governance, and within that I include open government, is the lifeblood.
- In country after country we see that the institutional foundations - government capacity, an effective and agile public sector, a responsive and clean bureaucracy - are critical to progress. And yet in country after country we know that if private businesses ran their operations and their finances, in the way that the public sector does, they would flounder. And no one would be surprised.
- We at the Bank can and are working to improve accounting and auditing capacity building - in Ghana, Zambia, China, Pakistan and Indonesia among others. Last year we had a landmark meeting in Washington with the Big 6 accounting firms. We are now recruiting more financial management specialists with professional accounting qualifications to help us work with governments to improve financial management and development effectiveness.
- But you also have to play your part:

- push the agenda for international harmonization of accounting standards to meet the needs of the global marketplace. In a world that is growing more and more like a single economic household, it makes no sense to be speaking in different voices. We urgently need a unified global language of business.
- And work with your colleagues in the developing countries. IFAC and IASC have about 90 countries in their membership ... and yes... they cover a significant proportion of world GDP. But there are at least 90 more countries who are members of the World Bank and the IMF who probably don't have what it takes to develop their own professional accountancy bodies.
- Reach out and help them develop such bodies, as well as appropriate regulatory financial frameworks and accounting standards boards. 
- But, Mr. President we also need something more.
- I have now visited over 60 countries. And one of the most profound impressions I have from those visits is of nascent enterprise. Small businesses that are taking root amid urban slums and rural villages. People who for the first time in their lives have a sense of hope and independence.
- The woman entrepreneur in Katwe, Uganda, converting banana peels into charcoal briquettes and showing me her pencil-written records with all the pride of the head of Societe General. Women in India setting up microenterprises with small loans of less than \$100, showing me passbooks with their expenditures and their receipts. The father in La Paz, borrowing to raise a small herd of milk cows on the outskirts of the city, and for the first time in his life beginning to do accounts.
- These people need your help. These people have a real and pressing need to understand business practice, double entry book-keeping, simple computation.
- I have looked through the 862 pages of the IFAC Handbook on Technical pronouncements. It is a very impressive volume. Covering almost everything from ethics, to quality control, from education to management accounting. The only thing I missed was any reference to civic responsibility.
- Many of you here come from firms that already have the networks, and branches and representatives in developing and transition economies. You are already out there. But you must be out there with something other than drumming up immediate business. You must be out there thinking in terms of what we you can give back; thinking in terms of creating a better world. And for those who prefer to think in terms of self-interest - yes, thinking about creating the clients of the future.

- Encourage your people to do *pro bono* work with communities on basic accountancy skills. And reward them for doing it. Set up service awards. Create incentives. Donate your redundant computers and technology. Add a section to your handbook about civic responsibility.
- It should become part of *all* our business lives. Staffs in many of your organizations are already doing this because of their personal concern. Your organizations are already doing a good deal of charity work in a number of different areas. But what are your firms doing individually and collectively to pass on basic business and accountancy skills?
- Mr. President, multilateral, bilateral and international organizations can do much to stimulate growth and poverty reduction and help create the kind of enabling environment to attract private capital.
- Governments can do much to throw open their doors to public scrutiny. To reform their public administrations. To create independent auditor generals and to invest in their people.
- Civil society can do much to use voice to combat corruption and to monitor transparency.
- But the role of the private sector is crucial. Not just in transferring private capital to developing countries or record amounts of FDI. But in helping to provide the skills and technology to those 3 billion people who live on less than \$2 a day to help them help themselves and take that crucial first step towards entrepreneurship.
- Mr. President, we need to create a **private sector peace corps**. We could start here today, simply by having half a dozen service awards to recognize civic contributions in each one of the Big firms.
- Let me conclude by quoting the very first sentence of your handbook,
- “*A distinguishing mark of a profession*”, it says, “*is acceptance of its responsibility to the public.*”
- We surely have enough environmental, financial and economic evidence of the interlinkages between the developing and the industrialized worlds to convince us that whether we talk about auditing or accountancy standards, professional ethics, or civic responsibility, in the world of 1997 that “public” is international.
- For more than 90 years you have proved your ability to keep the profession relevant. I am confident that in pioneering civic responsibility, in agreeing on international

standards for auditing and accounting practices and in taking the first steps towards creating compliance mechanisms for ethical standards, you could enjoy 90 more.

- Thank You

C. Anstey
10/17/97

Accountants and Society Serving the Public Interest

Thanks.

Founding Fathers in Missouri 1904

— or even 30 years ago at the Congress
in Paris — National Working out

Today Confronted by issues of Globalization

My perspective —

World Bank united developed —
developing world

4.7 Billion

3.0 Bill

1.3 Bill

\$100 million buying any day
150 " do not
so to speak —

18% of GDP → 30%

50% of growth in world

40% of growth in GDP

Not 2 worlds.

— Environment

— Health

— Migration

— Crime

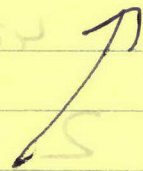
— Drugs

Business

No Borders

Global accountants

Unit's / Transparency
Demonstrative / Aid
International / Seminar
Open / Transparency



(2)

{ China
India
Indonesia - 50% of world GDP
Brazil
Russia

1/4 of European Union world Trade

By 2020 50% more than Europe

What does this mean for you - New Delhi
San Paulo
Dhaka
Gurgaon

① your location of clients with days

and the way in which you are paying

→ Format of Trade flow

1 Bill to 5 Bill is a market economy

2/3 countries demonstrate -

② Private sector growth in emerging

African institutions	7 years	60 Bill	-	40
Banks		30 Bill		240

Common
LANGUAGE

British-Indian factor is complexity -
WE URGENTLY NEED A UNIFIED
GLOBAL LANGUAGE OF BUSINESS
Need for a common language

Announcing currency that there is a common
language -

We know your efforts

GOVERNMENTS
AND
BUSINESS

with Governments -
and with Business -

— knowing standard in
 { Ghana
 Zambia
 China
 Pakistan
 India

INFORMATION
TECHNOLOGY

— 90 countries — But we have
180 members —

We know your work

Common Standards ⁽⁴⁾ — International
Account Standards

But also in your work in extending the
traditional account —

{ Deposition procedures —
Use of our national gift
spoils? common

cannot go on just thinking in
financial terms as our planet degrades

→ Free Flow of Resources
↳ Invasion — ~~Threat~~

Corruption: — It is an issue for you
will be more so.

Ethics.

How to deal with it —

Corruption issue is central today
— Political Issue

Not in your Books —

→ Stability of government

→ provinces are demanding it -

we are working on corruption

Natities

Corrupts - Corruptee -

Tax deduction -

Corruption impedes growth -

Ethics →

MR HERBERT
- REPRESENTATIVES
THE ETHICAL
ACCOUNTANTS
OF

TRANSPARENT
AND OPEN
GOVT.

3

Responsibility - A distinguished
brand of a person is acceptance
of its responsibility to the Public -

→ ~~PUBLIC SERVICE~~
PRIVATE SECTOR PEACE CORPS
PEACE

4

GHANA

ZAMBIA

CHINA

PAKISTAN

INDIA

Account

STANDARD

On this

→ Thanks

①

→ The world in which I live

→ Your clients and the different world.

Private Sector

→

Public Sector —

②

Accounting Standards Global

→ Need a Unified language

of Business

We have given support.

③

Free flow of Resources —

Challenge is enormous

→ inclusion

Pakistan — Health —

④

Consumption.

⑤

Public Service —

Micro credit

Small loans

Going Private

New Entrepreneurs

Training.

CAPACITY BUILDING

TO: CAROLINE ANSTEE, WORLD BANK 1-202/522-1677

FROM: JOHN GRUNER, IFAC

As discussed, this is the schedule for the World Congress. If you have any questions.

Cérémonie d'ouverture

16h30/18h30

Dimanche 26 octobre 1997.

16h30	Noir salle. Clip du XV ^{ème} congrès mondial de la comptabilité	3'
16h33	Introduction. M. Nahum annonce l'ouverture du XV ^{ème} congrès de l'IFAC.	3'
16h36	Allocution du Président de la Compagnie Nationale des commissaires aux comptes, M. Kling.	7'
16h43	Allocution du Président de l'Ordre des Experts Comptables, M. Ricol.	7'
16h50	Allocution du Ministre français du Budget, M. Sautter.	15'
17h05	Allocution du Président de l'IFAC, M. Herrera.	10'
17h15	Conférence exceptionnelle du Président de la Banque Mondiale, M. James Wolfensohn par vidéotransmission.	25'
17h40	Fin des allocutions. Installation des musiciens.	1'
17h41	M. Nahum présente le chef d'orchestre. Présentation des œuvres interprétées.	3'
17h44	Concert de l'Orchestre Symphonique de France.	45'
18h30	Fin du concert.	

6 hrs. ahead
of Washington↑ time
↓ will
expand
if necessary

Mathieu

John Bliss (202) 840 1661

The Role and Future Plans of the International Accounting Standards Committee

by Sir Bryan Carsberg, Secretary-General

There can be few who work for multinational companies, with some involvement with their financial reporting systems, who have not thought how good it would be to have one accounting language throughout the world. At present, accounting is far from that objective. Accountants inhabit a kind of Tower of Babel where we not only speak different languages but also give different interpretations of the same events and transactions.

The Need for Harmonisation

The desirability of uniform accounting has been apparent throughout the lifetimes of people who are alive today. However, only in the last twenty years or so has the case for it become compelling and only more recently have the pressures for uniformity become irresistible. One factor has been the increasing globalisation of business. Multinational companies have been with us for a long time. But economic trends are bringing more and more incentives to encourage genuinely international operation. The successful completion of the Uruguay round of GATT, leading to the establishment of the World Trade Organisation, will at least maintain the pace of change. Developments in the European Union are another important factor. As new countries join the Union and as companies adapt their businesses to become European companies, rather than companies of one nation, more and more multinationals are created.

Linked with this is the increasingly global nature of capital markets. If businesses are multinational in scope, it is likely that they will wish and need to raise their capital in many different countries. They are assisted in this by increasing competition among the capital markets, each anxious to increase its share of world business. Indeed, competition among the capital markets may be the strongest factor in encouraging a change of attitude by national regulators towards International Accounting Standards. The strongest capital markets of the world see the ability to accept International Accounting Standards as enabling them to compete more effectively: the need to prepare extra accounts to have a cross-border listing at

present is a significant deterrent to such listings. The smaller exchanges go further and think about the desirability of allowing domestic companies to use international standards for domestic purposes. They are concerned that otherwise domestic companies may be content with stock exchange quotations in other countries and see no need for a quotation on the domestic exchange.

The privatisation movement has also played a role in these developments. The transfer of utilities from state ownership to private ownership in many countries of the world, over the last ten years or so, has created new demands for private sector capital. The size of these demands is often too great to be accommodated in the capital markets of one nation.

Given the trends towards greater globalisation, the motivations of companies for seeking a uniform accounting system are strong. At one level, the motivation is to achieve economic operation. If companies have to prepare their accounts according to several different sets of rules, in order to communicate with investors in the various capital markets in which they operate, or for other national purposes, they incur a considerable cost penalty, and feel that money is wasted according to the standards of a rational world. However, the motivation goes deeper than this. Managers want to achieve as much congruence as possible between internal reporting and external reporting: only then can the incentives for good performance internally be linked faithfully to the measure by which the company will be judged in the outside world. Evidently, if different accounting rules have to be used to satisfy external requirements in different countries, a good match between internal and external reporting will be out of reach.

However, the case for uniform accounting goes much deeper still. The issue is fundamentally about the credibility of accounting. If a company reports dramatically different results for its operations, for a given year, because it has to publish results according to the rules in different countries, confidence in accounting will suffer. The well-known case of the results of Daimler Benz provides a dramatic example. In 1994, its reported profit under German rules was

DM 895 million, whereas its profit under US accounting rules was DM 1,052 million. This is perhaps a relatively small difference, though not immaterial, and is in the direction that people have come to expect. German accounting rules are regarded as being more conservative - some would say more prudent - so that profit measurements are likely to run lower than those made under US rules. However, it was the 1993 results which bade to write a new chapter in accounting text books. In that year, accounting under German rules showed a profit of DM 615 million; but US accounting led to the reporting of a loss of DM 1,839 million. How can accounting anywhere expect to be taken seriously when things like this can happen? Expert accountants may say that the situation is easily understood in terms of a few adjustments and that there is an especially large and unrepresentative effect in the year in which new principles are adopted. But the financial community more generally finds the messages confusing and the result unacceptable. Daimler Benz does not provide the only example of this kind of thing. The Norwegian company, Norsk Hydro, reported a profit of NKR 167 million under Norwegian rules in 1992 but a profit of NKR 1,763 million under US rules. The Rover motor company of the UK recently, after being acquired by the German company BMW, reported a loss of £150 million under German accounting, while saying that it would have reported a profit of £90 million under UK rules. And News Corporation, an Australian company, reported a profit of A\$502 million under Australian rules against a profit of A\$241 million under US rules, also for 1992. The case of News Corporation, showing a difference of over 100% from US accounting to Australian accounting is particularly telling because people have tended to assume that differences of this kind arise only in contrasts between the rules of English-speaking countries and the rules of others.

National Differences in Accounting

People who study the differences among systems of accounting rules are inclined to group countries into two categories. On the one hand, there are countries where business finance is provided more by loans than by equity capital, where accounting rules are dominated by taxation considerations and where legal systems customarily incorporate codes with detailed rules for matters such as accounting. The effect of the taxation systems can be particularly

pervasive. Often, the taxation systems effectively offer tax breaks for business by allowing a generous measurement of expenses and modest measurements of revenues, but on condition that these measurements are used for general reporting purposes. Companies have strong incentives to take advantage of these taxation concessions because real cash is involved. But the penalty is a lack of full transparency for arm's length equity investors in the businesses. In these countries, in the past, major providers of finance have been close to the companies in which they have invested, with private contractual arrangements to deal with the provision of information and perhaps involvement in management. The lack of transparency in the general accounts has not mattered so much. However, modern business pressures are changing this. The size of the capital needs, the wish to hedge finance-raising with operations or perhaps just a general wish to diversify have created reasons for companies to raise their capital in different countries according to different customs. Major countries in this category include France, Germany and Japan.

On the other hand are countries in which equity sources of finance are more important, accounting measurements are not dominated by taxation considerations, because tax breaks can be enjoyed independently of the way results are reported to shareholders, and common law systems prevail. These countries generally have some private sector system for setting accounting standards, often within a general statutory framework. The role of equity finance is important because capital market pressures are then brought to bear most strongly to improve the quality of information available to investors: the absence of detailed codes, crystallised in the law, leaves flexibility to respond to pressures. The United States, the United Kingdom, Australia and the Netherlands are examples of countries in this category.

The differences between accounting systems in the two groups of countries are often characterised as differences grounded in culture. This can be a troublesome description because it might be taken to imply that different accounting systems are needed from country to country. I am doubtful about that view. I believe the differences are more properly regarded as attributable to historical accidents, albeit accidents that have had a long-lasting effect because they have resulted in different ways of doing business. But pressures on

accounting are changing as globalisation affects the way in which companies do business. And it is not reasonable to suppose that German people are different from British people in ways that make them need different sets of accounting rules.

At this point, it is worth noting that no one nation has a set of accounting rules which appear to have such clear merits that they deserve adoption by the whole world. No one country can claim to have an uniquely correct set of rules. The United States has the longest history of standard setting. It has the largest standard setting organisation which is characterised by high standards of professionalism. But even the rules of the United States exhibit compromises between different interests of a kind which could reasonably have been decided differently. And no unanimity exists among US accountants about the merits of the precise details of the compromises that have been struck. One has only to look at US rules for an area such as accounting for pension costs to realise the force of this point. No one nation has a clear right, on the basis of existing achievements, to be regarded as predominant in accounting. A great deal more work is needed by accountants from different countries before we can reach the point of having a well-founded basis for uniformity and this work can take place, effectively, only at the international level. This is where the special contribution of IASC to accounting standards can be seen. It has achieved legitimacy by establishing membership and procedures which are genuinely international.

The Founding of IASC

The next section of this paper gives some information about the history, composition and procedures of IASC to provide a basis for the subsequent descriptions of current progress and plans for the future. The development of accounting rules has a lengthy history in many countries of the world. The pace of development has varied from country to country, partly as a result of stimuli from economic events which affected nations differently. In the United States, for example, the traumas of the great Depression and the stock market crash, which brought to light a number of accounting scandals in the late 1920s and early 1930s, encouraged attention to some accounting issues as part of the subsequent reconstruction. A

more recent wave of concern about some highly publicised cases, which caused people to conclude that accounting reports suffered from serious deficiencies, arose in the 1960s. A leading case in the United Kingdom involved a take-over in which the target company prepared a profit forecast as part of its defence. The take-over was successful and the actual report became available for the period for which the forecast had been made. It was dramatically different. More seriously, from the point of view of accounting, the subsequent investigation revealed that the differences were more attributable to the use of different accounting methods than to forecasting errors. This case and others of a similar kind provided the impetus for the establishment of formal procedures for setting accounting standards in the UK and Ireland.

However, a number of far-sighted accountants took the view that the problems of accounting should really be solved at the international level rather than the national level in order to achieve global uniformity. A start had been made with the formation of the Accountants' International Study Group in 1966, a co-operative venture of the professions in the United States, the United Kingdom and Canada. By 1972, the time was seen to be ripe for another step. At the 1972 World Congress of Accountants, held in Sydney, an agreement was made to establish the International Accounting Standards Committee and it commenced operations in 1973. Coincidentally, feeling in the United States had been growing in conviction that new institutions and approaches were needed to deal with difficult and long-running accounting issues in that country. In the same year as that in which IASC commenced operations, the US Financial Accounting Standards Board was formed to take over the setting of accounting standards from the Accounting Principles Board.

The Constitution of IASC

IASC was originally established as an independent organisation, the members of which were those professional bodies which were parties to the original agreement. It is still independent as far as decision-making is concerned: standards are approved by the Board of IASC and are not subject to confirmation by any other body. However, in 1983, IASC joined forces with

the International Federation of Accountants (IFAC). The effect of this arrangement was that the members of IFAC became the members of IASC. These members are the professional accounting bodies from around the world, in round numbers about 120 professional bodies from about 90 different countries. The Council of IFAC now appoints the members of the IASC Board and it follows the practice of consulting the Executive Committee and Board of IASC before doing so. Changes in the IASC Constitution can be made by members of IFAC/IASC. The IFAC Council must be consulted about the changes and they must be approved by three-quarters of the IASC Board.

At the present time, the IASC Board comprises up to 13 country members and up to 4 additional co-opted members. Each member is represented by two individuals with a technical adviser if they wish to have one. IASC encourages the selection of individuals with a variety of backgrounds to represent Board members. We like, in addition to people in public accounting practice, to have people working in industry and in the user community on the Board. Academic accountants also have an important contribution to make. We particularly welcome the inclusion of people with an involvement in national standard setting.

The present Board members are: three from America: the United States, Canada and Mexico; five from Europe: France, Germany, the Netherlands, the Nordic Federation and the United Kingdom; three from Asia: India, Japan and Malaysia; and South Africa and Australia. Three of the Board seats are "multinational". The seat held by the Nordic Federation represents the Scandinavian countries who work together in a number of areas because of their geographic and economic affinity. In addition, an innovation introduced in July 1995 has involved the sharing of a seat between two countries in a more structured way. Sri Lanka has been included with India in its Board seat and Zimbabwe has been included in the seat occupied by South Africa. The co-opted places on the Board are seen as being useful in enabling it to widen the constituencies represented by including associations, preferably international associations, which have a good contribution to make and a real interest. The Board has three co-opted members at present. The first to join was the International Co-ordinating Committee

of Financial Analysts Associations, representing users of financial reports; and in the last year two organisations representing preparers have joined, the Federation of Swiss Industrial Holding Companies and the International Association of Financial Executives Institutes.

The US Financial Accounting Standards Board has a seat on the IASC Board as an observer member - that is, it does not vote - and a similar position is occupied by the European Commission. IOSCO, the international organisation of the securities regulators, has recently been appointed to become a third observer member to improve communications in relation to our work programme in the context of the information I give below. Fourthly, in a historic development, China was recently admitted as a member of IFAC/IASC, and was appointed as an observer member of the Board. This provides China with the opportunity to become familiar with international accounting procedures and recognises the enormous potential importance of the Chinese economy.

Due Process

IASC develops its standards in accordance with procedural rules. A steering committee is formed to develop proposals for each technical matter on the Board's agenda. The steering committee is usually chaired by a member of the Board and it works with a project manager from the IASC staff to agree on the research required and prepare draft documents. The steering committee publishes a draft Statement of Principles for public comment on its main projects. This is the basis for the Board's settling a Statement of Principles, which is not formally published but is made available if requested, and subsequently an Exposure Draft which is published for public comment. Exposure Drafts must be approved for publication by two thirds of Board members and finalised Standards must be approved by three quarters of Board members. This means that we impose the rigorous requirement of obtaining twelve positive votes for a Standard out of the present Board membership of sixteen. The Board has currently increased its frequency of meeting from three times each year to four and on this basis the procedures required for agreeing a major Standard can be completed in the most favourable circumstances in about two years.

IASC's Achievements

This paper next comments on some of the achievements of the Board in its twenty-four years of life. Originally, the objective of the Board was to produce "basic standards". This, no doubt, reflected the view that it would be easier to reach agreement on basic standards than on highly detailed standards and it addressed the wish to have standards that would be readily usable in developing countries as well as improving the level of harmonisation among the richer countries of the world. Early standards often allowed alternative treatments to accommodate the different approaches adopted by major national standards setters.

Today we give importance to providing standards that will bring greater uniformity to accounting reports of multinational companies, particularly those with stock market quotations, but we continue also to wish to have our standards used in developing countries. A number of countries, some relatively wealthy and others relatively poor, take international standards as the basis for local standards, issuing them locally with little or no amendment. However, the idea that we could restrict our standards to basic matters has long since been abandoned. As the world develops more and more complex contractual arrangements, including financial instruments, genuine uniformity in global accounting calls for more extensive and sophisticated standards.

IASC has also recognised the need to reduce alternatives wherever possible. Allowing alternatives can work against real harmonisation. Their elimination can cause pain to businesses which have become accustomed to the flexibility provided by alternative treatments but the IASC Board has been able to make a good deal of progress in eliminating alternatives, particularly in its omnibus project on Improvements and Comparability, completed in 1993, and in more recent major revisions of standards such as the one on income taxes. IASC has issued 33 International Accounting Standards. It also has a framework document which deals with the objectives of financial reporting and definitions of the qualities required in financial

reporting and the elements of financial statements. Its framework document is similar to corresponding statements of the national standard setters.

An organisation like IASC must give a good deal of attention to the means by which it encourages use of its pronouncements. An international organisation of its type cannot expect to have direct legal backing and it must look for other means. The Member Bodies of IASC undertake to promote the use of international standards in the countries where they operate. Recommendations of professional accounting bodies can be highly influential and this is particularly the case when international standards are converted into local standards whether or not they have the force of law.

The IOSCO Agreement

Acceptance of international standards for financial reporting connected with stock exchange listings is another important way for IASC to make progress. Our standards are already accepted by several stock exchanges, the London Stock Exchange having led the way soon after the foundation of IASC. However, the regulatory arrangements in some key countries still do not permit the use of international standards for stock exchange purposes and North America and Japan are prominent among these. For some time up to 1995, IASC held discussions with the International Organization of Securities Commissions (IOSCO) to explore the possibility that IOSCO might endorse our standards and thereby give some additional impetus to movements towards acceptance in stock exchanges.

The past Chairman of IASC, Eiichi Shiratori from Japan, pressed strongly for IOSCO endorsement of our standards as they stood at the time. However, some members of IOSCO took the view that endorsement should be withheld until we had completed a core set of standards, a set which dealt comprehensively with the main financial reporting issues of the day. In 1995, IASC decided to accept the need to complete a core set of standards before endorsement could be expected. Completion of this core set is a desirable objective for IASC in any event and acceptance of this objective enabled us to make a good agreement with

IOSCO, in which we both undertook to co-operate in seeking to complete the core set of standards as effectively and quickly as possible, and in which IOSCO expressed warm support for our objectives. IASC and IOSCO published this agreement in July 1995. It focused on a work programme which would be completed in mid-1999 and which covered all the areas which IOSCO saw as needing attention for IASC to have completed its core set of standards. The agreement with IOSCO says that the completion of the work programme will clear the way for IOSCO endorsement of our standards.

During the first few weeks of 1996, several of the key members of IOSCO asked IASC to consider accelerating its work programme. The need for a body of standards that can be used universally in cross-border offerings and listings is urgent. Companies wishing to raise capital on international stock markets in the near future want to do so without incurring the costs of preparing a new set of accounts and without delay. The capital markets want to enjoy the benefits of removing some of the friction affecting their competition. So IASC reassessed its work programme and at the March 1996 Board meeting agreed to adopt fast track procedures which could lead to completion of the core set of standards at its meeting in March or April 1998. The precise decision of the Board was that fast track procedures should be adopted and that the staff should proceed with the accelerated work programme as resources permit.

After the Board made its decision, the SEC, a key institution because of its role as securities regulator in the United States, issued a statement welcoming the acceleration of the work programme. It also said: "The Commission is committed to working with its securities regulatory colleagues, through IOSCO, and with IASC to provide the necessary input to achieve the goal of establishing a comprehensive set of international accounting standards." The statement of the Commission emphasised three key elements to our programme and the Commission's acceptance of its results. It was that IASC must complete the core set of standards, do so with work of high quality, achieving comparability and transparency, and that the standards must be rigorously interpreted and applied. The SEC concluded its statement by saying that when IASC had achieved these goals, it was the intention of the Commission to

consider allowing the utilisation of the resulting standards by foreign issuers offering securities in the United States.

Further support for international accounting harmonisation came from the US Congress. In October 1996, Congress passed legislation calling on the SEC to enhance its vigorous support for the development of high quality international accounting standards; the SEC is to report to Congress on progress by October 1997.

Interesting evidence of the momentum in IOSCO for international harmonisation was seen recently in proposals for harmonisation of prospectus requirements. At present, if a company wishes to list its shares in, for example, London, New York and Tokyo, it must produce three significantly different prospectuses. Work in IOSCO is aimed at allowing such a company to use just one document. In August 1997, the London Stock Exchange, in its role as regulator, issued a consultative document containing proposed rules for the non-financial disclosures in prospectuses. These rules would be for use in connection with international listings to satisfy the domestic requirements in all major countries. Before finalisation of proposals, the comment will be discussed further in IOSCO.

The Current Work Programme

The work programme agreed with IOSCO is tough and ambitious. It imposes a heavy burden on Board meetings in particular. It includes a list of twelve projects, counting intangibles, research and development and goodwill as one, some of which are revisions of existing standards rather than the preparation of completely new ones. Several of the projects involve controversial subjects. The topic of financial instruments is one where no national standard setter has a comprehensive set of requirements in operation. The area of intangibles and related questions affecting goodwill is one in which controversies continue to loom large in the world of financial reporting. Significant and difficult issues have to be dealt with in the projects on non-wage employment costs, interim reporting, provisioning and leases. And this is not to suggest that any of the projects on the list will be completely straightforward.

However, excellent progress has been made. Four projects in the IOSCO work programme have now been completed, revisions of standards on income taxes, reporting segments and presentation of financial statements, and a new standard on earnings per share. Of the other eight projects, seven are the subjects of exposure drafts where completion of the projects by April 1998 looks achievable. The other project is financial instruments. Here the Board will be considering adoption of US standards - the only reasonably comprehensive set of national standards in existence - as an interim step and exploring the possibility that further progress might be made through a joint effort with FASB and other national standard setters. Again completion of a standard for inclusion in the core set of standards by April 1998 seems a real possibility.

The list of projects in the work programme agreed with IOSCO does not, by any means, exhaust the projects for which some demand exists. The ongoing project on agriculture is perhaps worthy of note for two reasons. One is that the project is being undertaken with the support of a major grant from the World Bank. The other is that it is not part of the IOSCO core requirements. We are experiencing increasing demand for development of standards to deal with other specialised industry problems. A project for insurance accounting has recently been added to the IASC agenda and accounting for the extractive industries is high on the list of other projects for which demand exists. IASC would like to meet the needs of these specialised industries as soon as resources permit.

Another urgent area for us concerns the interpretation of International Accounting Standards. All standard setters find that their pronouncements often lead to detailed questions about application to specialised situations, sometimes involving minor extensions of the area covered by the central focus of a standard. IASC is no exception and staff already receive a number of requests for help with such matters which they deal with informally. However, as the role of International Accounting Standards grows, more difficulties may arise with aggressive interpretations of standards. For this and other reasons greater need is being felt for help with

interpretations and a strong demand has built up for publication of formal interpretations, backed by some form of due process. Development of IASC interpretations is important to IOSCO. Some of the national standard setters have special procedures to deal with such needs and IASC has now established similar special procedures. Lack of a procedure for interpretations by IASC might have led to the emergence of local procedures for interpretations and these might well detract from the degree of harmonisation achieved. IASC's Committee is to be known as the Standing Interpretations Committee (SIC). We have been fortunate in obtaining the help of a strong team of committee members. The first meeting of SIC was held in April 1997 and the first three draft interpretations were issued in August. Interpretations are subject to endorsement by the IASC Board after a period of public consultation and obtaining a SIC consensus.

IASC and Europe

Another body with which IASC has an important relationship is the Commission of the European Union. The EU has an important interest in international harmonisation of accounting, at least as far as the fifteen member countries of the Union are concerned. One of the key objectives of the Union is to promote the development of the member countries into a single economic market, characterised by fair and effective competition. Use of a uniform accounting system is important for effective competition in the capital markets, because the markets are unlikely to be able to evaluate, on an even basis, companies which prepare their reports according to different sets of accounting rules. The interest in a harmonised system of accounting may also go deeper than this. Harmonised accounting may be important for even competition in the markets for goods and services and the application of competition law towards those markets.

The main vehicle for accounting harmonisation within the EU was initially the series of directives on company law. The Fourth Directive and the Seventh Directive are well-known for containing some key provisions about acceptable accounting methods. However these directives, being like statutes, are not suitable vehicles for the main task of setting accounting

standards. Changing existing directives and issuing new ones is a lengthy political process. Accounting rules in such directives become out of date and cannot easily be revised particularly because of the difficulties of the multinational political process involved. Something more flexible is needed. Early in 1995, a good deal of speculation was reported in the newspapers about the possibility that the European Commission would call for the establishment of a European accounting standards board. This possibility was of concern to most accountants. A European accounting standards board would be expensive and, given its need to start from scratch, it would be likely to take a long time in reaching agreement on a reasonable number of standards. Furthermore, harmonisation within the European Union would not be likely to be significantly easier than harmonisation on a worldwide basis. The differences in present approaches among such countries as Italy, Spain, France, Germany, the Netherlands and the United Kingdom are as great as any that exist on a global scale. Surely, many argued, it would be better to regard IASC as the most promising body for establishing accounting standards as a basis for harmonisation within the EU. In this way, advantage could be taken of the considerable progress already made. The European Commission already had a seat as an observer member of the IASC Board and it could certainly step up its contribution to deliberations in IASC.

Happily this is the line which the Commission decided to adopt. A speech by Mr Monti, the European Commissioner with responsibility for accounting policy, in a speech at the IOSCO conference in July 1995, put the idea of a European accounting standards board to rest. He said: "We would therefore welcome an agreement between IOSCO and IASC on the endorsement of a comprehensive set of International Accounting Standards. We believe that companies should only be required to prepare one set of consolidated accounts and we plan to examine the possibility for European companies with an international vocation to prepare their consolidated accounts on the basis of International Accounting Standards. We equally intend to strengthen the European input in the international accounting harmonisation debate. This is not an appeal for the creation of a European accounting standards board, nor is it our intention to create a new layer of European accounting standards on top of the existing layers (national

standards and international standards). Improved co-ordination of the activities of our member states in the area of accounting standards-setting will allow us to operate more efficiently and will ultimately facilitate international harmonisation."

In mid November 1995, the European Commission released a communication on accounting harmonisation which clarified its intentions still further. It said that would ally itself more closely with the efforts being undertaken by IASC and IOSCO towards a broader international harmonisation of accounting standards. The communication was particularly notable for its recognition that only IASC is producing results which have a clear prospect of recognition within a time scale which corresponds to the urgency of the problem. The Commission would try to work more closely with IASC in the future and in particular would explore the possibility of reaching an agreed view among the representatives of member states on the Commission's "Contact Committee" about IASC Exposure Drafts for submission to IASC.

In its November 1995 statement, the Commission said that it would examine International Accounting Standards to establish whether they contained requirements in serious conflict with the European Directives. It subsequently published a report which found only one or two minor conflicts. The Commission also noted that the Directives gave member states certain options in incorporating the accounting directives into national law. Even if no conflicts exist between International Accounting Standards and the Directives, conflicts may exist with national laws because of the options chosen. The Commission said that it is up to member states to consider this issue and deal with it at the national level. In a speech in mid-1997, referring to developments in thinking about accounting for financial instruments, Commissioner Monti said that the Commission should consider amendments to the Directives where necessary to avoid conflicts with international accounting standards, provided that IASC's standards are in step with best current opinion. And IASC has reciprocated by making sure that special attention is given in its discussions to possible conflicts with the directives.

These encouraging developments in thinking in Brussels are matched by developments in France. In a public speech in September 1995, the Minister of the French Government responsible for accounting matters said that he was proposing to introduce a new law in France strengthening the position of accounting standards. He proposed to strengthen the position of the procedures for setting French national accounting standards and, in a landmark development, to recognise international standards with a sufficiently broad level of authority for use by French companies. The probable effect is that International Accounting Standards will be able to be used by French companies with international stock market quotations in preparing Group Accounts for domestic purposes as well as cross-border purposes. The decree dealing with the reform of the French Standard Setting Body was issued on 26 August 1996. The French Parliament was within a few days of passing the new law when the 1997 French general election was called. But Parliament is expected to take up the Bill again in the near future.

Similarly encouraging developments are taking place in Germany. German companies increasingly are feeling the need to participate in international capital markets, to raise equity capital and serve existing and new shareholders more effectively. German companies, therefore, are increasingly feeling the need to use an international set of accounting standards. Movements in this direction have been inhibited by German requirements for conformity between the accounts which form the basis for taxation assessments and the accounts which report financial results to shareholders. Recently, German government officials have been signalling the possibility of a way out of such constraints. The conformity rule might be maintained for the accounts of individual companies while use of International Accounting Standards would be accepted for the preparation of group accounts, the important accounts for reporting to shareholders. This might well be a way of avoiding the need to prepare more than one set of accounts for the purposes of operations in the capital markets. A further boost to IASC's standing in Germany was given by the 1996 decision of Deutsche Bank to use International Accounting Standards in its financial reporting.

Resources

The ambitious programme facing IASC over the next four or five years has required us to seek an increase in our resources. In 1995, our expenditure for mainstream standard setting activities was about £1.2 million. In round numbers, £600,000 came from contributions from Board members, £300,000 came from other contributions, about half from the international accounting firms and half from businesses and others, and about £300,000 came from contributions earned on our publications. This budget compared with a budget of US \$16 million for the US Financial Accounting Standards Board and about £2 million for the UK Accounting Standards Board. Some aspects of the work of IASC are particularly expensive as a result of our need to operate at a global level. Board meetings and meetings of steering committees are expensive because we have to pay the expenses of a number of people who come long distances to meet together. On the other hand, we also have some advantages. We are often able to use the fundamental research which has been undertaken by national standard setters and, like many standard setters, we are helped by volunteers who contribute their time free of payment.

We decided in mid 1995, in conjunction with the original IOSCO agreement, that we needed to increase our annual budget to at least £1.75 million to be able to achieve our objectives effectively. The acceleration of the work programme to aim at completion in 1998 was more expensive and involved having a budget of about £2.3 million a year for at least two years. IASC recently established a high level Advisory Council to help with funding needs and to give advice more generally. With the assistance of our Advisory Council, we are embarking on a programme to raise funds in various countries of the world. We shall seek a relatively large number of relatively small contributions but we shall ask those who agree to help us to agree to give us an annual sum for the next five years. We already obtain a sizeable amount of financial strength from the sale of our publications. This has been increasing steadily over the years and is likely to continue to do so as our standards become more comprehensive and as we move towards their acceptability for cross-border listings on stock exchanges. We would like to be able to rely more on publication income over the longer term. However, our ability

to reach the position enjoyed by the US Financial Accounting Standards Board, for example, where two thirds of its income comes from publications, is likely to take some time in coming. Dissemination of our standards often involves translation costs and we also do not want to price our publications at a level which inhibits their use in the poorer countries of the world.

IASC and National Standard Setters

Completion of our work programme in 1998 and obtaining IOSCO's endorsement is our first objective. This offers the prospect of securing general acceptability of International Accounting Standards for cross-border listings on stock exchanges. However, this is only a beginning for IASC. The main goal, the objective to which all our efforts must ultimately be directed, is to bring about complete unification of the world's accounting systems: uniformity between International Accounting Standards and the national standards of all countries. We need to work with national standard setters to achieve this goal. We do not see our activity as competitive with national standard setters. We rather want to join with them in the debate about the merits of alternative solutions, taking advantage of their special position in communicating with constituencies in their own countries, so that we can move together towards agreement on preferred solutions.

A system has grown up in recent years for facilitating this co-operation. Frequent and regular meetings of standard setters are now held. IASC participates in meetings of the so-called G4 + 1, the national standard setters of the United States, Canada, Australia and the United Kingdom and Ireland, together with IASC. Other meetings of standard setters take place in small or large groups. Through these consultative arrangements, we aim to co-ordinate agendas and we also aim to try to adopt common solutions. We cannot yet be sure of our ability to agree on all the key points but at least we must make sure that each of us considers the solutions which are congenial to our colleagues. Special opportunities for progress can be created by undertaking certain projects jointly. Our work on financial instruments, for example, has been undertaken jointly with the Canadian standard setters. And our work on

earnings per share and reporting the results of segments involved close liaison with national standard setters.

However, important and useful as these arrangements are, IASC believes that more needs to be done to realise the full potential of accounting harmonisation, to bring about convergence of national and international standards as quickly as possible. Several questions need to be examined. More and more countries have an interest in international accounting and perhaps more should be involved in IASC's decision making procedures. However, the Board is already a very large body for debating the complex and detailed issues involved in setting accounting standards. Perhaps a smaller group is needed for the preparation of the proposed standards.

However it is the relationship with national standard setters which seems to be the key to the future. At present, IASC welcomes and encourages the appointment of individuals involved in national standard setting as country representatives on the Board. A number have been so appointed. And the observer membership of FASB is very helpful in providing the benefit of involvement of the World's best resourced standard setter. And yet national standard setters are not involved in IASC as fully and strongly as seems desirable. Their representation on the Board is too much a matter of chance. If convergence of standards is to be achieved, perhaps IASC should become at least partly the international organisation of national standard setters, so that national standard setters have a role in its decisions and a stake in its success. Perhaps IASC should include, as well as its present Board, a second, smaller Board of national standard setters, to prepare international standards. Perhaps the national standard setters could then make some commitment to consider the adoption of international standards as national standards, while retaining their individual sovereignty and the right to go their own way when necessary.

The IASC Board has appointed a special working party, the Strategy Working Party, to consider these issues. The Working Party will, no doubt, recognise the remarkable success

which has been achieved under present structures and keep in mind the need not to weaken the parts of the arrangements which are working well. But it may also find room for several recommendations which strengthen IASC's position for achieving its objectives in the next phase of its life.

The Working Party will also examine the need for changes in IASC's due process. When an organisation meets in private, as IASC now does, misapprehensions can develop about the nature of debates, the role of different countries and so on. Perhaps the time has come to kill these misapprehensions by meeting in public. Almost certainly a number of more minor changes to due process are needed: more explanations of reasons for decisions, recording of dissents, and so on. The Working Party's recommendations will be decided after a process of public consultation and finalised in middle-to-late 1998.

People at IASC are sometimes pressed with a question about where all this work on harmonisation is leading to. The objective of one uniform system of accounting throughout the world is clear. No doubt it will take a good deal of time to get there. But will there be room for several national standard setters in this world of the future or will the world have just one standard setter and will that one be IASC? This is an understandable question although asking it is a bit like asking whether we shall have world government one day. I do not think any of us at IASC are actively looking towards a time when there will be only one standard setter. The extent to which individual countries use our standards as national standards, or maintain their own procedures is a matter for decision at the national level. As far as IASC is concerned, a co-operative relationship with national standard setters provides the best prospect for progress and changes will be considered to improve that relationship. Whatever the details of changes that are made, we shall continue to need the contribution of people who are well versed in local views about accounting and we need the help of the expertise of national standard setters more generally. Setting accounting standards is strangely complex and controversial. Good solutions are likely to come from the maintenance of several standard

setting bodies who can contribute to the debate but who agree on the importance of international harmonisation.

S:\speeches\sbciasc

03/09/97

JULES W. MUIS
Vice President & Controller

October 6, 1997

Mr. James D. Wolfensohn

Re: World Congress of Accountants - Paris

Jim,

Please find attached the briefing note for our Friday, October 10, 1997 meeting (Section 1). It will give you a bird's eye view on the audience; rationale of the Congress; your keynote speech context; a synopsis of the main issues; the WBG's main interest in the accountancy profession from a development perspective; and the WBG's present main interfacing with the Accountancy profession.

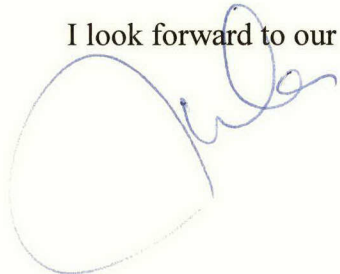
I included some substantive suggestions for your speech including suggested "concrete challenges" that you might want to put forward. This is to help us/Caroline Anstey to get some feel from you for your topical preferences – which we can then further work out.

We also included some background material:

- a copy of a recent speech of Sir Bryan Carlsberg on (the future of international accounting standards (Section 2);
- a summary of the Bank's active involvement with specific accounting standardization projections (Section 3);
- a copy of the Congress brochure in which you feature prominently on Page 6 (Section 4);
- Randolph Andersen's attempt to step into your shoes and prepare a draft of a speech (Section 5); and
- September 16 note to Caroline Anstey on a first attempt at setting the scene for your speech (Section 6).

Finally, ITS is working with the French organizing bodies on the teleconferencing logistics.

I look forward to our meeting.



cc: Messrs./Mmes. Einhorn, Anstey, Malloch Brown/Stephens, Andersen, Choudhury

WORLD CONGRESS OF ACCOUNTANTS

October 26-29, 1997

Paris, France

**Briefing Note - Keynote Address
for**

**Mr. James D. Wolfensohn
President, The World Bank**

October 6, 1997

Mr. James D. Wolfensohn's Briefing Note - Keynote Address

World Congress Of Accountants

(October 26-29, 1997; Paris, France)

Audience

4,000 participants from more than 100 countries are expected. The Congress anticipates that the largest delegations will come from Japan and Russia, both countries facing major changes in governance, education, and quality standards in the field of accountancy. There also will be many delegates from Africa and the Middle East. Although it has not yet been confirmed, it is likely that Mr. Chirac, president of the French Republic will address the Congress. The Congress expects several business leaders (ACER, AIR LIQUIDE, USINOR SACILOR, DAIMLER-BENZ) and representatives from the major Securities Commissions and International Organizations (FIBV, European Commission, World Trade Organization, IOSCO, IASC, OECD) to attend. There will be a major press presence.

Rationale of World Congress

A once every five years worldwide platform for the accountancy profession (public, industry, and government) to take stock of worldwide professional issues, in particular as it relates to accounting and auditing; and always focused around a central theme, this year's being "Accountants and Society: Serving the Public Interest." Like our own Annual Meetings, the Congress is preceded and followed by bilateral and multilateral meetings of the official accountancy bodies.

Your Speech in the Context of the Congress

It will be the keynote address, setting the tone for the Congress, after the traditional welcome messages by Jean Arthius, the French Minister of Finance of the host country and the Presidents of the co-organizing professional organizations and the official opening of the Congress by Juan Herrera, President of the International Federation of Accountants. I anticipate your speech to start at 5:45 p.m. French time (i.e., 11:45 a.m. Washington time) and the total session to last (including Q&A) some 45 minutes. Preferably you might want to "sit through" the opening ceremony session to get the Congress spirit.

This year's keynote address is unconventional in the selection of the medium, (i.e., teleconferencing), and because we are considering a Q&A session (normally not done for a keynote address) and, of course, because of the speaker himself (high expectation!).

What Are the Issues Facing the Accountancy Profession?

1. The development and enforcement of quality standards of financial reporting - Generally Accepted Accounting Principles (GAAP) - in particular, staying "ahead of the curve" in capturing new businesses developments (e.g. crystallizing the derivatives explosion into viable accounting standards) at national (e.g. US GAAP) as well as international (i.e. IASC) level.
2. The harmonization and standardization of accounting standards worldwide, so that a global economy can be conducted in a global, generally recognized "language of business"/accounting. (Reference paper Sir Bryan Carsberg, Secretary General, attached; this is very much a power game, i.e., language = power).
3. The development of global as well as environment - effective generally accepted auditing standards (GAAS), national and international, and the harmonization thereof.
4. Education and Standard Setting: for the accountancy profession to keep up with, in particular, the creative and speedy developments in finance and technology and broader areas of accountability such as social, environmental, value for money auditing, etc.
5. Organizational Issues:
 - the search for adequate critical mass/geographic and product coverage in service capabilities - see the merger "mania" among accounting firms.
 - the fight for primacy of national (auditing and accounting) standards vis-a-vis international and vice versa.
 - audit independence in the face of the evolution of accounting firms from a "gentleman's club" into the direction of aggressive business/street fighters.
 - ongoing questioning by legislators and critics of the profession as to the independent status of the public accountant (as well as Auditor Generals of Supreme Audit Institutions).

The WBG's Main Interest

In the context of assuring good governance, the WBG has a key interest in the development of a global, yet local – environment – effective auditing and accounting community – assuring transparency and data relevance/integrity at the private, as well as public sector micro level – the building stones of a healthy and transparent macro governance construct, i.e., the WBG's own and prime focus.

The WBG's Main Interfacing with the Accountancy Profession

1. through its lending, requiring – through its client governments – audits of its projects/disbursements to be carried out either by (Bank accepted) public accounting firms or through the office of the country's Auditor General (some 5000 per year). The accounting frame of reference is IASC and IFAC's (i.e., international standards).
2. the Bank finances macro (governmental) accounting and auditing projects - in the interest of good governance. Some are mammoth projects such as Indonesia (\$150 million) and Pakistan (\$30 million).
3. the Bank's own language of business/standards for its own financial statements is ambitious and rather unique: conformity with both US Generally Accepted Accounting Principles (GAAP) as well as International Accounting Standards (IASC). Also, we require our auditors to comply with both US Generally Accepted Auditing Standards (GAAS) as well as IFAC's international standards. This dual compliance with two frames of reference and that of accounting and auditing represents the Bank's contribution and commitment to the (emerging) importance of developing a global language of business.
4. the Bank's financing/sponsoring of selected IFAC/IASC projects of particular relevance to the Bank's mandate (see Section 3).
5. active involvement of Bank staff in contributing to the good work in the policy setting arena of professional accounting/auditing bodies.
6. the Bank is, through its "good governance" efforts towards and/or on behalf of its clients, at country level, a major sponsor/advocate/user of quality standards in international accounting and auditing – both public and private – and hence, has a tremendous interest in a prospering global profession. The need for good quality auditing and accounting standards becomes particularly visible during banking crises in various regions/countries.
7. the WBG embraced since 1995 the COSO inspired control philosophy (based on the good cooperative work between financial management, internal and external auditors' organizations) and achieved in FY97, its first external auditor compliance certification.

(the interesting features of COSO are its recognition of substance over form; the behavioral dimensions within organizations; the fact that control is everybody's business, not just that of accountants; COSO puts common sense back into controls. It is not a one off event – it is an ongoing effort.)

8. the accounting profession is a main supplier/thought leader on information systems and technology, hence the Bank uses their knowledge extensively in its search for renewal.

Your Speech

We are relying on Caroline to tailor the relevant material to your temperament, metabolism and personality. Attached note of September 16 refers. It includes a modest attempt of my colleague Randolph Andersen – to creep into your skin and create his version of a “Wolfensohn” speech. We know you will follow your own instincts but the material contained in this draft will be interesting background reading. In particular, in the wake of your magnificent Hong Kong speech I’d suggest:

1. To put the importance of transparency and accountability as a central theme, of great importance to the development community – including the Bank itself – as well as, of course, core to the service of the accountancy sector.
2. To contrast these abstract concepts with the realities of this world, as you have so effectively done in Hong Kong, i.e., poverty abound.
3. To merge these concepts (a) and realities (b) into the importance of common/global quality standards of accounting/reporting/auditing, to all; to get things right at entry level; the importance of education; the importance of high moral standards by all involved.
4. As for corruption you might want to compare the Bank’s insistence on good governance at the macro level with relatively newly introduced specific audit requirements at the micro level, i.e., that auditors review and monitor new and old clients as a prerequisite of a good audit, including management integrity.

You might want to touch on this interfacing of the WBG with the accounting profession, i.e.: 1) the WBG as a user of US GAAP and IAS; 2) as an institution with a vested interest that its clients comply with GAAP/GAAS; and 3) as an active sponsor and participant in the development of GAAP/GAAS.

5. If you want to go beyond “setting the scene” and include some concrete challenges then I suggest you review the following suggestions.

Concrete Challenges

1. the importance of the unqualified acceptance/introduction of international IASC standards throughout the world, at least as a complement to, or as a substitute or minimum platform for, national accounting standards, in particular in the financial sector!

2. equally, the unqualified acceptance of IFAC's international auditing, ethical and educational standards as a minimum platform for national standards.
3. a concerted effort by Supreme Audit Institutions (US GAO equivalent) of developed countries to assist and strengthen the GAOs position in developing countries through exchange programs, setting joint practice standards, including independence standards, and oversight standards and monitoring their independence. An independent professionalized, skilled GAO is a crucial part of a good governance construct in any country. (INTOSAI)
4. putting teeth into the "one-firm worldwide" slogan of many international accounting firms which, de facto often operate too much as a franchising operation, and putting too little venture into their investments in developing countries. The presence of a solid accounting, auditing profession is a key catalysts of private capital flows; the question is - what comes first? The Bank would stimulate global accounting firms to be more gutsy in where they put their money and recognize their co-responsibility for developing a solid local/global profession in developing countries, and not just "milking" Bank imposed regulatory framework, including auditing and accounting requirements.
5. countries to enhance, upgrade, their governmental accounting systems as a prerequisite for good governance/transparency, using IFAC public sector standards as good guidance.

The World Bank Special Grants Program
Support to International Bodies for Accounting/Auditing related activities

ISAR - Blue Print for Green Accounting

Financed in FY 97 (first year)	\$113,000
Approved for FY 98	\$144,000
Programmed for FY99/00	<u>\$330,000</u>
Total	<u>\$587,000</u>

IASC - Agricultural Standard

Financed to date (FY 95-97)	\$446,250
Approved for FY 98	<u>\$ 84,750</u>
Total	<u>\$531,000</u>
(Shortfall	\$ 70,000)

INTOSAI - Training of SAIs staff

Financed to date (FY 96-97)	\$600,000
Approved for FY 98	<u>\$300,000</u>
Total	<u>\$900,000</u>

IFAC PSC - International Public Sector Accounting Standards

Financed to date (FY 97)	\$200,000
Approved for FY 98	\$200,000
Programmed (FY98-00)	<u>\$200,000</u>
Total	<u>\$600,000</u>

Grand Total

Financed to FY 97	\$1,359,250
Approved FY 98	\$728,750
Programmed FY99/00	<u>\$530,000</u>
Total	<u>\$2,618,000</u>

The Bank's Special Grant Program (now succeeded by the Development Grant Facility) provides support to the following four organizations -

to the International Accounting Standards Committee (IASC) particularly for the development of an international accounting standard for agriculture - an area where we and other lenders need some clarity on financial statements and what they mean particularly where biological growth assets are concerned.

to the International Federation of Accountants Public Sector Committee (IFAC/PSC) to help bring some common bases to government accounting - There is a movement for government accounting towards the full accrual end of the spectrum. So we look to the IFAC/PSC to develop models suitable for our developing country clients that address issues concerning cash accounting as well as modified cash and modified accrual accounting approaches as interim measures.

to the International Organization of Supreme Audit Institutions (INTOSAI) to help improve training for staffs in the offices of Auditors-General - these staff struggle along with their government accounting colleagues to bring some semblance of accountability in areas often fraught with ambiguity, possible rent-seeking and other diversions from true financial accountability and transparency.

to the International Group of Experts on Standards of Accounting and Reporting (the ISAR Group) in UNCTAD to help develop guidelines for environmental financial accounting. I know that some of the Securities and Exchange Commissions are becoming a little more excited about third party risk where one institution loans money to another organization for development but in so doing there are environmental impacts which affect other parties. Some of these environmental issues are not being adequately reflected in private sector company, public sector enterprise or government financial statements. We need a balanced view on such disclosures and the ISAR Group forum brings together those interested parties into the debate.

**XV^{ème} CONGRÈS
MONDIAL
DE LA COMPTABILITÉ**

La Comptabilité et la Société
au service de l'Intérêt Public



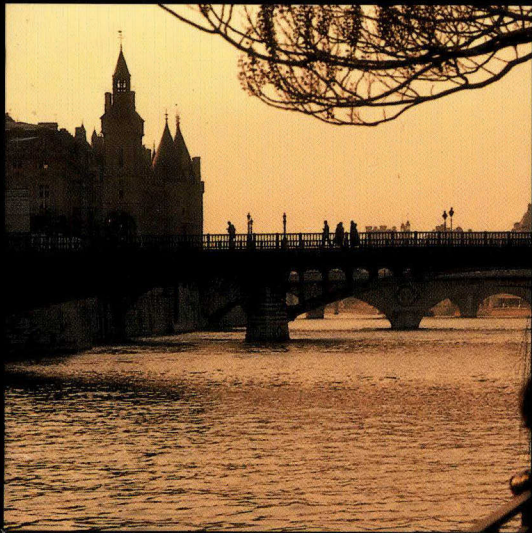
**XV^{to} CONGRESO
MUNDIAL
DE CONTADORES**

Los Contadores y la Sociedad
al Servicio del Interés Público



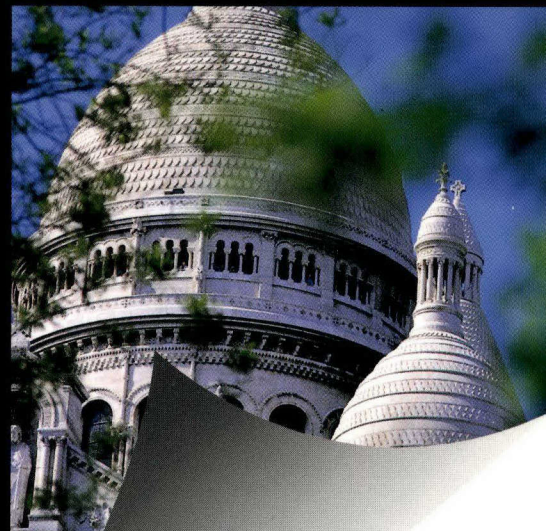
**XVth WORLD
CONGRESS
OF ACCOUNTANTS**

Accountants and Society
serving the Public Interest

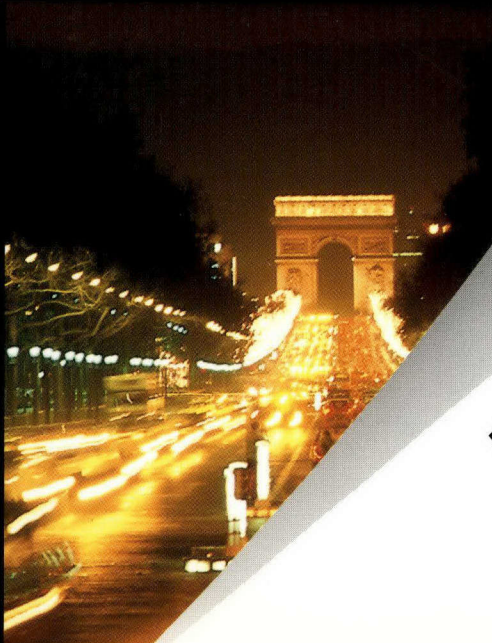


**XV. WELTKONGRESS
DER ACCOUNTANTS**

Accountants und Gesellschaft
Im Dienst des öffentlichen Interesses



26/29
OCTOBRE 1997
PARIS-FRANCE



**PROGRAM
AND
REGISTRATION FORM**

**UNDER THE PATRONAGE OF THE PRESIDENCY
OF THE REPUBLIC OF FRANCE**

XVth WORLD CONGRESS OF ACCOUNTANTS

26-29 OCTOBER 1997

**Palais des Congrès
Paris**

ORGANISED BY

INTERNATIONAL FEDERATION OF ACCOUNTANTS
COMPAGNIE NATIONALE DES COMMISSAIRES AUX COMPTES
ORDRE DES EXPERTS-COMPTABLES

ATTENDED BY REPRESENTATIVES OF

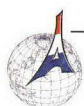
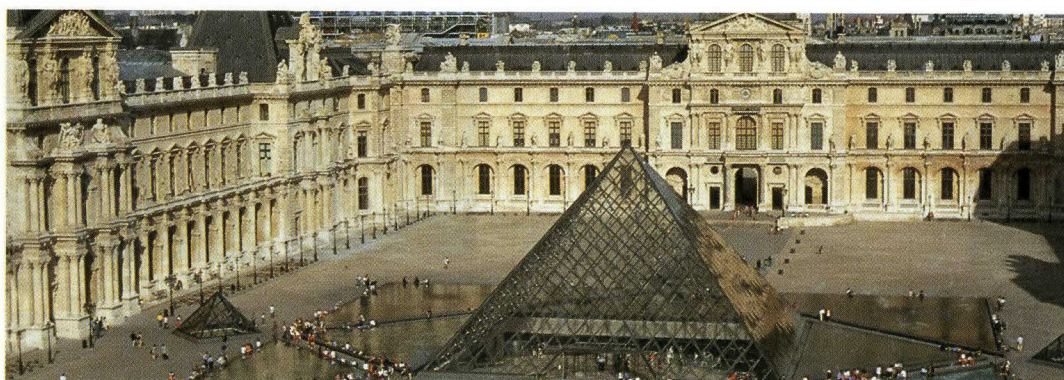
MINISTÈRE DE LA JUSTICE
MINISTÈRE DE L'ÉCONOMIE ET DES FINANCES
MAIRIE DE PARIS

GENERAL COMMISSIONER

WILLIAM NAHUM

ORGANISING COMMITTEE

FRANÇOIS FOURNET	CLAUDE GENGOUX
JOHN GRUNER	YVES MÉDINA
RAPHAËL GUALINO	ANNIE MOUTARDIER
JUAN HERRERA	NADINE RESSE
FRANÇOIS HUREL	RENÉ RICOL
DIDIER KLING	BERTRAND SCHNEITER



IFAC '97

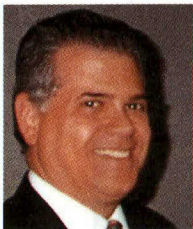
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TEL.: (33) 1 44 88 25 25 FAX: (33) 1 40 26 04 44

A MESSAGE FROM THE PRESIDENTS

The 15th World Congress of Accountants is fast approaching, now only a few months away. The technical details of the program and speakers are set forth in this brochure. As you can see, it is a full program, covering the wide range of our profession's interest and influence – in keeping with the theme of "Accountants and Society – Serving the Public Interest." The plenary sessions will feature stimulating speakers addressing broad themes. The related workshops will concentrate more on the details and practicalities. These workshops are designed to elicit participation of all – the moderators, the panelists and, most importantly, the audience. We have much to learn from each other, and a healthy exchange of views will help to enhance international cohesion in the profession.

This is the one opportunity, since it is held once every five years, for a truly international gathering of the profession – and, I might add, the last such event in the 20th Century. With the challenges of a new millenium upon us, it is especially important that you participate. It will help you, as individual professionals, to meet the more complex demands of society. It will also help IFAC to define its strategies and continue to provide leadership for the worldwide profession in the new millenium.

But the program will not be all work. An exciting social program, amidst the glories of a Parisian autumn, will enable you to rekindle old and make new friendships with your colleagues from around the globe. I sincerely hope that a strong turnout will make this the best World Congress ever and confirm that as profession we have been, are now and ever will be always serving the public interest.



Juan Herrera
President of the
International Federation
of Accountants

The Compagnie Nationale des Commissaires aux Comptes and the Ordre des Experts-Comptables are proud to have been chosen as hosts for the XVth World Congress of Accountants to be held in Paris from 26-29 October 1997.

Paris was also the host for the IXth World Congress in 1967, and in order for the XVth World Congress to arouse the same enthusiasm, the French accountancy profession has worked long and hard on the technical and practical preparation of this event.

With this goal in mind, a solid team of professionals has been chosen to provide permanent support in developing the technical program proposed by the IFAC.

The theme of the Congress responds fully to expectations relating to the public interest role of professional accountants in France and elsewhere in Europe; this role was recently underlined in the Green Paper published by the European Commission. As a result, we are sure that the 1997 Congress will be significant in terms of the permanent dialogue between society and our profession.

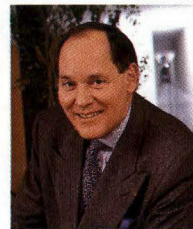
We are also aware, of course, that Paris itself will arouse enormous interest.

To cater to this, an excellent social, cultural and tour program has also been organised for delegates and their guests, whom we hope will have an unforgettable stay in Paris.

It is with great enthusiasm that we look forward to meeting numerous friends from around the world in Paris between the 26th and 29th October 1997.



Didier Kling
President of the Compagnie
Nationale des Commissaires
aux Comptes



René Ricol
President of the Ordre
des Experts-Comptables

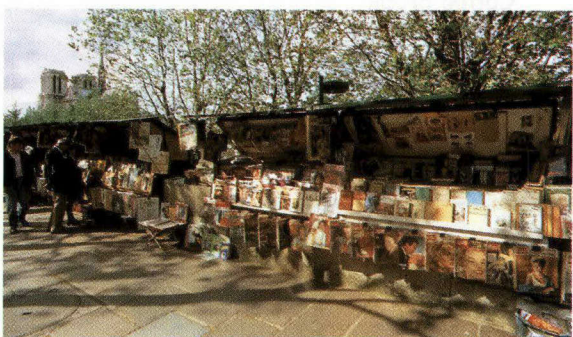
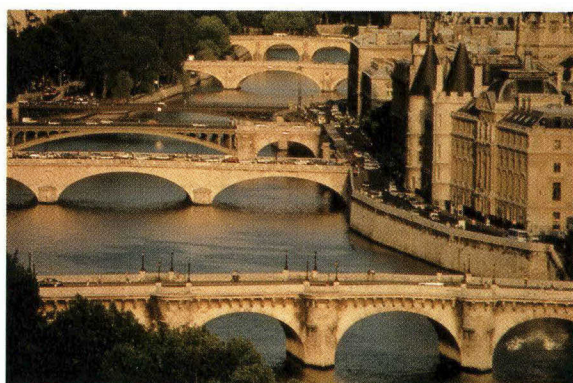


William Nahum
General Commissioner
of the XVth World Congress
President of the Paris - Ile-de-
France Regional Council



XVTH WORLD CONGRESS OF ACCOUNTANTS

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Internet Site: <http://www.experts-comptables.com>

GENERAL PROGRAM

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IFAC '97

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GENERAL PROGRAM

THURSDAY 30/FRIDAY 31 OCTOBER 1997

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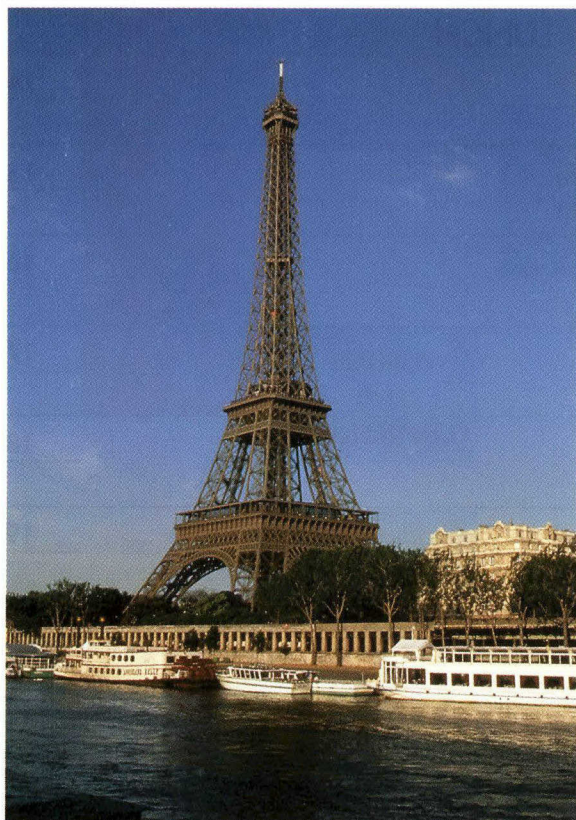
du Mondial" every day from 8 a.m. to 8 p.m.



IFAC '97

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SUNDAY
26 OCTOBER 1997
4.30 p.m. - 6.30 p.m.
OPENING
CEREMONY



ADDRESS

Jean ARTHUIS
French Minister of Finance

WELCOME MESSAGES

Didier KLING
President of the Compagnie Nationale
des Commissaires aux Comptes

René RICOL
President of the Ordre des Experts-
Comptables

William NAHUM
Congress General Commissioner

OPENING OF THE CONGRESS

Juan HERRERA
President of the International Federation
of Accountants

KEYNOTE SPEAKER



James WOLFENSOHN
President of the World Bank



9 a.m. - 10.30 a.m.

PLENARY SESSION 1

The public interest in a changing society with global markets and global regulations

Society has looked to the accountancy profession for its advice, its credibility and its expertise on a variety of matters. The focus, however, has too often been on "the numbers". The 21st Century will force accountants to expand their vision, to change the way they approach problems and to always consider matters beyond national borders. It will affect how accountants are prepared and trained. It will also mean that accountants must be more competitive and willing to render new services. Finally, accountants will also need to be especially mindful of how regulators, which often represent the public interest, will be looking at the profession.



Didier KLING
(France)
President of
the Compagnie
Nationale des
Commissaires
aux Comptes
Chair



Rubens RICUPERO
(Brazil)
General Secretary
of the United Nations
Conference on Trade
and Development

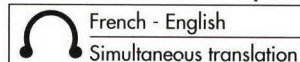


John WHITNEY
(United States)
Director General
of Columbia
Business School's
Deming Center



WORKSHOPS

Workshops 1.1 to 1.8 will be continued in the afternoon from 2.30 - 4.30 p.m.

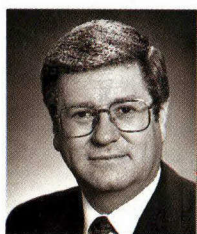


WORKSHOP 1.1

The accountant's role in environmental matters and sustainable development

Over the past few years, society has demanded that we all become more aware of our responsibility towards the stewardship of the earth's natural resources to ensure that these resources will be available to future generations. Much of this responsibility has fallen on corporations and, in turn, on their accountants and auditors. Internal accountants are being asked to design systems that provide information on environmental stewardship and auditors are being asked to provide assurance on the reliability of these systems and of the information produced. This workshop will explore the ramifications of this new challenge to the profession.

- ▶ The increasing demand for environmental information and regulatory requirements worldwide
- ▶ The development of normalised environmental information systems
- ▶ Environmental costs and liabilities in financial statements. Where does the auditor's responsibility lie?
- ▶ Environmental reports. What should they contain? Which auditors? What opinion should they express?



James GOODFELLOW
(Canada)
Deloitte and Touche
Chair

Jamal Uddin AHMAD (Bangladesh)
CA, former Minister of Industry
Birgit FLEMING (Sweden)
Ernst & Young
Alain GAUTERIE (France)
Usinor
Johan PIET (Netherlands)
President of the FEE's Environment Group

WORKSHOP 1.2

Rapidly advancing information technology - how can the accountant cope?

Accountants have traditionally been closely allied with information technology (IT), but the pace of change has been so fast that as a profession we risk being left behind. IT is much more than computers, and it requires accountants to be aware of the many ways information is being compiled, analyzed and transmitted. This workshop will set out the IT playing field and offer suggestions on how accountants can compete effectively on that playing field.

- ▶ Information systems in 2005
- ▶ Coping with new types of risks: the need for a radical overhaul of control approaches
- ▶ Accountants in the information age: will they evolve or disappear?
- ▶ Reinventing the roles of accountants
- ▶ The IFAC's contribution to the development of professional practices



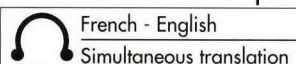
Graeme MACGREGOR (Australia)
President of the IFAC's Information Technology Committee
Chair

Michaël HUNT (United Kingdom)
Oracle
Akira MATSUO (Japan)
President of the ISACA (Information Systems Audit and Control Association)
Deepak SARUP (Thailand)
Laem Thong Bank
Serge YABLONSKY (France)
Association Française d'Audit Informatique (AFAI)

11 a.m. - 1 p.m.

WORKSHOPS

Workshops 1.1 to 1.8 will be continued in the afternoon from 2.30 - 4.30 p.m.



WORKSHOP 1.3

The accountant in the 21st century - Changes in educational trends

The accountant has become a trusted professional adviser, whose advice is sought on a wide range of issues. To be successful, however, accountants now need to be trained differently. In addition to essential technical knowledge, today's accountant must also develop communication, human relation and management skills, thus creating a suitable balance between theoretical training and practical experience. Even more fundamentally, training should, from now on, be based on two poles: initial and continuing education. This workshop will examine how to prepare accountants for the challenges of the future.

- ▶ Discovering tomorrow's educational structures
- ▶ What are the respective roles of the accountancy profession and the academic community in defining skills, knowledge, training programs and teaching methods?
- ▶ Is it feasible to implement in a practical way the competence assessment concept which has been repeatedly considered?
- ▶ Should specialization areas be recognised? At what stage in training? How should it be acknowledged and rewarded?



Cecil DONOVAN (Ireland)
President of the IFAC's
Education Committee
Chair

**Mohammed Osman
AB RAHMAN** (Sudan)
Sudan Council of Certified
Accountants
Graham CARR
(United Kingdom)
Association of Chartered
Certified Accountants

Mukund CHITALE
(India)
President of the Institute of
Chartered Accountants of India
Bud KULESZA (United States)
Institute of Management
Accountants
Salvador RUIZ-DE-CHAVEZ
(Mexico)
National Center for Evaluation
for Higher Education

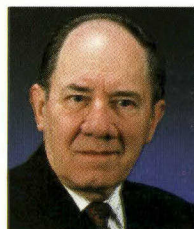
MONDAY 27 OCTOBER 1997

WORKSHOP 1.4

The management accountant and value creation

Well-managed businesses are net creators of value for their stakeholders. The management accountant is concerned not only with matters related to the transaction-based accounting systems, but also with the various ways to create value in the enterprise. Building value in and through an enterprise contributes to a healthy economic environment and serves the public interest. This workshop explores the various contributions of the management accountant in the creation of value and the challenge of coping with a myriad of stakeholders.

- ▶ Value-adding through operational effectiveness: process management and other advanced management practices
- ▶ Defining value and value-creation for an array of constituencies: identification of the needs and value scales of customers, suppliers, employees, communities, etc.
- ▶ Value creation through strategy: designing strategic information systems
- ▶ Measuring and reporting of value-adding and value-added: towards a coherent set of new performance measures



Kenneth BIGGS (Canada)
President of the IFAC's Financial and
Management Accounting Committee
Chair

Desmond ARNOLD (South Africa)
Barlow Ltd
Tan Teck MENG (Singapore)
Nanyang Technical University
Allan MACNAB (United Kingdom)
Chartered Institute of Management
Accountants
Alfredo NEIRA (Peru)
Federación de Colegio
de Contadores Públicos



IFAC '97

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MONDAY 27 OCTOBER 1997

11 a.m. - 1 p.m.

WORKSHOPS

Workshops 1.1 to 1.8 will be continued in the afternoon from 2.30 - 4.30 p.m.



French - English

Simultaneous translation

WORKSHOP 1.5

The international and national public interest - Can global regulatory agencies serve both?

Just as the accountancy profession has banded together to seek harmonisation of accounting and auditing standards, regulatory agencies have also formed global alliances. Unlike private sector organisations, however, regulatory agencies are more closely bound to national laws and regulations and there may be less flexibility to make the concessions needed to achieve consensus. This workshop will address how these conflicts can be resolved and what can realistically be achieved.

- ▶ How competition among financial markets is managed: finding a balance between control regulations and attractiveness
- ▶ The increasing need for co-operation in light of current risks: product definition and control; security of transactions; evaluation of systemic risks, money laundering...
- ▶ Current requirements of securities commissions according to market type: can we hope for further harmonisation of financial information and its presentation?
- ▶ IOSCO expectations with regard to the IASC and the IFAC



Eiichi SHIRATORI (Japan)
Chuo University
Former President of the IASC
Chair

Claude CHARRON (France)
Compagnie Nationale des
Commissaires aux Comptes
Meredith CROSS (United States)
International Organisation of
Securities Commissions
Darrell TILL (South Africa)
Johannesburg Stock Exchange

WORKSHOP 1.6

The expansion in standard setting - Is it creating harmony or confusion?

International bodies continue to proliferate, with the result that we now have a variety of organisations committed to setting or attempting to harmonise practices and standards – a glossary of acronyms is fast becoming a necessity. While these bodies claim to be concentrating on their particular area of expertise, there is a perception of overlap, if not duplication. Each organisation appears reluctant to concede any authority for fear that its point of view will be lost. This workshop will look at practical problems incurred by the standard setters and users and assess potential solutions to the problem.

- ▶ Who are the standard setters? What purpose do they serve?
- ▶ Should national, international and even regional standard setting be reconciled?
- ▶ Why and how should efforts and technical research be coordinated?
- ▶ How can international standards gain greater authority?
- ▶ ISO standards and the standards of the accountancy profession: is there an overlap?



Stan WHITELEY (Canada)
President of the Society of
Management Accountants of Canada
Chair

Michael CROOCH (United States)
Arthur Andersen
Lawrence EICHER (United States)
International Organisation
for Standardization
Karen VAN HULLE (Belgium)
European Commission DG XV
Mohammed YEHIA (Egypt)
Egyptian Society for Accountants
and Auditors



11 a.m. - 1 p.m.

WORKSHOPS

Workshops 1.1 to 1.8 will be continued in the afternoon from 2.30 - 4.30 p.m.



French - English

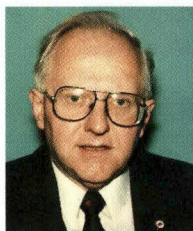
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WORKSHOP 1.7

Regional economic groups - A bridge between the global and national public interest

The global economy can sometimes be seen as too imposing, although it is interesting to note that regional trading blocs have also increased. These regional groups are based on both geographical and cultural links. It is normally easier to consider the needs of the public interest in a regional context before moving on to global considerations. This session will provide examples of how individual countries have used these regional blocs to promote harmonisation and consideration of the public interest.

- ▶ The European Union: an example of an economic union; the harmonisation of regulatory contexts and professional practices
- ▶ Advances made by countries in Eastern Europe
- ▶ The Fédération des Experts-Comptables Francophones: an original example of a cultural bloc
- ▶ The situation in Asia, Africa and Latin America



James WESBERRY (United States)
Inter-American Accounting
Association
Chair

Rached FOURATI
(Tunisia)
President of the
Fédération des
Experts-Comptables
Francophones

John HEGARTY (Ireland)
Fédération des Experts Comptables
Européens

Aldona KAMELA SOWINSKA
(Poland)

National Board of Chartered
Accountants of Poland

Pakorn VICHYANOND (Thailand)
Institute of Certified Accountants
and Auditors of Thailand

MONDAY 27 OCTOBER 1997

WORKSHOP 1.8

International accreditation and mutual recognition of qualifications - How realistic are these goals?

The demand for recognition of foreign qualifications of accountants is increasing and with it the demand for some type of "internationally-accepted qualification". This relates to both individuals and firms as trade barriers are dismantled. But how realistic are these goals and what is the best way of achieving them? This session will provide some ideas on what is being done and what barriers still exist.

- ▶ Is an internationally-recognised "universal accreditation system" conceivable and realistic?
- ▶ If so, how can this system be developed within the IFAC or within an even wider framework?
- ▶ Given that the GATS approach to professional services is based on bilateral mutual recognition, if the notion of universal international qualification were a possibility, could it be used within such a framework?
- ▶ Should all reference practices necessarily be rejected?
- ▶ The outcomes of the WTO Working party on professional services



Hélène BON (France)
Vice-President of the Fédération
des Experts Comptables Européens
Chair

Talal ABU GHAZALEH (Jordan)
Arab Society of Certified
Accountants

Roger LAWSON (United Kingdom)
Institute of Chartered Accountants
of England and Wales

Doug OXLEY (Hong Kong)
Hong Kong Society of Accountants

Glyn WILLIAMS (United Kingdom)
President of the WTO's Working
Party on professional services

SUNDAY 26 OCTOBER 1997
TECHNICAL PROGRAM



IFAC '97

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9 a.m. - 10.30 a.m.

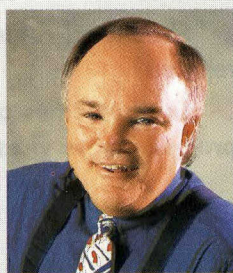
PLENARY SESSION 2

The public interest, benchmark standards and meeting expectations

The accountancy profession has always believed that it ultimately has the public interest at heart. Unfortunately, the public interest may not feel that way. Whether real or imagined, there is a gap between what the profession feels it does and what the public feels it should do. The profession points to its standards, but at times the public appears oblivious to what these standards are. Are the public's expectations realistic? And do they relate to inadequate standards or inadequate performance? What are the ramifications of an over-regulated profession and can such a profession carry out its proper role in the capital markets? How can we insure that other intermediaries in those capital markets acknowledge their own proper role and responsibilities? These questions must be addressed before the profession – and the society it serves – can look to the 21st Century with confidence.



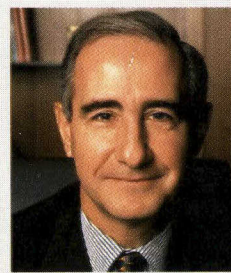
Michael SHARPE
(Australia)
President of
the International
Standards Accounting
Committee
Chair



John SHANK
(United States)
Professor at
Dartmouth College
Amos Tuck Business
School



Stan SHIH
(Taiwan)
Chairman of ACER
Incorporated



Michel PRADA
(France)
President of the
Executive Committee
of the International
Organisation
of Securities
Commissions,
President of
the Commission
des Opérations
de Bourse de Paris

11 a.m. - 1 p.m.

WORKSHOPS

Workshops 2.1 to 2.8 will be continued in the afternoon from 2.30 - 4.30 p.m.



French - English

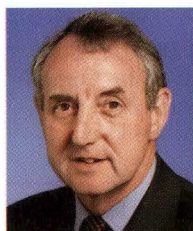
Simultaneous translation

WORKSHOP 2.1

What are the reasonable expectations of the public interest?

The accountancy profession acknowledges that it must first and foremost serve the public interest. But what can be done when the public interest has unreasonable expectations? Today, there is a large gap in the understanding of what the profession does and what the public expects it to do. As a result, considerable effort has been expended by the profession to close this gap. Examples of successful initiatives, both in terms of professional standards and communication, will be outlined during this session.

- ▶ **Audit report standards**
- ▶ **Efforts made in some countries to harmonise accounting standards and eliminate possible options**
- ▶ **Considering the auditor's role: reporting on going concern and internal control; detection of fraud; monitoring of compliance with legal and environmental obligations**
- ▶ **Progress made or planned with regard to financial communication, both in terms of content and communication techniques**
- ▶ **Auditing and corporate governance**



Archie HUNTER (United Kingdom)
President of the Institute of Chartered Accountants of Scotland
Chair

Dan M. GUY (United States)
American Institute of Certified Public Accountants

Donald H. PENNY (Canada)
Canadian Institute of Chartered Accountants

Francesco SERAO (Italy)
Consiglio Nazionale dei Dottori Commercialisti

Anthony F. NEOH
(Hong Kong)
International Organisation of Securities Commissions

TUESDAY 28 OCTOBER 1997

WORKSHOP 2.2

Recent trends in the legal liability of auditors - Is the public interest being served?

One of the consequences of the expectation gap is the increasing exposure of auditors to prohibitive law-suits. While this may satisfy plaintiffs, the level of claims has a number of consequences that can have far-reaching effects beyond the audit profession. Evidence suggests that qualified individuals no longer find auditing an attractive career. Some firms are foregoing audit services altogether and certain companies in a start-up venture cannot find an auditor. Additionally, insurance coverage is much harder to obtain. A properly functioning capital market needs a healthy and viable audit profession. This workshop will assess the situation in selected countries and propose solutions which will maintain the viability of the profession and fairly compensate victims when an auditor is clearly found to have been negligent.

- ▶ **A list and analysis of the most frequent complaints made against auditors**
- ▶ **Do the damages demanded always match the alleged faults?**
- ▶ **What aspects have a positive or negative effect on complaints made against auditors: the legal context, practice within a company...?**
- ▶ **What are the possible solutions? Exchanges of experience between countries**



Bernard P. GERMOND (France)
Compagnie Nationale des Commissaires aux Comptes
Chair

Daniel DORON (Israel)
President of the Institute of Certified Public Accountants in Israel

Wolfgang FLIESS (Germany)
Institut der Wirtschaftsprüfer

Alan JENKINS (United Kingdom)
Frere Cholmeley Bischoff

William SMALL (Australia)
Institute of Chartered Accountants in Australia

TUESDAY 28 OCTOBER 1997
TECHNICAL PROGRAM

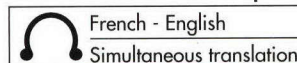


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Workshops 2.1 to 2.8 will be continued in the afternoon from 2.30 - 4.30 p.m.



French - English

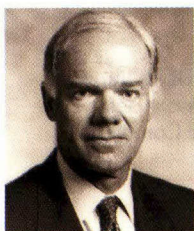
Simultaneous translation

WORKSHOP 2.3

Corporate governance - The roles of and interplay between the auditor, the management and the board of directors

The auditor is but one of several factors in effective corporate governance. Much of the expectation gap could be reduced if the public understood and appreciated the role of the accountant – and his/her limitations. That understanding must also include how the other elements, principally the company operating management and the board of directors, also figure in this equation. This workshop will present several corporate governance approaches and attempt to realistically define the responsibilities of the external auditor.

- ▶ The current context: the demands of investors and the increase of risks
- ▶ The board of directors: composition and responsibilities; the powers of the President and managing director; special committees
- ▶ The audit committee: how should it be composed? How can we ensure that it plays an effective role in internal control and financial statements?
- ▶ The role of external auditors: is the establishment of monitored relations with the audit committee a quality factor in the performance of their work?
- ▶ An overview of the situation in several large countries and examples of good practices



Peter DEY (Canada)
Morgan, Stanley & Co. President
of the Toronto Stock Exchange
Committee on Corporate Governance
Chair

Professor JP (Ian) PERCY
(United Kingdom)
CBE, CA

Gérard RIVIERE (France)
KPMG

Etsuo SAWA (Japan)
Keio University, Tokyo

Al SOMMER (United States)
Public Oversight Board (AICPA)

WORKSHOP 2.4

Relevant accounting standards - The public interest in better information

Current accounting standards are based on the historical cost principle. The latter is, however, being increasingly called into question. Users of financial information are looking for information that is more prospective, more descriptive and more qualitative. This workshop will look at how the accounting profession is attempting to meet these new expectations, as well as new harmonisation requirements which are linked to the globalisation of the economy.

- ▶ From historical cost to market value: attempts to develop greater relevance in value measurement
- ▶ IASC/FASB: problems associated with access to financial markets for multinational companies; harmonisation prospects
- ▶ The increasing demand for continuous, reliable information
- ▶ From financial statements to predictive information and non-financial performance measures: the new accounting fields
- ▶ What accounting standards should exist for small companies? Should there be separate standards for small and large companies?



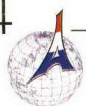
Georges BARTHES DE RUYTER
(France) - President of the Conseil
National de la Comptabilité -
Former president of the IASC
Chair

Ray BROMARK (United States)
Price Waterhouse

Hans Georg BRUNS (Germany)
Daimler Benz AG

David DAMANT (United Kingdom)
Crédit Suisse Investment Group
President of the European Federation
of Financial Analyst Societies

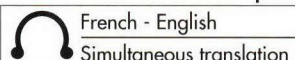
Louis UTOUH (Tanzania)
National Board of Accountants
and Auditors



11 a.m. - 1 p.m.

WORKSHOPS

Workshops 2.1 to 2.8 will be continued in the afternoon from 2.30 - 4.30 p.m.



WORKSHOP 2.5

The financial statement audit - How useful is the traditional model?

Audit opinion has lent significant credibility to financial information, yet the traditional audit model tends to be perceived as being a "commodity". Consumers still value the auditor's professional qualities but have expressed a need for assurance on other forms of information. This workshop will examine how the auditor can capitalise on his/her professional reputation, while at the same time maintaining the credibility and usefulness of financial statement audits and bringing a new type of assurance with regard to other information, both financial and non-financial.

- ▶ What needs to be changed to ensure the continuing credibility of financial information in the domestic and international markets?
- ▶ What are perceived as being the new demands of investors and regulators in terms of disclosure of risks, compliance with laws and regulations, internal controls and corporate governance?
- ▶ How can information preparers respond to this?
- ▶ Can auditors meet these needs by offering new types of services?
- ▶ What are the views of the standard setters and regulators?



Robert ROUSSEY (United States)
President of the IFAC's International Auditing Practice Committee
Chair

Suresh KANA (South Africa)
Coopers & Lybrand
Ikuo NISHIKAWA (Japan)
Japanese Institute of Certified Public Accountants

Norman ROY (United States)
Financial Executives Institute

Henning STROM (Norway)
Norske Finansanalytikeres Forening

TUESDAY 28 OCTOBER 1997

WORKSHOP 2.6

An international code of ethics - Reconciling public interest and cultural dynamics

Ethics is the keystone of the profession, and is perhaps the element requiring international consistency. To this end, the IFAC has published an international code of ethics; it is considered by some to be too vague, particularly on the most controversial points. Others are doubtful whether greater harmonisation is possible, given the different cultural approaches adopted around the world. This workshop will try to determine whether or not this goal can be attained and whether other solutions exist which are able to harmonise these practices.

- ▶ The place of ethics at the end of the 20th century
- ▶ Ethics and the world's major religions
- ▶ The complexity of ethical questions
- ▶ The specificity of the accountancy profession: the main questions faced by auditors and management accountants
- ▶ The IFAC code of ethics: what are the main points of conflict? What solutions can be found to overcome them?



Lino de VECCHI (Italy)
President of the IFAC's Ethics Advisory Group
Chair

René CASTRO (Colombia)
Instituto Nacional de Contadores de Colombia

Terje GRONN (Norway)
Norges Statsautoriserede Revisorer
Forening

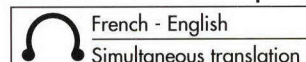
Prabhu GUPTARA (India)
Wolfsberg Management Training Center

Yong-In SHIN (Korea)
Korean Institute of CPAs



WORKSHOPS

Workshops 2.1 to 2.8 will be continued in the afternoon from 2.30 - 4.30 p.m.



WORKSHOP 2.7

Independence and objectivity - A special challenge to the profession

The auditor must be independent and objective with respect to his/her client, both in fact and in appearance. He/she should not be seen to be assuming any role that rightfully belongs to client management. In today's world, most large firms provide both audit and consulting services to the same client. These firms maintain internal divisions to protect independence. In some countries, however, there is a strict ban on providing non-audit services. Is there any evidence to support this ban? This session will offer commentary on the conflicting perspectives and attempt to seek a satisfactory compromise.

- ▶ Is independence always compatible with the provision of multiple services?
- ▶ How effective are the measures introduced by firms in maintaining independence?
- ▶ What role should professional institutes play in controlling independence?
- ▶ Is it possible to reconcile the differing expectations of professionals, companies, public authorities and magistrates?



Paul BEHETS (Belgium)
President of the Institut
des Réviseurs d'Entreprise
Chair

David BOYMAL (Australia)
Ernst & Young
Patrick de CAMBOURG (France)
Mazars et Guérard
Harold RING (Germany)
President of the FEE's Ethical Group
Arnold SCHILDER (Netherlands)
Coopers & Lybrand

WORKSHOP 2.8

Self-regulation and regulatory oversight - The efficient way to ensure that benchmark professional conduct is maintained

The accountancy profession prides itself on being a self-regulated profession. It establishes standards, promotes practice in accordance with those standards and ensures compliance. At the same time, however, the profession must also serve its members. As these two objectives can sometimes be seen as being contradictory, an element of regulatory "oversight" is seen as necessary. This session will look at various situations and attempt to determine optimal solutions.

- ▶ Creating and implementing a code of conduct for the accountancy profession: a self-regulation issue only?
- ▶ Market and public expectations and visions - What are they? How can they be met?
- ▶ What are the lessons to be learned from litigation involving professionals?
- ▶ Implementing the regulatory process based on the model Set Standards / Monitoring / Sanctions - Do any other methods exist?
- ▶ The American example: the role of the Public Oversight Board and its interaction with the Security Exchange Commission and other regulatory bodies



Peter Whitney FEARNHEAD
(Zimbabwe) - President of the Institute
of Chartered Accountants of Zimbabwe
Chair

Francisco GRAU CLARAMUNT
(Spain) - Instituto
de Auditores-
Censores - Jurados
de Cuentas
de España

Ole KOEFOED (Denmark)
Foreningen af Statsautoriserede
Revisorer
Jerry SULLIVAN (United States)
Public Oversight Board (AICPA)
Chris SWINSON (United Kingdom)
Institute of Chartered Accountants
of England and Wales



French - English
Spanish - German

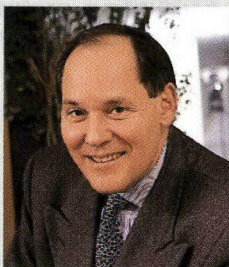
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9 a.m. - 10.30 a.m.

PLENARY SESSION 3

The public interest and the emerging market economies

A truly global profession must include all countries. The profession, and the public interest, in countries that are in transition or newly industrialised, however, is not always the same as it is in the developed world. The needs are different and, likewise, the solutions to meet those needs are also different. At the same time, however, the need for the profession in all countries to meet a benchmark standard is important if that global profession is to function properly. Any solution requires sensitivity to both perspectives and a coordinated plan to bridge the gap. The profession cannot do this alone. Any solution must include a solid private sector/public sector partnership and the encouragement and support of development banks and agencies. Economic development and the public interest require the presence of a committed accountancy profession.



René RICOL
(France)
President of the
Ordre des Experts-
Comptables
Chair



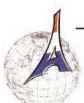
David DARBYSHIRE
(United Kingdom)
President of
the Fédération des
Experts Comptables
Européens



Bart LE BLANC
(Netherlands)
Vice-President
(Finance) of
the European
Reconstruction and
Development Bank



Jocelyn THOMPSON
(Trinidad)
Auditor General of
Trinidad and Tobago

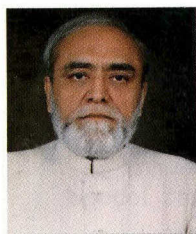


WORKSHOP 3.1

Accounting technicians - A valuable support to the accountancy profession in serving the public interest

Accounting technicians have played an important role in the economic history of numerous countries and in some, they are organised into professional bodies. In industrial countries they continue to provide a vital contribution in the functioning of companies and accountancy firms. In emerging market economies, they are one of the essential conditions to development. This session will analyse the fields of activity in which accounting technicians operate and will present various organisational experiences.

- ▶ Jobs in public and private organisations; accounting and related tasks
- ▶ The training of accounting technicians: what should this involve? How should it be organised?
- ▶ Changes in the role of accounting technicians: their place in both developed and developing economies
- ▶ Accounting technicians' organisations: how their nature, role and importance vary from country to country



Yousuf ADIL (Pakistan)
Institute of Chartered Accountants of Pakistan
Chair

David HUNT (United Kingdom)
Association of Accounting Technicians

Harry MALTBY (New Zealand)
Institute of Chartered Accountants of New Zealand

Lakshman WATAWALA (Sri Lanka)
President of the Association of Accounting Technicians of Sri Lanka

WORKSHOP 3.2

The public sector - Partnerships between the private and public sectors in emerging economies

The public sector continues to play a predominant role in the economy of developing nations. However, its management methods are evolving and as pressures to liberalise the economy mount, calls for privatisation also increase. The public sector now has a responsibility to work jointly with the private sector, in partnership, to help accelerate economic development. This workshop will offer discussion on how this partnership can be achieved.

- ▶ The evolution of management methods in the public sector
- ▶ Public/private auditor partnerships
- ▶ Privatisation: what are the goals? Which types of public services might be involved? How should privatisation be carried out? What valuation methods and procedures should be used?
- ▶ The development of accounting professions: how can public authorities encourage progressive self-regulation?



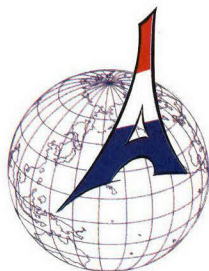
Joseph KIMURA (Kenya)
Institute of Certified Public Accountants of Kenya
Chair

Michael BARTH (United States)
International Finance Corporation

Antonio CASTILLA (Chile)
President of the Colegio de Contadores de Chile

Richard FREDERICK (France)
OECD

Masum TURKER (Turkey)
Union of Chambers of Certified Public Accountants of Turkey



IFAC' 97

26 - 29 October 1997, Paris, France

REGISTRATION FORM

to be returned to SOCFI / IFAC, 14, rue Mandar, 75002 Paris (France). Fax: (33) 1 40 26 04 44.

Only one registration form should be completed per congress participant. For additional enrolments, please photocopy this form.

CONGRESS PARTICIPANT

☐ Mr ☐ Mrs ☐ Miss/Ms

Surname MR JULES MUIS
THE WORLD BANK
1818 H STREET N.W.
First name RM. MC2-317
20433 WASHINGTON DC
Company ETATS UNIS

Address _____

Zip Code _____ Town _____

Country _____

Tel: _____ Fax: _____

This address will be published in the official list of participants.

Do you work in: ☐ an accountancy firm - Size of firm :
☐ a company
☐ the public sector
☐ a university

☐ less than 10 people
☐ 10 - 50 people
☐ 51 - 100 people
☐ over 100 people

GUEST

☐ Mr ☐ Mrs ☐ Miss/Ms

Surname _____

First name _____

☐ Mr ☐ Mrs ☐ Miss/Ms

Surname _____

First name _____

☐ Mr ☐ Mrs ☐ Miss/Ms

Surname _____

First name _____

REGISTRATION FEES

Before 25 July 1997

After 25 July 1997

Congress participant 5 000 FF (incl 20.6% VAT: 854.06 FF)

6 000 FF (incl 20.6 % VAT: 1 024.88 FF)

Guest(s) x _____ person(s) 1 900 FF (incl 20.6% VAT: 324.54 FF)

2 200 FF (incl 20.6 % VAT: 375.79 FF)

Total _____ FF

_____ FF

No pre-registrations will be processed after the **10th October 1997**. After this date **do not send any forms or payments**.

However, it will be possible for you to register and make your payment at the Congress Welcome Desk.

WORKSHOPS

I would like to take part in the following workshops (please refer to the program and specify below the codes for the relevant workshops - only one workshop per half-day should be specified).

Monday 27th (morning) : Monday 27th (afternoon) :

Tuesday 28th (morning) : Tuesday 28th (afternoon) :

CONGRESS PROCEEDINGS

I would like to receive the Congress proceedings on CD-ROM after the Congress:

250 FF TTC (incl 20,6% VAT: 42.70 FF) x copies = FF incl VAT

WORKING LUNCHES

I would like to attend the **3 lunches** (Monday 27th, Tuesday 28th & Wednesday 29th)

750 FF TTC (incl 20,6% VAT: 128.11 FF) x person(s) = FF incl VAT

(This amount covers three lunches; these cannot be sold individually)

ACCOMMODATION

The prices specified below are not the room rates. They are the amounts which should be sent to us to guarantee your reservation. For details on room rates, please refer to Page 34 of the program.

Category	Deposit to be sent to us:	Preferred hotel:
☐ 4**** Luxury Hotels	3.500 FF	First choice:
☐ 4**** Hotels	2.200 FF	
☐ 3*** Hotels	1.500 FF	Second choice:
☐ 2** Hotels	900 FF	
Reservation fee (per room)	+ 100 FF	Third choice:

Accommodation total: FF

I would like to reserve a:

☐ Single ☐ Double ☐ Twin

Arrival date: / / 1997

Departure date: / / 1997

No reservation can be confirmed without a deposit

Reservation requests received after 25th July will be confirmed according to availability.

EXCURSIONS

Saturday 25th October

- | | | | | |
|--|--------|---------|-------|----------|
| ☐ River cruise and Eiffel Tower (<i>afternoon</i>) | 290 FF | x | pers. | =.....FF |
| ☐ Place des Victoires and neighbouring passageways (<i>afternoon</i>) | 220 FF | x | pers. | =.....FF |
| ☐ Saint-Germain-des-Prés (<i>afternoon</i>) | 260 FF | x | pers. | =.....FF |

Sunday 26th October

- | | | | | |
|---|--------------|------------------------------|-----------------------------|----------|
| ☐ Paris Discovery Tour (<i>morning</i>)
(included in guest registration fee)
(not included for congress participants) | will attend: | ☐ Yes | ☐ No | |
| | 200 FF | x | pers. | =.....FF |
| OR | | | | |
| ☐ The Gardens of the Palais Royal and the antique shops of the Louvre (<i>morning</i>)
(included in guest registration fee)
(not included for congress participants) | will attend: | ☐ Yes | ☐ No | |
| | 200 FF | x | pers. | =.....FF |

Monday 27th October

- | | | | | |
|--|--------------|------------------------------|-----------------------------|----------|
| ☐ The Louvre (<i>morning</i>) | 270 FF | x | pers. | =.....FF |
| ☐ Picasso Museum (<i>morning</i>) | 250 FF | x | pers. | =.....FF |
| ☐ Cookery classes at The Ritz (<i>morning</i>) | 600 FF | x | pers. | =.....FF |
| ☐ Paris: The Triumphal Avenue (<i>morning</i>) | 220 FF | x | pers. | =.....FF |
| ☐ Montmartre (<i>afternoon</i>)
(included in guest registration fee)
(not included for congress participants) | will attend: | ☐ Yes | ☐ No | |
| | 220 FF | x | pers. | =.....FF |
| OR | | | | |
| ☐ Notre-Dame Cathedral and Crypt (<i>afternoon</i>)
(included in guest registration fee)
(not included for congress participants) | will attend: | ☐ Yes | ☐ No | |
| | 220 FF | x | pers. | =.....FF |

Tuesday 28th October

- | | | | | |
|--|--------|---------|-------|----------|
| ☐ Fashion show at the Printemps department store (<i>morning</i>) | 260 FF | x | pers. | =.....FF |
| ☐ Versailles (<i>morning</i>) | 330 FF | x | pers. | =.....FF |
| ☐ The Marais (<i>morning</i>) | 260 FF | x | pers. | =.....FF |
| ☐ Orsay Museum (<i>morning</i>) | 260 FF | x | pers. | =.....FF |
| ☐ Rodin Museum (<i>afternoon</i>) | 250 FF | x | pers. | =.....FF |
| ☐ Wine Museum (<i>afternoon</i>) | 250 FF | x | pers. | =.....FF |
| ☐ Beaubourg district (<i>afternoon</i>) | 220 FF | x | pers. | =.....FF |
| ☐ "Impression: Sunrise" excursion (<i>full-day</i>) | 850 FF | x | pers. | =.....FF |
| ☐ A day in the Champagne region (<i>full-day</i>) | 650 FF | x | pers. | =.....FF |

Wednesday 29th October

- | | | | | |
|---|--------|---------|-------|----------|
| ☐ The Louvre (<i>morning</i>) | 270 FF | x | pers. | =.....FF |
| ☐ Orsay Museum (<i>morning</i>) | 260 FF | x | pers. | =.....FF |
| ☐ Picasso Museum (<i>morning</i>) | 250 FF | x | pers. | =.....FF |
| ☐ The Invalides (<i>morning</i>) | 260 FF | x | pers. | =.....FF |
| ☐ Versailles, Malmaison (<i>full-day</i>) | 850 FF | x | pers. | =.....FF |
| ☐ Fontainebleau, Vaux-le-Vicomte (<i>full-day</i>) | 850 FF | x | pers. | =.....FF |

Total :FF

POST-CONGRESS EXCURSIONS

- | | | | | | |
|--|--------|---------|-------|---------|----|
| ☐ The Châteaux of the Loire (Thursday 30th October, full-day) | 740 FF | x | pers. | = | FF |
| ☐ A day in the Champagne region (Thursday 30th October, full-day) | 650 FF | x | pers. | = | FF |
| ☐ Mont Saint-Michel (Friday 31st October, full-day) | 970 FF | x | pers. | = | FF |

Total: FF

SOCIAL EVENTS

- ☐ **Welcome Reception** (Sunday 26th October / included in registration fee) I/We will attend: Yes ☐ No ☐

- ☐ **Gala Dinner:** (Tuesday 28th October) **Optional**

750 F TTC (incl. 20.6 % VAT: 128.11 FF) x person(s) = FF incl VAT

I would like to make a reservation for: ☒ The Pyramide du Louvre ☐ The Conciergerie

(The limited number of places for each location will be allocated according to availability).

PAYMENT

Registration fees: FF incl VAT

Congress report: FF incl VAT

Lunches: FF incl VAT

Accommodation: FF incl VAT

Excursions: FF incl VAT

Post-congress excursions: FF incl VAT

Gala Dinner: FF incl VAT

Final Total FF incl VAT

-  **By cheque:**

I enclose a cheque forFF, made payable to SOCFI / IFAC' 97 (in French Francs only)

- By VISA or MASTERCARD:**

I authorise SOCFI to debit from my card the amount ofFF

Card N°

Expiration date: Month: year: 19.....

SIGNATURE

- By Bank Transfer:**

Amount:.....FF (in French Francs only, copy enclosed, bank charges to be paid by the sender)

SOCFI / IFAC' 97.

BNP Paris Louvre, 1-3 rue du Colonel Driant, 75001 Paris - France

N° 30004-00806-000217 387 62 - 07

Cancellation conditions: please refer to the program.

11 a.m. - 1 p.m.

WORKSHOPS



French - English

Simultaneous translation

WORKSHOP 3.3

How can international standards be useful to emerging economies?

In any economy in transition or development, governments are eager to adopt international standards of accounting and auditing. However, one observes a significant and increasing gap between the sophisticated new standards being developed and the actual capacities of absorption and the immediate needs of these emerging economies. This session will look at ways in which these international standards can be implemented in these countries.

- ▶ The need to introduce IASC standards gradually and selectively; their contribution to the education process
- ▶ The universality of technical standards for auditing
- ▶ Differing conceptions in terms of the objectives of auditing and auditor ethics: how should the profession deal with the evolution in the attitudes of society?
- ▶ The IASC's agricultural project: a concrete response to the needs of predominantly rural economies
- ▶ The application of IASC standards in the public sector



Ian BALL (New Zealand) - President of the IFAC's Public Sector Committee
Chair

Soon Kwai CHOY (Malaysia)
Malaysian Institute of Accountants

Gilbert GELARD (France)
Member of the IASC Board

Flemming PETERSEN (Denmark)
Member of the IAPC

Mohammed REHAZ MIHULAR
(Sri Lanka) - Institute of Chartered Accountants of Sri Lanka

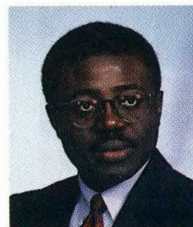
WEDNESDAY 29 OCTOBER 1997

WORKSHOP 3.4

The accountancy profession and the development banks - A joint role in serving the public interest

Development banks play a key role in promoting economic development within their regions. In addition to financing large development projects, they also demand accountability for the money they invest. They can also be useful in encouraging the development of a strong accountancy profession using benchmark standards, to ensure that these projects are being correctly implemented. This workshop will assess what specific actions these banks can undertake to that end.

- ▶ What accountability requirements are imposed by development banks?
- ▶ How can local firms undertake these assignments?
- ▶ How can development banks assist the various accountancy professions in their development?
- ▶ What financial support is available?



Charles BOAMAH (Ivory Coast)
African Development Bank
Chair

M. ALINDADA (Philippines)
Philippines Institute of Certified Public Accountants

Josef JILEK (Czech Republic)
Czech National Bank

Jacques POTDEVIN (France)
Ordre des Experts-Comptables

Jean PRECOURT (Canada)
CGA Canada

WEDNESDAY 29 OCTOBER 1997
TECHNICAL PROGRAM



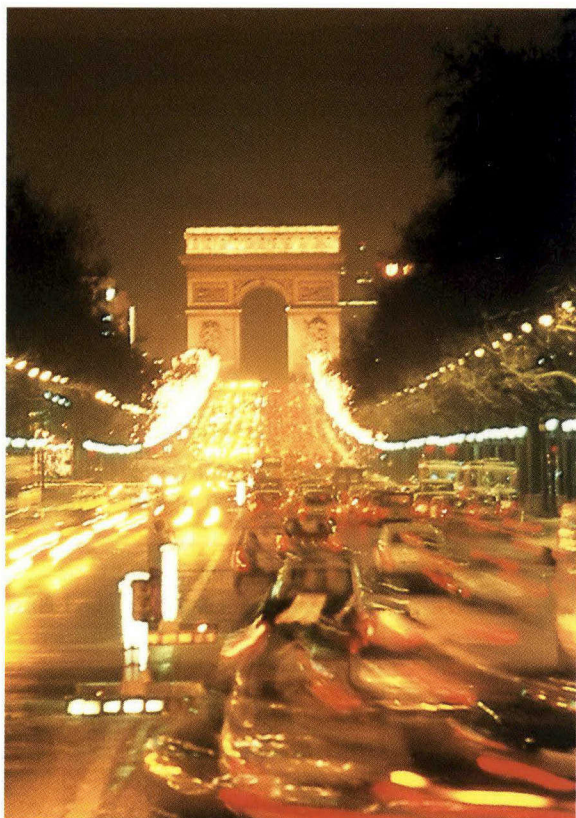
IFAC '97

ADMINISTRATIVE SECRETARIAT: SOCFI - 14, RUE MANDAR, 75002 PARIS, FRANCE
TEL.: (33) 1 44 88 25 25 FAX: (33) 1 40 26 04 44

WEDNESDAY 29 OCTOBER 1997

**WEDNESDAY
29 OCTOBER 1997
2 p.m. - 4 p.m.
CLOSING
CEREMONY**

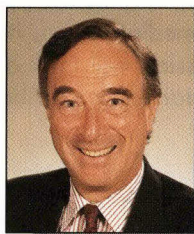
WEDNESDAY 29 OCTOBER 1997
TECHNICAL PROGRAM



ADDRESSES

René RICOL
French representative at the IFAC

Frank HARDING
President of the IFAC 1997-1999



**PRESENTATION
OF THE SEMPIER AWARD**

**FINAL SHOW: THE WORLD
IN MUSIC**

**PRESENTATION OF THE
XVIth WORLD CONGRESS**

20



IFAC '97

ADMINISTRATIVE SECRETARIAT: SOCFI - 14, RUE MANDAR, 75002 PARIS, FRANCE
TEL.: (33) 1 44 88 25 25 FAX: (33) 1 40 26 04 44



THE "VILLAGE DU MONDIAL"

Welcome to the "Village du Mondial" 26-29 October 1997

The "Village du Mondial", which has been created by the Ordre des Experts-Comptables and the Compagnie Nationale des Commissaires aux Comptes, will be open to delegates throughout the XVth World Congress of Accountants. All foreign delegates will be welcome in the Village, which will be located in the Palais des Congrès de Paris.

Services on offer include:

- A 'discovery' route through the Village's exhibition sites; this will provide you with information on French professional practices.
- A multilingual business centre exclusively reserved for delegates. The centre will enable you to keep in contact with your office and help you get the most out of your stay in Paris.
- The office of the future – a range of technologies which will project you into the future.
- VIP areas set out to ensure that meetings with professionals from other countries can be easily organised. In these comfortable surroundings you can take the time to develop fruitful contacts. International press will also be available.
- Cybercafés – here you can explore the global information highway with its numerous sites containing information to assist you with your professional activities.

Each foreign delegate will be given a file which will include:

- "Doing business in France": a document which will provide you with a better understanding of the specific aspects of the French economic environment and enable you to improve the advice you offer to clients.
- A full presentation of the French accountancy profession.

Lastly, to ensure that the welcome you receive is as warm as possible, the Village's organizing team has done everything possible to enable you to discover the charms of France (including its cuisine) during your stay.

Since everyone is now talking about the globalisation of exchanges and the comparative analysis of professional practices, our aim is for you to have access to these new ideas over the four days of the congress.

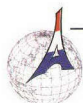
The "Village du Mondial", an area which has been divided up into five Sites which correspond to the main strategic concerns of firms, will be open to delegates throughout the Congress. The Sites are as follows:

- The INSTITUTIONS AND PROFESSIONAL ORGANISATIONS Site
- The INFORMATION Site
- The TECHNOLOGIES Site
- The SERVICES Site
- The OFFICIAL PARTNERS Site

Visitors will be presented with a range of concrete solutions at exhibition stands on each Site, and will be able to attend a whole series of events (forums, conferences), some of which will be translated into English.

the "Village
du Mondial"

THE "VILLAGE"



WELCOME RECEPTION

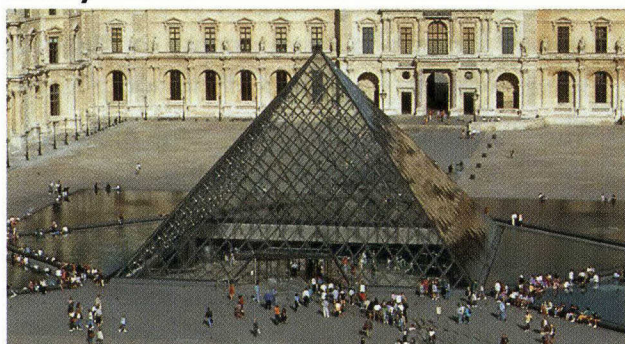
A welcome reception will be held on the different levels of the Palais des Congrès de Paris in the very heart of the World Congress Exhibition at the end of the opening ceremony between 7-9 p.m. on Sunday 26th October 1997. This reception will be open to all participants, their guests and to exhibitors.



GALA DINNER

On Tuesday 28th October 1997 a choice of two unforgettable evenings will be offered to congress participants and their guests.

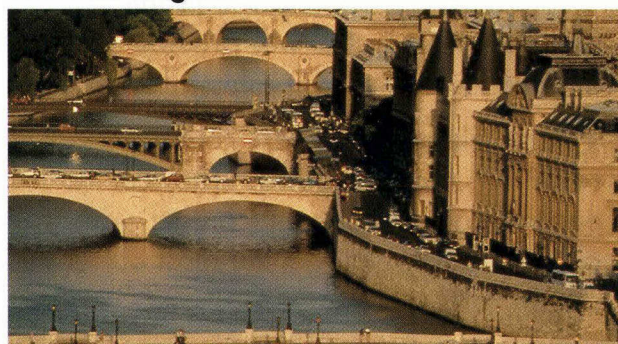
The Pyramide du Louvre



Since 1988, the famous glass pyramid designed by the Chinese-American architect Pei has been used as the entrance to France's largest – and one of the world's richest – museums. It will be here, in the magnificent marble and glass setting of the Grand Louvre's newest exhibition rooms, that this prestigious dinner will be served.

This evening is optional and will be exclusively reserved for those already enrolled either as participants or as accompanying guests. The cost will be 750 FF per person including VAT. Reservations can be made by filling in the relevant section of the registration form and including your payment. We kindly ask you to specify your preference for the Pyramide du Louvre or for the Conciergerie. Reservations will be allocated according to the number of places available. Coach transfers will be organised to the venues and back to the official congress hotels.

The Conciergerie



The vaulted 13th and 14th century Gothic-style rooms of this former palace of the Kings of France, magnificently situated on the Ile de la Cité in the heart of the city along the banks of the Seine, is the perfect prestigious location in which to organise this exceptional dinner.

PROGRAM OF EXCURSIONS

DATE	MORNING	AFTERNOON	FULL-DAY
Saturday 25th		•River cruise and Eiffel Tower •Place des Victoires and its neighbouring passageways •Saint-Germain des Prés	
Sunday 26th	•Paris Discovery Tour or •Palais Royal gardens and the antique shops of the Louvre Included in guest registration fee Not included for congress participants		
Monday 27th	•The Louvre •Picasso Museum •Cookery classes at the Ritz •Paris: the Triumphal Avenue	•Montmartre or •Notre-Dame Cathedral and Crypt Included in guest registration fee Not included for congress participants	
Tuesday 28th	•Fashion show at the Printemps department store •Versailles •The Marais •Orsay Museum	•Rodin Museum •Wine Museum •Beaubourg district	•Impression: Sunrise •A day in the Champagne region
Wednesday 29th	•The Louvre •Orsay Museum •Picasso Museum •The Invalides		•Versailles, Malmaison •Fontainebleau, Vaux-le-Vicomte

PROGRAM OF EXCURSIONS

POST-CONGRESS EXCURSIONS

Thursday 30th			•Châteaux of the Loire •A day in the Champagne region
Friday 31st			•Mont Saint-Michel

HALF-DAY EXCURSIONS

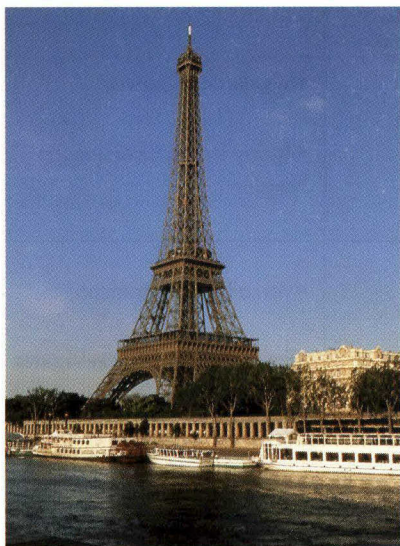
RIVER CRUISE AND EIFFEL TOWER

After a one-hour cruise on the Seine which will enable you to discover the monuments of Paris situated alongside the river, we will take you up to the second level of the Eiffel Tower.

This "Great Lady", who celebrated her 100th birthday in 1989, is 320 metres high. The tower's 7,000 tons of iron now shine like never before since the installation of a new lighting system which gives it the appearance of precious embroidery.

Access to the three levels is by hydraulic lift. The second floor (115 m) contains a viewing platform from where most of the monuments of the city can be seen.

Cost: 290 FF per person.



PLACE DES VICTOIRES AND ITS NEIGHBOURING PASSAGEWAYS

Due to its circular shape, the Place des Victoires is one of the city's most attractive plazas. Designed by Mansart in the 17th century, it is now the centre of fashion creation. In the same district you will also discover the picturesque passageways and shopping galleries created in the 19th century such as the Passage Choiseul, where the writer Céline lived, the Galerie Vivienne, with its recently restored grand staircase and rotunda, and the Passage Colbert, the most recent of these galleries and already famous for its superb avant-garde fashion designer boutiques.

Cost: 220 FF per person.

SAINT-GERMAIN-DES-PRÉS, THE DELACROIX MUSEUM

This unusual district, which originated in the Middle Ages from the illustrious Abbaye has been home to thinkers and philosophers ever since. It became particularly well-known during the post-war period as a result of the Existentialist movement created by Jean-Paul Sartre and Simone de Beauvoir.

As you wander through the narrow streets you will be surprised to discover a multitude of delightful mansions dating from the 17th and 18th centuries. And when you reach the Place de Furstenberg, you might well imagine yourself to be in a village. You will then have the chance to visit the Eugène Delacroix Museum which is housed in the former studio of this famous 19th century artist.

Cost: 260 FF per person.



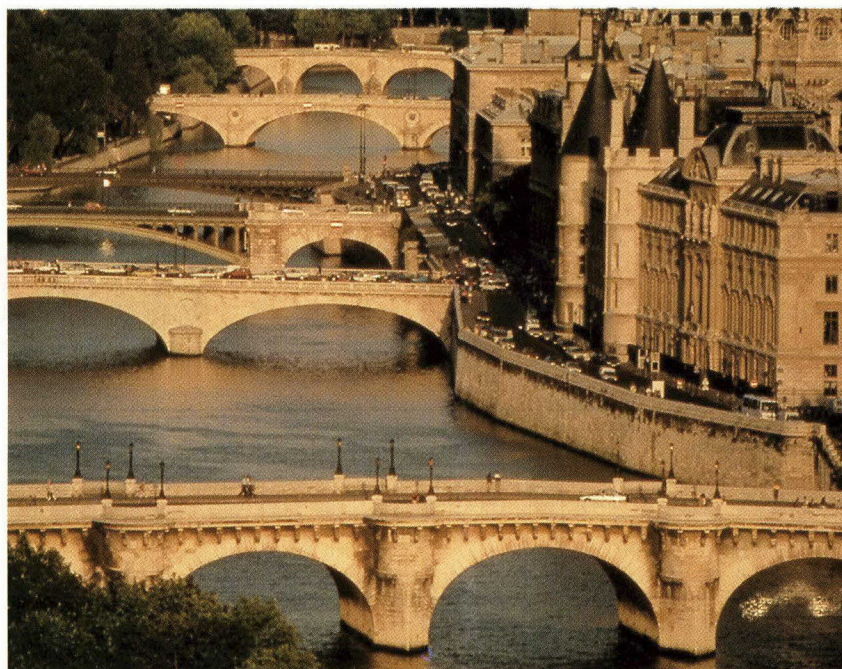
PARIS DISCOVERY TOUR

A panoramic tour of "Classical Paris" taking in the Arc de Triomphe (the Tomb of the Unknown Soldier), the Palais de Chaillot, from where you will enjoy the best view of the Eiffel Tower, the École Militaire, the imposing Hôtel des Invalides (the tomb of Napoleon) and the magnificent Alexander III bridge, which will bring you to the huge expanse of the Place de

la Concorde. Your next stop will be at Notre-Dame, the most famous of all French cathedrals, from where you will drive through the Latin Quarter, along the Louvre, past Garnier's Opéra, and then up the famous Champs-Élysées.

Cost for congress participants: 200 FF per person.

The tour is included in the guest registration fee.



THE GARDENS OF THE PALAIS ROYAL AND THE ANTIQUE SHOPS OF THE LOUVRE

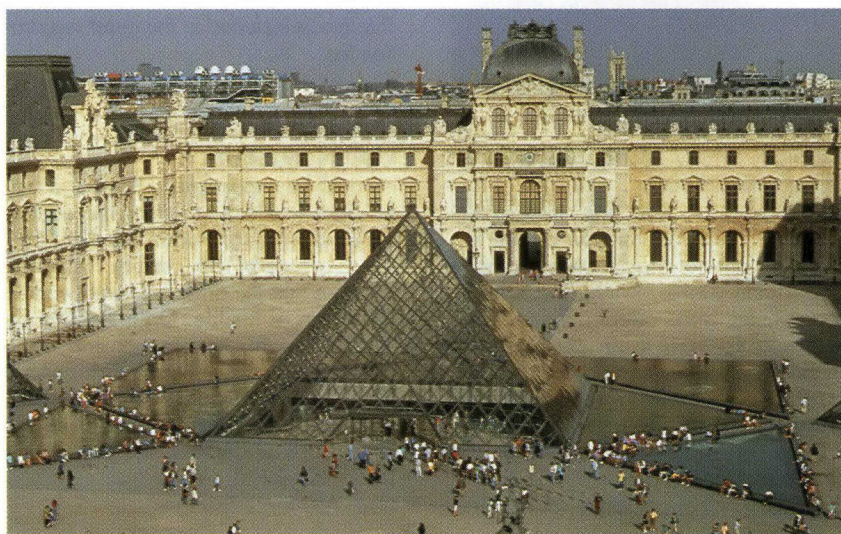
The Louvre des Antiquaires, the quintessential centre of Parisian art, is a complex of luxury galleries exhibiting some of the world's most precious and unusual objects. Over 200 prestigious boutiques are set out here on three levels.

Just a few metres from the Louvre is the Palais Royal, built in the 14th century and modified in the 17th century by the brother of Louis XVI. The French Revolution started around the stalls which existed under the arcades where Camille Desmoulins tested out his revolutionary speeches on passers-by.

In 1986, some modern works were set out in the centre of the gardens by two

enhance the use of France's largest – and one of the world's richest – museums. Its exhibits provide art-lovers with some remarkable works such as the foremost collection of French painting. Its works from the 14th, 15th and 16th centuries, which are perhaps not particularly well-known, contain works by some of the world's leading artists of the period. It was during this time that some of the most important principles of pictorial art developed, and the relative rarity in terms of artistic output merely enhances the quality of the works exhibited. Since 1994, the new rooms which have been opened to the general public and the alterations made to the buildings have turned the "Grand Louvre" into the world's largest museum.

Cost: 270 FF per person.



contemporary artists: Buren, who created the columns, and Bury, who was responsible for the mobile steel spheres. The contrast between the 18th century architecture and 20th century art has roused passions in the French capital. *Cost for congress participants: 200 FF per person. The tour is included in the guest registration fee.*

THE LOUVRE

The Louvre, which was originally a fortress, then a royal palace, has been a national museum since 1793. It was further embellished in 1988 with the construction of its glass pyramid. The decision to build the pyramid was taken in order to ease the movement of visitors to the Louvre and to

THE PICASSO MUSEUM

The choice of this residence to house the Picasso Museum is astonishing to say the least. In fact, the "Hôtel Salé", a 17th century residence, was restored expressly to exhibit works by one of the 20th centuries greatest artists. As a result, this new national museum now houses 225 canvasses, 159 sculptures and 1496 drawings from the vast collection of works created by Picasso, who painted everyday for 78 years. Works by other famous contemporary artists such as Cézanne, Matisse and Miró, which belonged to Picasso's private collection, are also exhibited.

Cost: 250 FF per person.

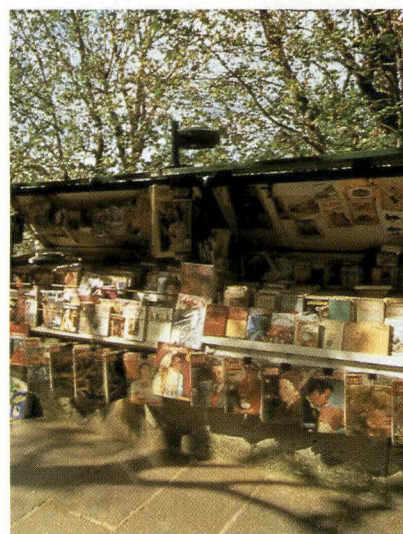
THE MARAIS

A discovery on foot of the Marais quarter, the recent restoration of which has enabled the superb private mansions of the 16th, 17th and 18th centuries to be appreciated for their true worth.

The Place des Vosges, at the heart of the Marais, is remarkable for the perfection of its architecture and the harmony of materials used in its construction. It is bordered by arcades lined with art galleries, antique shops and other fashionable boutiques.

Famous personalities have lived here over the centuries. In particular, you will visit Victor Hugo's house, where the famous writer lived from 1832 to 1848 between two turbulent revolutionary periods.

Cost: 260 FF per person.



COOKERY CLASSES AT THE RITZ

French gastronomy is renowned for being among the best in the world. Over and above these inborn talents, some schools continue the French culinary traditions, as is the case with the RITZ-ESCOFFIER gastronomy school. The latter organises two-hour demonstrations in front of visitors, who are all provided with a list of necessary ingredients. A chef will prepare the different dishes on a menu, provide a running commentary and answer questions. Once the demonstration is over, you will be able to enjoy all these delicious dishes.

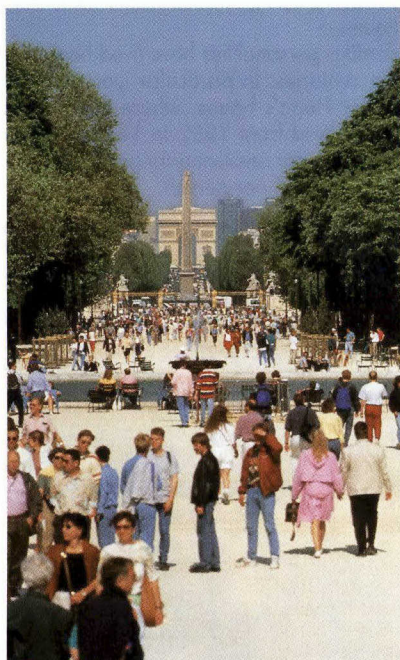
Cost: 600 FF per person.

HALF-DAY EXCURSIONS

PARIS: THE TRIUMPHAL AVENUE TOUR

The Triumphal Avenue tour will show you the most beautiful urban perspective in the world: the Arc du Carrousel, the Arc de Triomphe, the obelisk in Place de la Concorde and the Champs-Élysées all evoke via their names and spirit the triumphs of the past, while the Pyramide du Louvre and the Arche de la Défense evoke the triumphs of the future.

Cost: 220 FF per person.

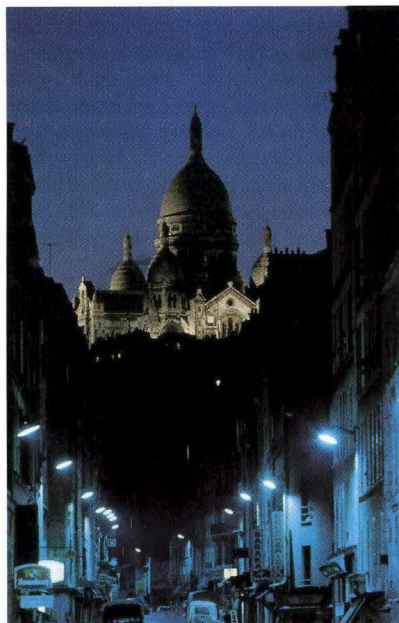


NOTRE-DAME CATHEDRAL AND CRYPT

Under the esplanade in front of Notre-Dame-de-Paris, we can find traces of the first inhabitants of the Ile de la Cité: the foundations of houses dating from Roman times, rooms with hypocaust systems (the ancestor of modern central heating), the main street running as far as Notre-Dame, and the ruins of those houses lining it. With the help of didactic models on the transformation of the city of Paris over the centuries, you will be able to follow the evolution of the capital with remarkable ease. A visit of the cathedral is also included in the tour.

Cost for congress participants: 200 FF per person.

The tour is included in the guest registration fee.



MONTMARTRE

It is still possible to experience Paris' village atmosphere here in Montmartre. From the Place du Tertre, with its array of painters who continue to maintain the district's old traditions, you can wander through the narrow streets lined with old village-like houses, and perhaps discover along the way a vine, a mill, an old cabaret, or a museum on life in Montmartre, plus, of course, Sacré-Cœur Basilica with its cupolas dominating the Montmartre skyline. Either take the characteristic steps or the amusing funicular railway to get to the top of this hill which is so familiar with Parisians, and which offers glorious views of the city and its monuments.

Cost for congress participants: 220 FF per person.

The tour is included in the guest registration fee.

FASHION SHOW AT THE "PRINTEMPS" DEPARTMENT STORE

The Brasserie Flo has exclusively reserved breakfast for you on the top floor of one of Paris' most famous department stores, Printemps, with its magnificent glass cupola. This will be followed by a fashion parade with over 50 models signed by famous international fashion designers and creators. The last hour of the morning will be set aside for shopping on the store's six additional floors.

Cost: 260 FF per person.

RODIN MUSEUM

It would be impossible to think of a better place in which to exhibit the work of the great sculptor Rodin than the Hôtel Biron, a superb 18th century residence. It is here that the artist lived and worked for a part of his life. On his death, he bequeathed this private mansion to the French State, who then transformed it into a museum. The interior and gardens contain the major works by Auguste Rodin, such as *The Kiss*, *The Thinker* and *The Gates of Hell*.

Cost: 250 FF per person.



ORSAY MUSEUM

This former train station, a masterpiece of 19th century railway architecture in the very heart of Paris, has been transformed into one of the city's most modern and fascinating museums. It is devoted entirely to one of the most prolific and contrasting periods in the history of art: the second half of the 19th century and the dawn of the 20th century.

Under the imposing space of the former station's vast cupola can be seen paintings, sculptures, decorative art and new art forms of the period such as photography.

All the major movements born during this period are represented here: academicism, impressionism, symbolism, fauvism, pointillism and art nouveau.

Cost: 260 FF per person.



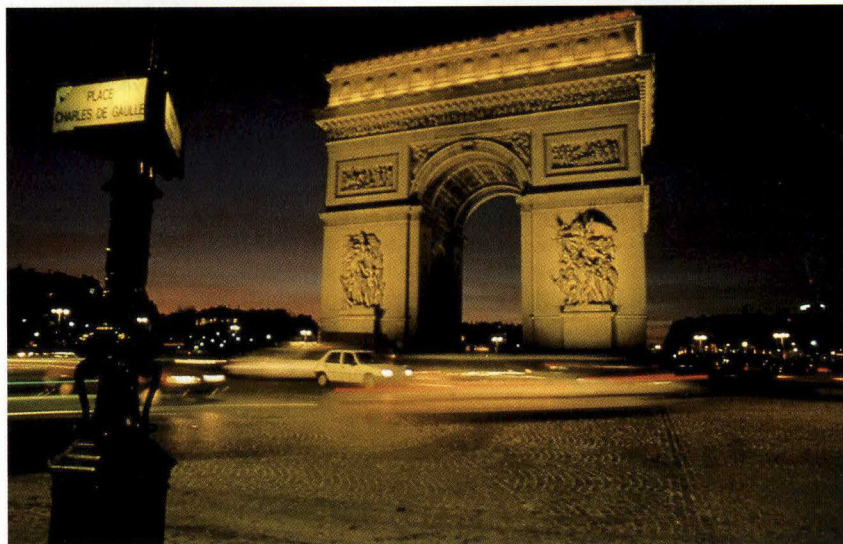
WINE MUSEUM

In 1493, Passy Abbey was built on Chaillot hill. It was here that the monks from the abbey used to grow vines and discovered old quarries in which they then built the abbey's cellars. These cellars have been preserved in their original state.

Here you will be able to discover a vast collection of wax figures, tools and objects evoking the history of wine and the vine.

At the end of the visit you will be able to enjoy wine tasting.

Cost: 250 FF per person.



HÔTEL DES INVALIDES

This monarchistic military institution is a superb monumental building dating from the 17th century with a majestic façade stretching almost 200 metres. It is here that the Army Museum is now housed.

The famous red porphyry sarcophagus containing the ashes of the Emperor Napoleon I can also be seen under the dome of the chapel.

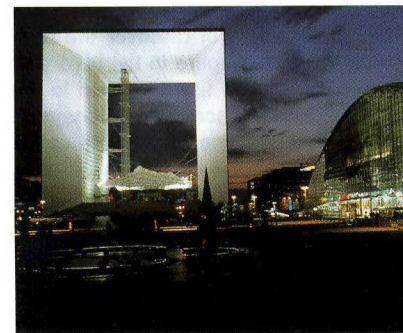
His son, Napoleon II, is also buried close to his father.

Cost: 260 FF per person.

THE BEAUBOURG DISTRICT

The Beaubourg district, situated between Les Halles and the Marais, is full of contrasts. In recent times it has adapted to its new role as a cultural and artistic area and proudly displays "fountain-sculptures" created by the genius of Tinguely and Niki de Saint-Phalle in close proximity to its 14th century church. The Centre Georges Pompidou, the temple of contemporary Paris culture (Modern Art Museum, library, etc.), has a resolutely innovative architectural structure which has led to it being nicknamed "The Refinery". "La Piazza", recreates the atmosphere of life in the Middle Ages thanks to its street artists, while in the "Horloge" or "Clock" district nearby, the "Horloge du Temps" (Time Clock) comes to life every hour to show the combat of man in the face of the three elements.

Cost: 220 FF per person.



PALACE OF VERSAILLES

At the time of Louis XIV, Versailles was not just the capital of France, for it was also a town which was a great deal larger than it is today. The royal family and the Court resided here along with numerous traders and artisans, and it was during this period that the centre of France revolved around its Sun King. It is for this reason that the château is so immense as it was necessary to provide accommodation for everyone, welcome them, support them and feed them. The visit to the Royal Apartments retraces this sumptuous period in the history of France. The Hall of Mirrors, famous for the signing of the Treaty of Versailles, was used for large receptions during which Louis XIV would want to impress his guests. The visit of the château will end with a visit to Marie-Antoinette's private apartments.

Cost: 330 FF per person.

VERSAILLES AND MALMAISON

At the time of Louis XIV, Versailles was not just the capital of France, for it was also a town which was a great deal larger than it is today. The royal family and the Court resided here along with numerous traders and artisans, and it was during this period that the centre of France revolved around its Sun King. It is for this reason that the château is so immense as it was necessary to provide accommodation for everyone, welcome them, support them and feed them. The visit to the Royal Apartments retraces this sumptuous period in the history of France. The Hall of Mirrors, famous for the signing of the Treaty of Versailles, was used for large receptions during which Louis XIV would want to impress his guests. The visit of the château will end with a visit to Marie-Antoinette's private apartments.

After lunch you will discover the residence of another figure in the history of France, Napoleon I, with a visit to the château at Malmaison, where Bonaparte lived with Joséphine at the time of the Consulate.

Cost: 850 FF per person.

FONTAINEBLEAU AND VAUX-LE-VICOMTE

The morning will be spent visiting the former Autumn residence of the Kings of France. Great French Kings such as François I (Renaissance decor), Louis XV (the Baroque rooms) and Napoleon I all lived in this château. The South Wing is today devoted to the Napoleonic era with rooms dedicated to the Emperor's victories, in addition to the bedrooms of Napoleon II and Marie-Louise. After lunch you will travel through the forest to the Château of Vaux, a classical model of Versailles, built by the Superintendent of Finances, Fouquet, who provoked the wrath of Louis XIV as a result of his lavish spending. Today, Vaux is a private château in which its magnificent decoration, unique furniture and "French-style" gardens evoke French tastes of the 17th century.

Cost: 850 FF per person.



J.D. RISIER

"IMPRESSION: SUNRISE" DAY

Henri Duhem, a Flemish painter and comrade-in-arms of the post-impressionists, was also a passionate collector who managed to assemble over one hundred paintings, water-colours, drawings and bronzes from some of the most famous artists of his era such as Carot, Monet, Pissaro, Rodin and Gauguin. This superb collection has been given to the Marmottan Museum so that it can now be enjoyed by all. It is further enhanced by Monet's most famous painting: "Impression: Sunrise". After this visit, we continue our journey through the Seine valley, Mantes-la-Jolie, whose bridge was painted by Carot, Vétheuil, where

Monet lived for several years, and la Roche Guyon, a fortress which served as a base for Rommell during the construction of the Atlantic wall. After lunch, we travel to Monet's house at Giverny, where the artist's home will enable us to relive the atmosphere of the period with its bright colours, furniture and Japanese etchings which were so dear to the painter. A stroll through the French and Japanese gardens planted by the artist according to the colours and essences he wanted to see and feel will lead you to the famous lily pond which inspired Monet for one of his most famous compositions.

Cost: 850 FF per person.

A DAY IN THE CHAMPAGNE REGION

A day in the Champagne region at the Pommery estate. Champagne is an Art; Art at Pommery is a tradition. After travelling by coach to the famous Champagne region, your first stop at the city of Reims will enable you to visit the Gothic cathedral where most of the French kings were crowned. You will then discover the vineyards and Neogothic-inspired estate of Pommery champagne. With its 18 km of galleries, 120 Gallo-Roman quarries and its vats, Pommery's cellars are those where high technology and craftsmanship combine in the most harmonious way possible.

A lunch accompanied by the best Pommery vintages – Brut Royal, Brut Millésime and Brut Rosé – will be served to you at the estate.

Cost: 650 FF per person.



THE CHÂTEAU OF THE LOIRE

During the Renaissance period, the Loire Valley was the favourite haunt of the Kings of France and their courtesans. Here, art and history combine with the gentleness of life in the province known as the "Garden of France". In Blois, you will be taken on a guided visit of the chateau, which will act as an excellent introduction to the history of the region. Lunch will be at your leisure in Amboise. At Chenonceau, you will enjoy a guided visit of this elegant Renaissance chateau, followed by a visit to Cheverny and, to end the day, a guided visit of the chateau of Chambord. Arrival back in Paris will be around 9 p.m. (Departure: 7.15 a.m.).

Cost: 740 FF per person.

MONT SAINT-MICHEL

Mont-Saint-Michel, a rocky island isolated in the largest bay in Europe, and its Abbey, together known as the "Wonder of the West", has been one of the most famous places of pilgrimage since the Middle Ages. On the way to the coast, a delicious brunch will be served to you at the Dauphin à l'Aigle restaurant. At Mont Saint-Michel you will enjoy a visit of the Benedictine Abbey in the company of your guide. On your return journey, you will be served dinner at Pont-L'Évêque. Arrival back in Paris will be around 10.30 p.m. (Departure: 7.15 a.m.).

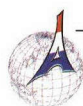
Cost: 970 FF per person.



The two excursions opposite are organised by the Paris agency CITYRAMA. We invite you to reserve your places now by completing the corresponding section on the registration form and including your payment with it. The administrative secretariat will then take care of passing on your reservations to CITYRAMA. The administrative secretariat cannot be held responsible if the programme or prices specified by CITYRAMA are modified. Departures will be from the CITYRAMA agency, located at 4, place des Pyramides, 75001 Paris (Métro: Palais-Royal). You are asked to arrive 15 minutes prior to departure. If you wish to organize excursions in France lasting several days, we kindly ask you to contact the administrative secretariat.

The excursions presented in this program are based on a minimum of 25 participants per visit.

The excursions will be escorted in the official languages of the congress, namely French and English. The excursions may also be guided in other languages if the number of participants is sufficient to organise a separate group.



GENERAL INFORMATION

PARIS

In Paris, history has forged a maze of culture, ideas and trends, all of which have one common thread: freedom. Discover the Paris of the past with its historic monuments, stroll along paths which are off the beaten track and explore the secrets hidden behind the many house porticoes. Learn to love artistic Paris with its recently-restored museums where thousands of paintings, sculptures and drawings await you. Allow yourself to be carried along by the daily life of the city by enjoying its bistros, boutiques and cafés along its main boulevards, and flatter your taste buds with the delights of French cuisine.

DATE AND LOCATION

The XVth World Congress of Accountants will be held from 26-29 October 1997 at the Palais des Congrès de Paris, 1, place de la Porte Maillot, 75017 Paris.

Restaurants, boutiques, a post office, banks, travel agencies, a cinema and two hotels can all be found within the Conference Centre.

Several transport options are available to you: the Métro, RER express train, the bus network, private car or taxi.

OFFICIAL LANGUAGES

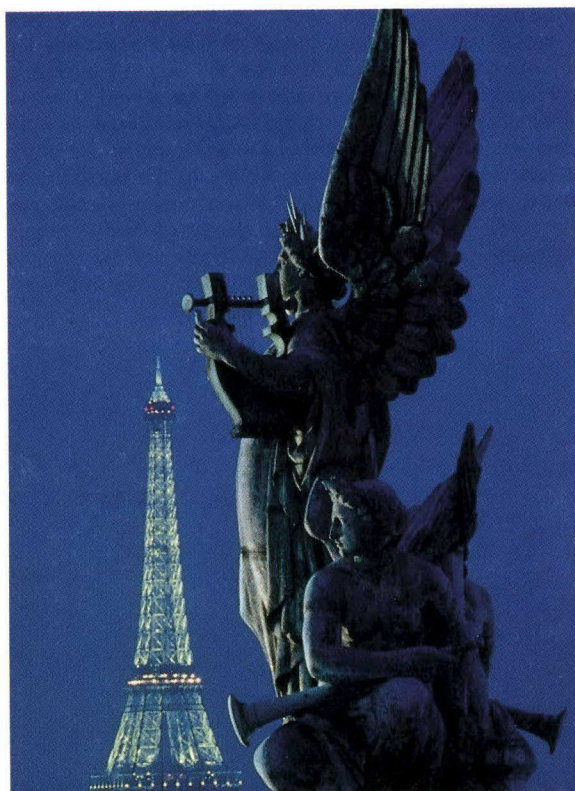
The official languages of the congress are English and French. Plenary sessions will also be translated into Spanish and German.

CONGRESS PROCEEDINGS

The Congress proceedings are optional and are available on CD-ROM. They will be sent to participants after the congress. CD-ROMs can now be reserved by completing the corresponding section of the registration form, enclosing a payment of 250 FF including VAT.

CONTINUING EDUCATION

Attendance of all sessions at the XVth Congress of Accountants represents approximately 17 hours of continuing education. The full amount of congress participant registration fees can be charged to a company's training budget.



ADMINISTRATIVE SECRETARIAT

SOCFI - IFAC'97
14, Rue Mandar, 75002 Paris (France)
Tel: (33) 1.44.88.25.25
Fax: (33) 1.40.26.04.44

CONGRESS SECRETARIAT AND RECEPTION DESK

The Congress reception desk, situated on Levels 3 & 4 of the Palais des Congrès de Paris, will be open at the following times:

Saturday 25th Oct: from 1 p.m. - 7 p.m.
Sunday 26th Oct: from 8 a.m. - 8 p.m.
Monday 27th Oct: from 8 a.m. - 7 p.m.
Tuesday 28th Oct: from 8 a.m. - 7 p.m.
Wednesday 29th Oct: from 8 a.m. - 7 p.m.
Congress documents, access badges for the sessions, guest badges, attendance certificates and tickets for social events and excursions will be given to you at the reception desk.

BREAKS AND LUNCHES

Coffee breaks, which are offered to all congress participants, will be organised at different points around the exhibition area on levels 4 and 5 of the Palais des Congrès.

Working lunches, which are for congress participants only, will be served on Monday 27th, Tuesday 28th and Wednesday 29th at the Palais des Congrès de Paris. These lunches are not included in the registration fee but can be booked now by completing the corresponding section on the registration form. The total cost for the three lunches will be 750 FF per person including VAT. These lunches cannot be booked individually.

NAME CHANGES AND OTHER MODIFICATIONS

Name changes are not accepted and are considered as new registrations for which we will request the applicable payment.

Administrative charges of 100 FF shall be invoiced for each registration or reservation alteration.

REGISTRATION FEES

Registration fees for the World Congress are as follows:

	Before 25th July	After 25th July
Congress participants	5000 incl VAT	6000 FF incl VAT
Accompanying guests	1900 incl VAT	2200 FF incl VAT

The following are included in the registration fees:

For congress participants:

- an invitation to the opening and closing ceremonies;
- access to the plenary sessions and workshops;
- access to the exhibition and coffee breaks;
- Congress documents;
- a welcome reception on Sunday 26th October.

For accompanying guests:

- an invitation to the opening and closing ceremonies;
- 2 excursions - one on Sunday morning, the second on Monday morning;
- a welcome reception on Sunday 26th October.

The registration form should be completed in block capitals and returned to the SOCFI/IFAC'97 administrative secretariat along with your payment before 25th July 1997 in order for you to benefit from the preferential rates. A settled invoice detailing VAT will then be sent to you with your confirmation. Telephone bookings cannot be accepted.

Your payment must be sent to us in French Francs along with your registration form. This payment can be made by:

- VISA or MASTERCARD;
- Banker's Cheque made payable to: SOCFI/IFAC'97;
- or by Bank Transfer in French Francs (any charges shall be paid by the participant). A copy of your transfer notice should be enclosed with your registration form. Do not forget to specify on this notice the name of the congress participant for whom the payment is being made.

Bank details:

BNP Paris-Louvre
1-3, rue du Colonel Driant, 75001 Paris (France).
Account N° 30004 00806 000217 387 62 - 07.

VAT

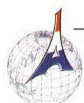
VAT shall be paid by all participants irrespective of their country of origin. We recommend foreign companies wishing to reclaim VAT to file their request for refund on French form n° 3559 and send it to: service de remboursement TVA, 9 rue d'Uzès, 75084 Paris Cedex 02 (France). For VAT amounts in excess of 1,400 FF, this request should be made during the month following the civil quarter in which the payment was made, or during the month following the civil year for amounts under 1,400 FF. Companies within the European Union who are able to justify via a certificate issued by their tax authorities stating that they are liable for VAT can use the form published by the authorities in their own country.

CANCELLATION CONDITIONS

Any cancellation should be sent in writing to the SOCFI/IFAC'97 administrative secretariat and will be subject to the following cancellation conditions:

- Up to 17th January: refund of all registration fees excluding 500 FF in administrative charges;
 - From 18th January to 25th July: refund of 70% of amounts paid;
 - From 26th July to 12th September: refund of 50% of amounts paid.
- After 12th September, no refunds will be paid due to the financial commitments undertaken by the XVth World Congress of Accountants.

All refunds will be made after the Congress.



OFFICIAL INVITATIONS AND VISAS

We kindly ask that participants and their guests contact the French Embassy or Consulate in their own country regarding the documentation necessary for their visit. If you would like to receive an official letter of invitation to enable you to obtain a visa, please photocopy page 36 of this programme and indicate your address on it. This document will enable you to carry out the required formalities for this.

OFFICIAL AIRLINE

AIR FRANCE, the French national airline, has been designated the official airline of the XVth World Congress of Accountants. The offices and staff of Air France world-wide will be happy to help you organize your journey to the Congress.



TRANSPORT

From the airports:

Paris is served by two international airports, Roissy-Charles de Gaulle and Orly:

From Roissy-Charles de Gaulle you can get to Paris by:

- The AIR FRANCE shuttle bus. Departures from each of the airport terminals every 12 minutes between 6 a.m. and 11 p.m. Direction: "Porte Maillot". Journey time: around 1 hour. Cost: approximately 60 FF.
- RER express train - Line B. Direction: Paris. Departures every 10-15 minutes from 5 a.m. - midnight. Journey time: around 40 minutes. Cost: approximately 50 FF.
- ROISSY BUS. Direction: OPERA. Departures every 15 minutes from 6 a.m. - 11 p.m. Journey time: around 1 hour. Cost: approximately 50 FF.
- Taxi. Journey time: between 40 minutes and 1 hour depending on traffic. Cost: 250 FF approximately.

From Orly you can get to Paris by:

- RER express train. Take the ORLYVAL to Antony station, then connect to the RER express train Line B. Direction:

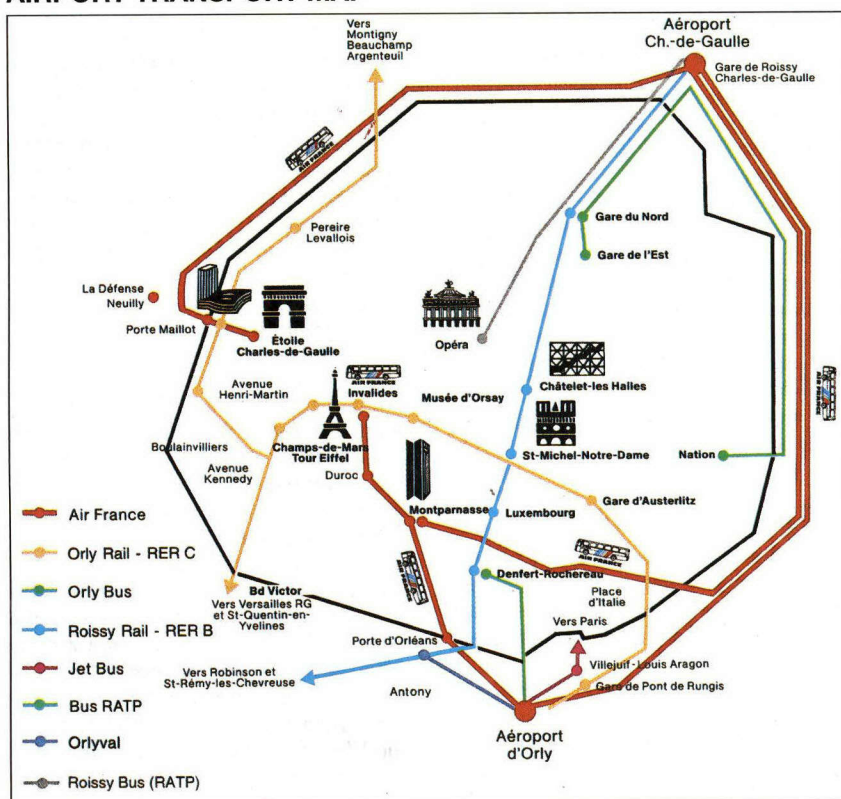
Paris. Departures every 8 minutes from 6 a.m. - 10.30 p.m. Journey time: around 45 minutes. Cost: approximately 60 FF.

- The AIR FRANCE shuttle bus. Direction: Montparnasse. Departures

every 12 minutes from 6 a.m. - 11 p.m. Journey time: around 40 minutes. Cost: approximately 45 FF.

- Taxi. Journey time: between 30 minutes and 1 hour depending on traffic. Cost: approximately 150 FF.

AIRPORT TRANSPORT MAP



In Paris:

MÉTRO:

The Paris Métro network is without doubt the best way of travelling around the city.

It is open from 5.30 a.m. - 1 a.m. A single ticket costs 8 FF, whilst a book of ten tickets (*un carnet*) costs 46 FF (prices valid on 1st January 1997). You should retain your ticket until the end of your journey as you will need it to leave the Métro in some stations.

The "Paris Visite" pass, valid for 2, 3 or 5 days, offers you unlimited travel on the network for the period chosen.

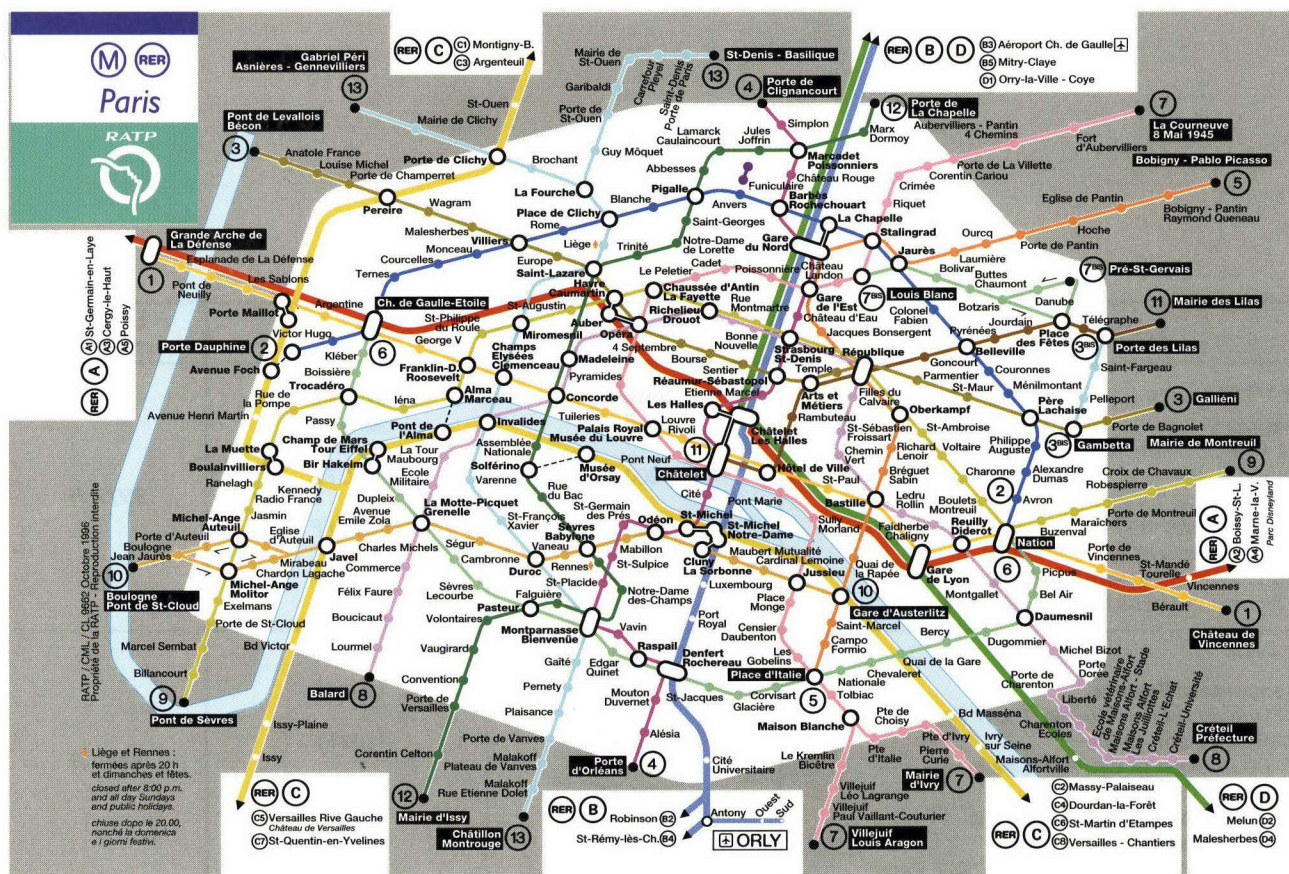
BUS:

The Paris bus network is also extremely efficient, although it is perhaps slower than the Métro at certain times of the day when traffic is heavy. Services are frequent during the day and more irregular after 8 p.m. on some lines. The "Noctambus" service also operates during the night from Châtelet to different parts of the capital with departures every hour between 1 a.m. and 5 a.m.

TAXIS:

470 taxi ranks are located at all of the city's major cross-roads. An initial charge of 13 FF is fixed for every ride. It is usual to leave a tip of around 10% for the driver.





MÉTRO MAP

PARKING

A car park is situated under the Palais des Congrès de Paris. Access is via Porte Maillot in front of the Palais des Congrès.

HEALTH

An infirmary is located on Level 4 of the Palais des Congrès and is open throughout the sessions. Outside of these times, you should dial 18 from any phone box.

PHOTOGRAPHS

The official photographer will display all negatives from Monday 27th October onwards in a room reserved in the exhibition area.

BANKS

A bank is located on Level 2 of the Palais des Congrès. It is open from 9 a.m. - 5 p.m. Monday to Friday. Most French banks are closed on Saturdays and Sundays. Automatic cash dispensers are generally available 24 hours a day. An exchange bureau is open at the Congress Welcome Desk from Saturday

afternoon onwards. Its opening hours will be the same as the Congress Secretariat.

POST OFFICE

A Post Office is situated on Level 2 of the Palais des Congrès. It is open from 9 a.m. - 5 p.m. Monday to Friday. French post offices are generally closed on Saturdays and Sundays with the exception of the Louvre Post Office, located on Rue du Louvre, which is open 24 hours a day.

USEFUL TELEPHONE NUMBERS

From overseas, the international code for France is 33. Do not dial the first 0 of the regional code when calling from abroad.

Palais des Congrès de Paris:
01.40.68.22.22

Administrative Secretariat:
SOCFI-IFAC '97: 01.44.88.25.25.

Roissy-Charles de Gaulle airport:
01.48.62.22.80

Orly airport: 01.49.75.15.15

Paris Tourist Office: 01.49.52.53.54
Emergency Doctor (S.O.S. médecins):
01.47.07.77.77

Police: 17
Ambulance/Fire Brigade: 18
Directory Enquiries: 12
American Express: 01.47.77.72.00
Carte Bleue/Visa: 01.42.77.11.90
Eurocard/Master Card:
01.45.67.84.84
Diners Club: 01.47.62.75.75

CLIMATE

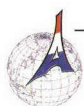
The weather in Paris in October is relatively cool with an average temperature of around 12°C during the day and 5°C at night.

CAR HIRE

An AVIS desk will be available to you for car hire with or without a driver throughout the duration of the Congress.

LEISURE ACTIVITIES AND SHOWS

- Paris Tourist Office
Tel: (33) 1 49 52 53 54
- Chèque Théâtre (a ticket agency for theatre, concerts, sporting events, cabarets, etc.).
Prices marked up between 20 - 25%.
Tel: (33) 1 42 46 01 36
Fax: (33) 1 48 00 93 93



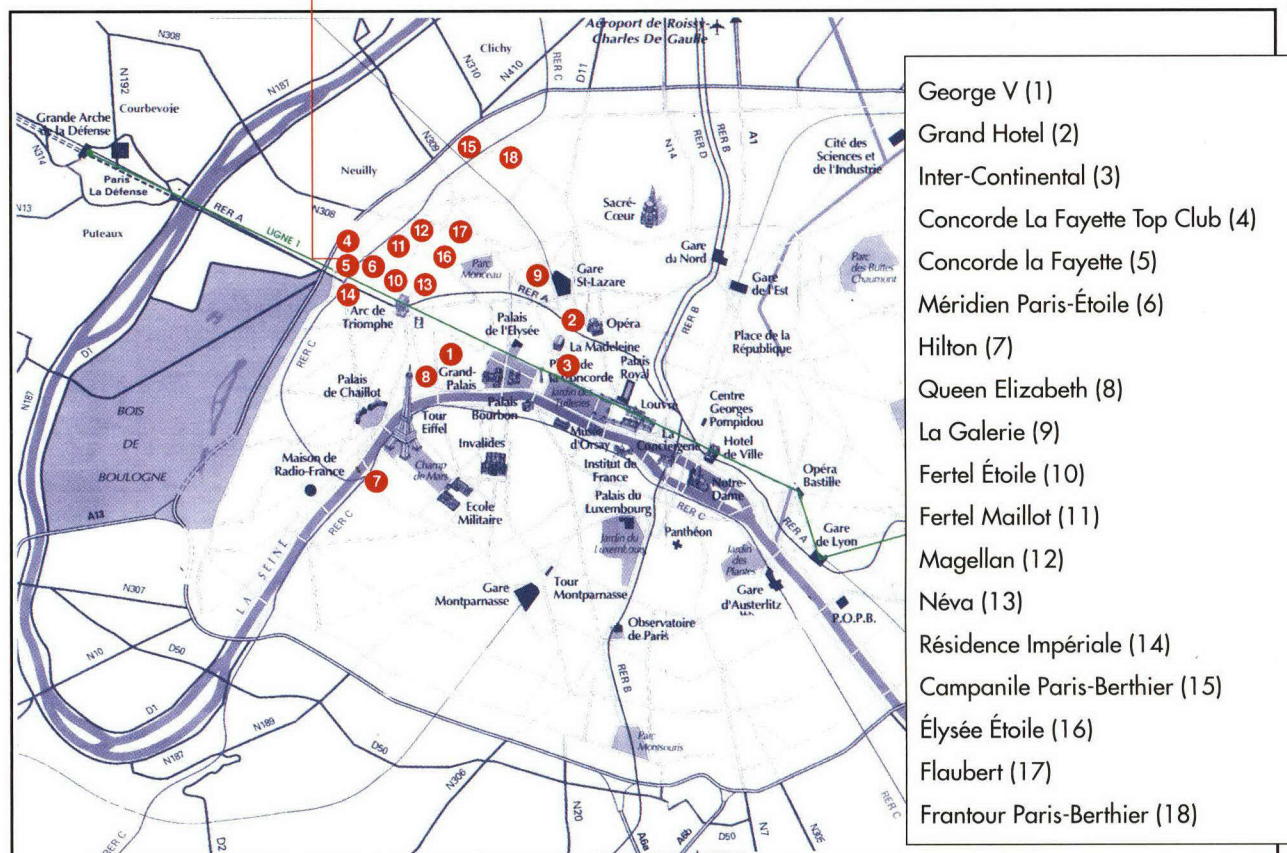
Category	Cost per room per night		Deposit required
	Single	Double	
4 **** Luxury George V 31 Avenue George V, 75008 Paris Grand Hôtel 2 Rue Scribe, 75009 Paris Inter-Continental 3 rue de Castiglione, 75001 Paris Concorde La Fayette Top Club 3 Place du Général Koenig, 75017 Paris	2000 FF 1800 FF 1800 FF 1400 FF	2000 FF 2000 FF 1800 FF 1400 FF	3500 FF
4 **** Concorde la Fayette 3 Place du Général Koenig, 75017 Paris Méridien Paris-Etoile 81 Bd Gouvion St Cyr, 75017 Paris Hilton 18 Avenue de Suffren, 75015 Paris Queen Elizabeth 41 Avenue Pierre 1er de Serbie, 75008 Paris	1100 FF 1100 FF 1330 FF 1100 FF	1100 FF 1100 FF 1410 FF 1300 FF	2200 FF
3 *** La Galerie 16 Rue de la Pépinière, 75008 Paris Fertel Etoile 4 Rue des Acacias, 75017 Paris Fertel Maillot 269 Boulevard Péreire, 75017 Paris Magellan 17 Rue Jean-Baptiste Dumas, 75017 Paris Néva 14 Rue Brey, 75017 Paris Résidence Impériale 155 Avenue Malakoff, 75016 Paris	700 FF 570 FF 570 FF 590 FF 650 FF 715 FF	750 FF 570 FF 570 FF 590 FF 650 FF 715 FF	1500 FF
2 ** Campanile Paris-Berthier 4 Boulevard Berthier, 75017 Paris Élysée Étoile 5 Rue de l'Etoile, 75017 Paris Flaubert 19 Rue Rennequin, 75017 Paris Frantour Paris-Berthier 163 bis Avenue de Clichy, 75017 Paris	416 FF 495 FF 460 FF 410 FF	416 FF 550 FF 460 FF 410 FF	900 FF

The preferential rates above are the rates negotiated by the administrative secretariat for World Congress participants. In order to take advantage of them, it is essential that you make your reservation by completing the corresponding section on the registration form. The rates quoted are per room and not per person. Breakfast is not included. In most hotels this varies according to whether you have breakfast in your room and whether it is a buffet, continental or American. In general, hotels have limited numbers of triple rooms and are only recommended for guests accompanied by very young children. Prices for additional beds can be provided upon request.

In order to confirm your reservation, it is essential that you enclose the deposit requested corresponding to the hotel category chosen with your form. At this time of year, Parisian hotels are generally full; consequently, we are unable to accept reservations without a deposit as guarantee. Your deposit will be paid to the hotel and will then be automatically deducted from your bill at the end of your stay. We also request a payment of 100 FF per room to cover organisation and reservation costs.

For group reservations in excess of 20 rooms, please contact the administrative secretariat.

Palais des Congrès



The above map will enable you to locate the official Congress hotels.

REDUCED-COST ACCOMMODATION

Some organisations enable you to book university residence and youth hostel rooms in Paris at reduced rates. Please contact these organisations directly if you would like to make a reservation with them.

Accueil des jeunes en France,
119 Rue Saint Martin, 75004 Paris, Tel: (33) 1 42 77 87 80
139 Boulevard Saint Michel, 75005 Paris, Tel: (33) 1 43 54 95 86

Fédération Unie des Auberges de Jeunesse, 27 Rue Pajol, 75018 Paris, Tel: (33) 1 44 89 87 27

UCRIF, 72 Rue Rambuteau, 75001 Paris, Tel: (33) 1 40 26 57 64



IFAC '97

Paris,

1997

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LETTER OF INVITATION

Ref: World Congress of Accountants
26 - 29 octobre 1997, Paris (France)

Dear Sir/Madam,

On behalf of the General Committee of the XVth World Congress of Accountants, to be held in Paris from 26 - 29 October 1997, we have great pleasure in inviting you to participate in this important event. We are certain that your participation will be of great importance to the work carried out during the sessions of the Congress.

We kindly ask you to complete and return your registration form, along with payment, to the following address:

SOCFI / IFAC'97
14, rue Mandar
75002 Paris, France

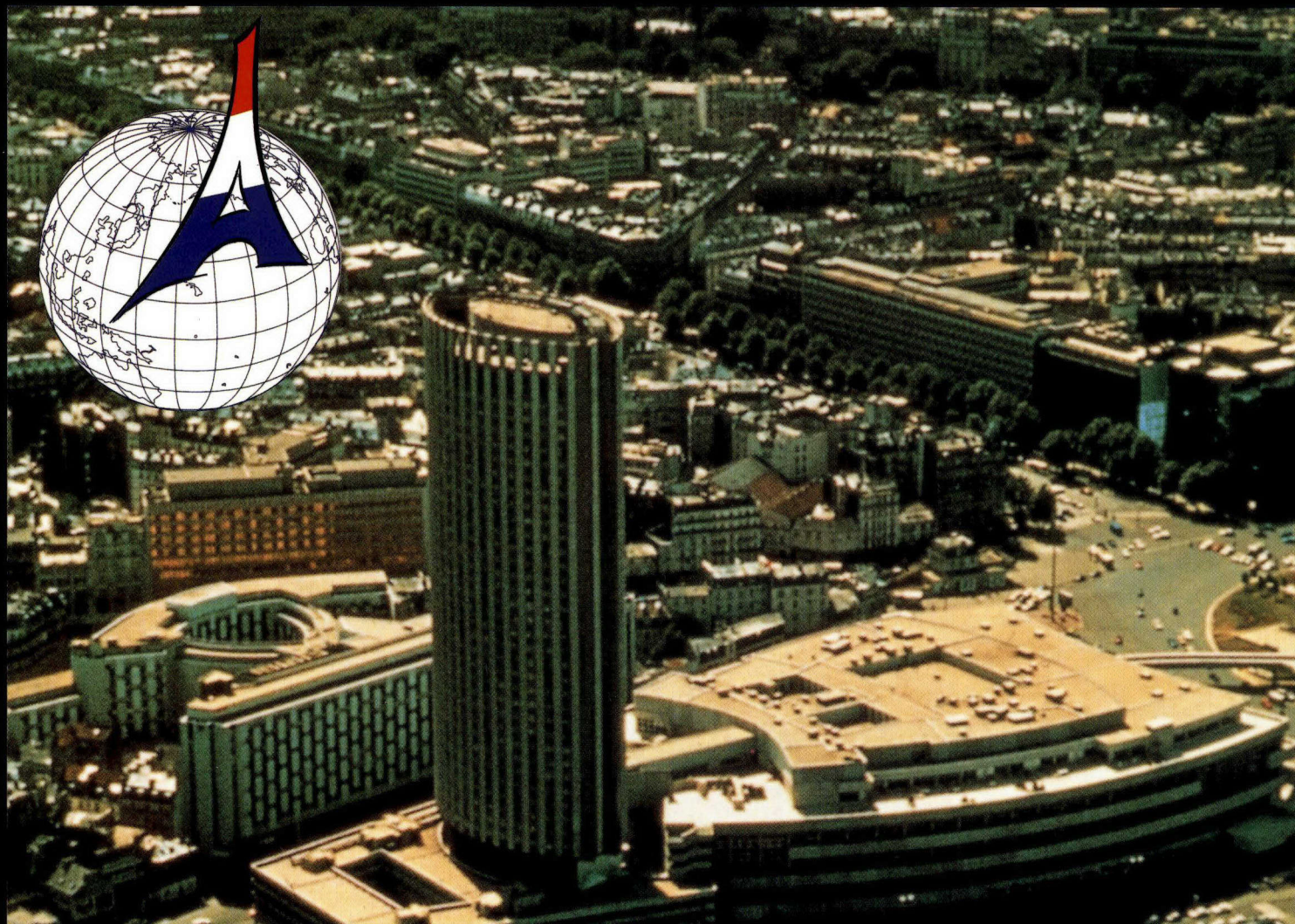
We look forward to welcoming you to the Congress.

General Commissioner

William NAHUM



Partenaire officiel
du XV^{ème} Congrès Mondial
de la Comptabilité



LE PALAIS DES CONGRÈS DE PARIS

Pour toute information, for all information
Für alle Informationen, para cualquier información

SOCFI / IFAC'97
14, RUE MANDAR 75002 PARIS - FRANCE
TEL : (33) 1 44 88 25 25 - FAX : (33) 1 40 26 04 44

DRAFT

**World Congress of Accountants
Keynote Speech by Mr. James D. Wolfensohn
Sunday October 26, 1997**

When I was asked in September last year by Juan Herrera and John Gruner at our annual meeting of the Multilateral Development Bank Controllers to give this keynote address, my first reaction was "Why me?" "Why the World Bank?" I don't know why I even hesitated - as an investment banker, I appreciate the value of good accounting, of common bases of accounting and financial reporting and the importance of international harmonization of accounting and auditing standards. In the global market place of the world today, accounting portrays the common language of business; a pre-condition for transparency. The quest for transparency is to me a real driver and you the representatives of the worldwide accounting profession can contribute your expertise as change agents.

This event in Paris is a far cry from what is considered the first such meeting held in Saint Louis, Missouri, in the United States in September 1904 with four countries represented. The World Congress of Accountants has gone from such small beginnings to the major event that it is today. I wonder if any of the organizers of the Ninth International Congress of Accountants when it was last held in Paris in 1967 realized how in the short space of 30 years the spectrum would have swing right around from national representation and international effects to international harmonization and the national implications. All very important dimensions in the quest to level the playing field so that an asset or liability the very concept of income and equity or any other accounting terms mean the same for all companies, particularly when looking at comparability of business performance across national frontiers.

At the World Bank, we comply with International Accounting Standards as well as with US GAAP for historical capital market fund raising purposes. We also require our external auditors to use International Standards on Auditing to audit our financial statements and in the provision of the opinion thereon. We await with interest the concluding sign-off between IOSCO and IASC, and also with IFAC - I suggest in 1998 - and the flexibility that will be afforded both borrowers and investors by compliance with IASs for filing in any of the world's capital markets. I know there are tensions here and there not least of which from the US as between FASB, the SEC and the Federal Reserve on the details, but I am sure that these can be overcome without compromising quality. However, I would like to ask IASC to focus in particular on the implementation details particularly for developing countries where the gulf is often enormous between present performance and accountability requirements compared with where they ought to be for international compliance; not for its own sake but for the sake of its own transparency through quality accounting and auditing standards in keeping with good governance.

Although I was born in Australia, I am now a US citizen and it gives me pleasure to recognize very positive steps taken by both countries. First Australia for its decision to

bring its accounting standards into compliance with those of IASC and for its valuable contribution to improved government accounting at the full accrual end of the spectrum. Secondly, USA for its stand taken through the Foreign and Corrupt Practices Act. All countries should have such an act. If they did, then perhaps corruption would be less of a problem than it is today in many countries. I want to take this opportunity to recognize the valuable work of OECD and Transparency International in the area of ...no, the war against... corruption - the scourge of developing countries and an indictment of those people often from more advanced countries who support it directly by allowable tax deductions for bribes or by their actions in opting for the seamier side of capitalism. Corruption has become an issue that my colleagues in the IMF and we in the World Bank have decided to tackle head on because of its perverse effects on development. There is no such thing as good corruption, whether in a few countries where development does take place because of corruption - oiling the implementation wheels - or whether development does not take place because of corruption. All corruption has a price and the price is usually borne by the people who have no voice or cannot participate in the direct financial payments by corrupt people... the poor people and it is the poor who are eventually saddled with the debt that goes with corruption.

In the World Bank we recognize the importance of accounting and accountants to help bring some sense and discipline to the area of financial accountability as a pillar of good governance. Through our renewal program, or strategic compact, agreed with the Board earlier this year, we intend to strengthen the whole area of borrower accountability, both in our borrower's offices and in our own. We had a landmark meeting in Washington last year with the Big 6 accounting firms. One of the things they told us was that often we did not have staff with the right skills advising and supervising these important financial management, accounting and auditing activities with our borrowers - we listened and we acted upon it, we hope they listened and acted upon our advice to them too. We are recruiting new financial management specialists, most of them with professional accounting qualifications. It is important that you the worldwide profession work with your colleagues in the developing countries. IFAC and IASC have about 90 countries in their membership...and yes... they cover a significant proportion of world GDP and wealth. But, there are at least 90 more countries who are members of the World Bank and IMF who probably don't have what it takes to develop their own professional accounting bodies. Reach out and help them develop such bodies as well as the appropriate regulatory financial framework, accounting standards boards, auditing practices boards as well as strengthen government accounting and auditing arrangements and so on.

Much can be done on a bilateral basis between countries, but some important initiatives are going on internationally. We at the World Bank not only recognize the importance of the work of the international accounting and auditing bodies, but we are making financial contributions modest as they may be to further their work through our special grants program -

with sound accounting and financial reporting seems as good a place as any to help develop the financial accountability framework and transparency to underpin good governance. We look to IFACs Public Sector Committee to develop the accounting principles and standards particularly for governments where many developing country problems exist. We look to IASC for implementation guidance for the private sector in developing countries.

- Which leads to my third exhortation to impress ethical standards to their fullest extent so that the accounting profession can be seen as truly impartial - any semblance of conflict of interest between parts of an accounting firm and its independence and impartiality as auditor taints the perception.
- Finally, work with the other half of the world's countries that are not members of IASC or IFAC to build sustainable professions and standards, so that they can be made part of the developed world.

...and let's check back with each other at the next World Congress in the next millennium to see whether we have made the world a better place and whether we have all lived up to the title of this World Congress of "Accountants in Society - serving the public interest"... The challenge is too big for the accountants alone and it's also too big for the World Bank and the other multilateral development banks, but together we can make a real difference.

OFFICE MEMORANDUM

DATE: September 16, 1997

TO: Ms. Caroline D. Anstey, EXC

FROM: Jules W. Muis, Vice President & Controller, CTRVP

EXTENSION: 81674

SUBJECT: **Mr. Wolfensohn's Speech - XVth World Congress of Accountants, Paris**

Please find attached Randolph Andersen's first draft of Jim's speech for the World Congress of Accountants. It should be very helpful to all of us in focusing on and identifying the main themes. My recommendation is to screen it for "fit" with Jim's style of communication. Equally it needs some "air" and a few "statesman like dimensions" such as:

- * congratulating the accounting community in choosing this excellent theme of the congress "Accountants and Society - Serving the Public Interest" - as a positive spring board into the 21st Century.

- * pointing out the complimentary/inter-dependent interest of the accounting community and the World Bank Group" i.e., the accountancy community seeking to enhance transparency at the micro level, the World Bank at the macro level; micro transparency is a pre-condition for social macro transparency. Without macro transparency, micro transparency may be of little use.

- * key into the importance of the sub-theme of the Congress, i.e.,

- Plenary Session 1: The public interest in a changing society with global markets and global regulations
 - The accountant's role in environmental matters and sustainable development
 - Rapidly advancing information technology - how can the accountant cope?
 - The accountant in the 21st century - Changes in educational trends
 - The management accountant and value creation
 - The international and national public interest - Can global regulatory agencies serve both?

- The expansion in standard setting - Is it creating harmony or confusion?
- Regional economic groups - A bridge between the global and national public interest
- International accreditation and mutual recognition of qualifications - How realistic are these goals?
- Plenary Session 2: The public interest, benchmark standards and meeting expectations
 - What are the reasonable expectations of the public interest?
 - Recent trends in the legal liability of auditors - Is the public interest being served?
 - Corporate governance - The roles of and interplay between the auditor, the management and the board of directors
 - Relevant accounting standards - The public interest in better information
 - The financial statement audit - How useful is the traditional model?
 - An international code of ethics - Reconciling public interest and cultural dynamics
 - Independence and objectivity - A special challenge to the profession
 - Self-regulation and regulatory oversight - The efficient way to ensure that benchmark professional conduct is maintained
- Plenary Session 3: The public interest and the emerging market economies
 - Accounting technicians - A valuable support to the accountancy profession in serving the public interest
 - The public sector - Partnerships between the private and public sectors in emerging economies

Randolph also touches on many other subjects Jim could usefully survey, e.g., corruption; accounting beyond the traditional financials (i.e., social accounting; environmental accounting; value for money accounting).

I trust this is a good start - for your reflections in Hong Kong Harbor.

Corporate

- ☒ CTR
- ☐ EXT
- ☐ LEG
- ☐ MPS
- ☐ OED
- ☐ SEC/Board
- ☐ TRE

Regional

- ☐ AFR
- ☐ EAP
- ☐ ECA
- ☐ LAC
- ☐ MNA
- ☐ SAS

Central

- ☐ CFS
- ☐ DEC
- ☐ ESD
- ☐ FPD
- ☐ FPR
- ☐ HRO

Affiliates

- ☐ GEF
- ☐ ICSID
- ☐ IFC
- ☐ Inspection Panel
- ☐ Kennedy Center
- ☐ MIGA

D. EXTERNAL PARTNER

- ☐ IMF
- ☐ UN
- ☐ MDB/Other IO
- ☐ NGO
- ☐ Private Sector

- ☐ Part I
- ☐ Part II
- ☐ Other

E. COMMENTS:**File Location**

- ☒ EXC
- ☐ IISC
- ☒ Archives

Cleared By

Caroline Anstey

Date:

01/16/98

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