

**Public Debt:
General Policies and Best Practices**

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1. Introduction

Last year in Sofia, we were asked to create a document as the starting point of a research on general policies and best practices in debt management. This document was developed taking those considerations into account.

Public debt general policies consist of guidelines ruling the criteria to increase or diminish financial liabilities and define their payments by governmental areas and entities.

Best practices are the activities developed according to criteria and guidelines set by general policy and contained within the legal framework ruling debt managers in order to attain, with the lesser possible cost, the highest yield against involved efforts.

2. General policies

The term *general policies* means the group of principles deemed necessary to correctly implement a decision. There are eight principles: 1) the allocation of credit to desired aims; 2) priorities setting before scarcity of resources and time; 3) generational equilibrium; 4) debt structure on sustainability criteria; 5) sound legal framework; 6) best management practices; 7) operational transparency, and 8) thorough process auditing.

- First principle: the allocation of credit to desired aims

This is the most abstruse of the eight principles, given that practice has shown that desired purposes are not always that wanted, and are seldom clearly outlined. These purposes are structured on values, ideology and subjectivity of those in charge of decision making. One would say, in the

case of indebted countries, that credit seems only to fit to finance public deficit.

This principle requires the responsible justification of the borrowing. There are two main trends: a) when one counts on room for decision and action and the final destination of the credit can be planned, and b) when the situation is volatile, risky or crisis-related and the only objective of the credit is to temporarily save the situation.

Why does a country get indebted? A government finds itself in need of getting credits in order to finance those operations not covered by the fiscal and non-fiscal incomes and that must be met with no delay. According to the classification of the World Bank, the credit utilization has three goals:

- i. Investment loans for the financing of goods, activities and services devoted to social and economic projects dealing with a broad range of sectors.
- ii. Development loans for the implementation of public policies
- iii. Loans for structural, financial and social reforms, and for improving public sector resource management.

An example of the latter was the economic depression of 1929, when most countries decided to lower the prices in order to increase sales and investments, and in the public sector reduce expenditures. This solution didn't work out.

The classic position stated that deflation has better results in the long run, however the long run was not defined and the producers couldn't wait that long so they sought State intervention. The State upheld demand in order to sustain employment causing a deliberate public deficit, which was considered a sound practice. The United States of America set the example

in its 1938 budget. Things improved in the short term, but in the long run public debt showed its harmful aspect. The historical trend shifted for State expenditure austerity and market-driven policies.

Socialism sustains that the market rewards only investors and not the society as a whole. Solution is, therefore, intervention, nationalization and planning. Of course, other visions ask for mixed games instead of zero-sum games and one of those approaches was protectionism on products or on productive sectors.

Which way should we take? Using budgetary deficits to foster economic growth or keeping, at all costs, the budgetary equilibrium? Is there space for any mixed game?

There are many opinions. Sixty years ago, the Bretton Woods system proposed rules for exchange rates and payments creating two institutions: the International Monetary Fund (IMF) and the World Bank (WB). The IMF promotes, as a principle, that countries make use of private capital markets and that the IMF currency –special drawing rights (SDRs)– be used exclusively on exceptional cases. Such a State is considered to enjoy the trust of investors and of sufficient solvency. This is the paradigm. Therefore we, as auditor, must observe the financing sources in order to understand investors' trust in debt management.

Given that the less developed countries are not able to access to the private capital markets, the IMF has turned into the last-resort-lender, especially for the African and Latin American countries, which experience the most desperate insolvency difficulties, extreme poverty and severe economic adjustments.

A sensible approach would be a mixed game. In this sense, the project of Enhanced Structural Adjustment Facility (ESAF) presents favorable conditions for low-income countries.

Latin American countries gathered in 1989 in Washington. They presented enormous deficits increased by inefficient public enterprises. Private enterprises, isolated from competition by protectionist measures forced customers to pay high prices; lax monetary policy caused uncontrollable inflation. Facing these issues, the Washington Consensus proposed 10 guidelines: 1) fiscal discipline; 2) health and education expense; 3) tax reform; 4) market-oriented exchange rates; 5) competitive exchange rates; 6) liberal trade policies; 7) foreign investment; 8) public enterprises privatization; 9) deregulation; and 10) secure property rights.

The problem was that those policies were deemed as objectives by themselves, instead of being ways to achieve healthy public finances, thus fostering a sustainable and fair growth. Therefore, policies were implemented too far and too quick. Results have not been satisfactory. Exaggerated fiscal austerity has caused a recession and stagnation.

Summing-up, purposes of financing are based on subjective and in many cases doctrinarian conceptions. The reduction of State role in economy has been considered the best long-term solution. State intervention with public deficit has been used to evade unemployment; later on, the harmful effects of public deficit have been observed and the economy has been reoriented to State expense austerity and market principles. Where should be credit allocated?

- Second principle: priorities before scarce resources and time

This second principle establishes the obligation to assign priorities for public and social necessities requiring loans and act upon them.

International organizations, specially the World Bank, often offer soft credits for certain goals that by themselves are not subject to questioning, but are not necessarily those which trigger progress. For example, construction credits for homeless people are not morally questionable but, from the point of view of public finances, they might not be convenient. An employment program might have two effects: that homeless people have an income, thus enabling them to construct their own housing with their own resources.

One might absurdly argue that a country with many social support credits would not solve its problems and increase to unsustainable levels, its budgetary deficit. Therefore, this principle sustains the necessity of establishing financing priorities.

For the understanding of this principle, it is convenient to reflect on how we can classify the debt for helping us establish priorities. Debt may be classified, according to its objective, as follows:

- I. Ballast, passive and active debt.

And, in accordance with its payment flows in:

- II. Self-supporting and non-self-supporting debt.

Ballast debt is the liability that happens when government expenditure not only not increases community productive capacity, but also causes distortions in the public account and injures the economy as a whole.

Passive debt is the one contracted to supply certain services, but does not generate revenues nor increases the effectiveness and productivity of labor and capital.

Active debt is the one contracted by the State which is allocated to increase the productive capacity of community.

Self-supporting debt is that invested in enterprises producing monetary revenue, including profits that may be allocated to the amortization of a credit.

Non-self-supporting debt is the one allocated in services and works that do not yield monetary revenue. From this perspective, it is necessary that debt effects are those expected according to established priorities.

- Third principle: generational equilibrium

When using debt to finance a policy or public work, it must be taken into account that present welfare does not compromise future generations' economic growth and social welfare.

In terms of generational equilibrium, the current government expenditure should be financed via taxes or savings whereas investment expenditure may be financed with debt to be paid with those investments pay-offs. If financial cost assessments were correctly estimated, the domestic economic conditions as well as the international framework should not cause a problem for using debt in order to finance development.

- Fourth principle: debt structure on sustainability criteria

The focal point of debt general policy is, according to its broadest definition, the establishment and implementation of a strategy in order to attain desired objectives and getting the fix financial amount with a sustainable risk and cost.

Debt general policy should ensure that government financial needs and fulfillment of payments compromises are duly met within the short, medium and long term with the lowest possible cost and according to a sensible risk level.

Debt structure assessment is a combination of its different elements: currencies and holders, interest rates, terms, instruments, and contracting governmental entities.

In general, indicators to be considered in the assessment of possible problems for the government, given the way that its debt is structured, are as follows:

- Ratio of fixed debt to floating debt
- Maturity debt profile
- Debt instruments diversification
- Ratio of domestic to foreign debt according to different classifications (by currency or by holder)
- Ratio between market debt (bonds) and contracted debt (bank credits)
- Verification of debt management practices in order to corroborate that they include a goal system as measurement basis of the debt portfolio performance.

The essence of a debt sustainability general policy relies on the relationship of debt management to a clear macroeconomic framework, in order to ensure that level and increase rate of the public debt will not result in a governmental insolvency.

- Fifth principle: sound legal framework

It can be said that an important step to implement a sensible practice of debt is to count on a group of regulations containing general policies in its broadest sense as well as sufficient regulation of management, accountability and public debt auditing.

This legal framework must clearly establish competence for contracting debt issuing new instruments, investment resources, offering guaranties and, in general, conducting any type of transactions related to this matter.

The legal framework must contain:

- Specific goal definition as well as debt usage.
 - Authorized entities to approve and contract loans.
 - Cases and conditions in which government offers its guaranties.
 - Government branch responsible for the definition of national policies and strategies regarding debt.
 - Commitments regarding reports publication on debt status and, in general, on information disclosure.
 - Faculties and responsibilities of the audit institution.
- Sixth principle: best management practices

This principle establishes that best practices must ensure the fulfillment of acquired commitments, reduce vulnerability before financial hindrances,

offer quality information for decision making and ensure the accomplishment of the loans' goals.

Best practices are processes, operations and systems identified by leader institutions and organisms which are acknowledged for attaining advances in their performance of the specific area, and constituting a model for other similar institutions. They are characterized by the utilization of state of the art technology accounting on highly qualified personnel and defining performance standards.

- Seventh principle: operational transparency

As a general principle, it is defined as the fulfillment of disclosure guaranties as expected by citizens from the governments when hiring and managing debt. There are no hidden liabilities or opaque zones in debt hiring and management.

Even contingent liabilities are also thoroughly disclosed even though accounting principles do not allow their record.

The Code of Good Practices on Transparency in Monetary and Financial Policies: Declaration of Principles, established by the IMF recommends disclosing information on public debt flows and balance, in cash or actual values, when possible.

Transparency establishes three conditions:

- contribute to creating a predictable economic environment,
- foster government best practices,
- promote responsibility and democracy.

- Eighth principle: thorough process auditing

Debt contracting and management must be subject to an external and independent assessment. Sound practices must include conducting independent audits, the results reports must be delivered to Congress and the public.

The goal of auditing is to promote accountability in debt contracting and management. As a complement, there must exist mechanisms allowing the adoption of corrective measures according to audit reports. External and independent auditing and transparency guarantee citizens' trust.

3. Best management practices on public debt

Best management practices

Conceptualization

General debt policies must be implemented by means of prudential practices, contributing to the creation of a strategy to obtain the wanted financing and to accomplish the public policies' goals under a control risk and at a sustainable cost. Debt management encompasses public debt contracting, regulation, management, control and auditing.

Best debt practices are those that have allowed countries to reach equilibrium between their debt level and their payment capacity, thus increasing their credit supply.

Criteria on best practices

Specialists agree that the best public debt practices allow the reduction of vulnerability before financial perturbations. Two elements are set:

- A sensible practice is that debt contracting should be consistent with the macroeconomic framework established by each country.
- A solid operational structure encompassing the clear and specific responsibility allocation and assignation should be established.

A sensible public debt management practice must pay special attention to contingencies prevision. Contingent liabilities might represent a very high figure and must be taken into account on the fiscal decision-making process. In view of this, it is necessary to adopt accounting standards satisfying principles of transparency and fiscal risks management. If this information is not disclosed, no adequate assessments of fiscal sustainability will be possible.

The problem exists because accounting principles in many countries do not allow the register of this kind of debt in expenditures budget since the explicit acknowledgement could be considered as its approval.

Sensible debt practices imply that control activities are implicit within every area encompassing credit operation and management, and participate in the coordination and surveillance of every management phase.

Debt management is considered, generally, in two layers: executive and operative.

Executive management

Executive management can be defined as the establishment of the normative framework ruling any kind of debt acquired by government; it is performed by the highest level of the government and organizes the second layer: the operational one.

Executive management encompasses three functions: a) political, b) ruling, and c) allocation of material and human resources.

a) Political function

This function consists of the formulation of objectives and national strategies defining the debt level that can be sustained by the economy of a country as well as the existing possibilities to properly use these resources and generate additional currency revenues required to cover debt service.

b) Ruling function

It implies the definition and establishment of legal institutional and management dispositions regarding the hiring, allocation, control, and information on public debt. All this requires the establishment of a legal framework allowing a perfectly coordinated management in each register, analysis, control and informative flow layer of debt operations.

c) Human and material resources and allocation function

This function must guarantee the existence of qualified personnel to perform the activities of operation, register, analysis and control. It

encompasses selection, hiring, training and conservation of qualified personnel and, when necessary, the hiring and supervision by external consultants as well as providing working necessities.

Operational management

These functions are performed in an active way and in a passive way. The former includes operations for debt contracting as well as operation control functions, involving coordination and supervision. The passive functions are related to register and analysis of the agreed debt operations.

An active operation function consists of activities for a loan acquisition ranging from negotiation to service payments. Along this process, the mechanism of control, coordination and supervision must be established in order to ensure the fulfilling of norms and procedures.

Control and monitoring functions are implicit along the whole process. They may be performed at the same time than regular operations of public debt by means of auditing processes. It is important that this take place in order to verify the opportunity, regularity and efficacy of control activities.

The passive function must foster a system recording and generating appropriate and reliable information on public debt. This function encompasses record and analysis activities.

The principal decision to be taken when establishing a framework for the debt recording must depend on the characteristics of each country and on the needs of negotiation, operation, control, coordination and supervision functions. Recorded data must help to create statistics for analytical purposes.

Analysis function is necessary to maintain a steady assessment on the consequences of different debt management options, given their impact on payment balance and national budget. More specifically, analysis function must count on sufficient and adequate information to detect problems in a specific loan or opportunities in the emission of the debt on a particular market.

All the former activities tend to guarantee that amortizations take place in the agreed terms or, in due case, call the attention of debt managers in order to perform the necessary activities for its redefining, thus guaranteeing its sustainability.

Accountable entity

Debt management responsibility may fall in one or several entities, according to the legal framework, the chosen strategy and the options to attain their goals. Even though these functions may be distributed among several institutions, for our analysis we will use the term “debt office” even though these functions are performed in more that one entity.

In general, there are three models used by different countries to perform debt management functions: an office in the Ministry of Finance, an office in the Central Bank and a specialized autonomous body.

There are two basic elements to perform the debt management functions: organizational structure and information systems.

In order to establish the structure of a debt office, the functions that it will perform must be clearly identified, as well as the necessary knowledge to carry out the work. In general, debt offices have an organizational structure

encompassing the executive, operative, control and supervision functions, as well as the information and analysis services.

For this office to work properly, its functions must be “ritualized” based on basic documents guaranteeing its good performance.

By and large, debt offices must perform economic policy functions and management functions.

Most developed countries establish their office in a more complex way. In general, capital markets are the main source of financing and generally debt offices encompass operative, control and supervision services as well as executive management. On the contrary, most developing countries obtain loans from multilateral or bilateral sources, where the rules are already set and negotiations are mainly referred to the objective of the funds, rather than the loan conditions and consider that credit operation functions are more important.

In conclusion, debt offices of countries with different development levels need different organizational structures, but regardless of their development level, it is advisable that they organize the office taking into account the available financing sources.

Transparency and Accountability

Amartya Sen, Nobel Prize in Economics, suggests the following regarding transparency:

In social interactions, individuals put themselves with others starting from assumptions about what other individuals are offering them and what they expect to receive. In this sense, society operates on trust. Transparency

guarantees are related to the needs of openness that citizens expect to be satisfied. Transparency is, then, the trust that makes social interaction possible as well as the fulfilling of disclosure guarantees expected from the rulers by citizens [Sen A (2000), *Development as freedom*, pp. 39 and 40)].

According to the traditional definition, to be accountable is the obligation of reporting on a conferred responsibility. If we combine with Sen's concepts, we may define it as the relation based on the government obligation to show its performance and assume the corresponding responsibility according to the agreed citizens' expectations and based on the right to receive information, distribute all the necessary data and receive an explanation justifying the decisions.

There are documents of international organizations that deal with practices that governments must use in order to avoid opacity areas and make their performance transparent. The main documents are:

The *Code of Good Practices on Transparency in Monetary and Financial Policies: Declaration of Principles*, established by the IMF, highlights that the governmental sector must distinguish itself from the rest of the public sector and the rest of the economy, and that its policies and management functions must be clear and disclosed to the public. Moreover, that it will establish a clear legal and administrative framework and that will offer citizens full information on fiscal operations past, present and future.

The *Code* also makes governments timely publish information on public finances specifying fiscal policy goals, macroeconomic framework, budget policies and main detected fiscal risks.

The *Manual on Fiscal Transparency* issued by IMF points out that debt disclosure will encompass full central government debt including values,

loans and deposits. For comparison purposes it will disclose debt level at the date being declared and in the previous declaration date. Methods and practices of valuation and revaluation must be indicated when dealing with indexed debt to a foreign currency, to inflation or to a commodity such as oil or gold. Debt will be broken down by maturity dates and will be classified in short, medium or long term, in domestic or foreign according to residence, currency, holder or instrument. Delays on payments in debt service must be disclosed separating the corresponding parts of capital and interests.

The IMF *Special Debt Dissemination Standard* indicates that information must meet sound practices in the following four areas:

1. Data covering, periodicity and punctuality.
2. Data public access.
3. Data integrity.
4. Data quality.

In conclusion, accountability implies offering quantitative and qualitative information. Not only the accountancy registers numbers, but also explaining the reasons behind those figures.

Guidelines and optimal practices of the OECD. They establish the obligation of disclosing information on contingent liabilities on quarterly as well as the annual budget divided by categories and also the events in which the government has to face contingent liabilities.

Besides, the International Public Sector Accounting Standards –IPSAS 19– published by the International Accounting Standards Committee (IASC) points out that:

100. Unless the possibility of any outflow in settlement is remote, an entity should disclose for each class of contingent liability at the reporting date a brief description of the nature of the contingent liability.

Reports on public debt help avoiding irregularities and the safeguard of assets, therefore they must contain timely data on their two components: 1) the financial cost, usually the corresponding to debt service in the short, medium and long term, and 2) the potential cost of economic loss which might stem from a financial crisis if government meets difficulties to pay or renew its debt.

Auditing

The legislative branch must control and oversee the executive branch according to the legal framework. Such a control is part of the superior auditing.

Thus, people's sovereignty residing in the legislative branch, demands accountability of the executive branch on the allocation of expenses as well as the results of the different government agencies performance. In this way, a counterweight for the executive branch is established allowing a clear equilibrium between branches, and essential principle of democracy.

The legislative branch exerts external control through the superior audit institutions. Their activities include mainly audits and assessments combining account control and the exam of legal compliance of revenues and expenses, revision of transparency, data reliability as well as ensuring sound management, and achieved against proposed goals and, finally, that implemented solutions observe the principles of effectiveness, efficiency and economy.

Audits performed by superior audit institutions are generally conducted observing international norms such as those issued by INTOSAI.

Superior audit institutions perform different types of auditing processes as well as several methodologies created to cover the many aspects of these problems. Each kind of audit process has clear goals and this will define the specific audit to be performed.

From our point of view, the classification of debt audits should encompass the audit types dealing with fundamental issues linked to a sensible management and according to the best practices. The term used varies from one country to another but in general they use common methodology and norms.

Regularity Audits

A public debt regularity audit would prove the operations to be correctly registered and according to accounting practices and legal dispositions. Moreover, that management and liabilities administration operations are performed according to the estimated amounts and schedules.

Management Audits

Public debt management auditing would focus on the verification of control systems. It would assess the debt office organization and the procedures established to prove that coordination and overseeing functions are performed according the legal framework, that there is coordination among different areas, that funds are allocated for their original purposes, and that the debt service is being paid on

schedule. Efficiency of the use of the available resources would also be analyzed.

Human resources audits

Staff management activities have a direct impact on effectiveness, efficiency and economy of the organization as well as the working environment.

Human resources audits would determine the policies and procedures used to meet the objectives of implementing best practices in public debt management, as well as allowing the identification of the person in charge of the whole process from debt contracting to its payment, the officers' profile, the experience in this area and the training required for understanding new instruments in debt contracting and its analysis and assessment.

Information systems audits

This type of audit verifies that the debt information systems identify safety and risks implied and suggests improvement actions. Besides, these audits assess documentation standards, verify its reliability, help preparing new documents, review procedures used to update documentation, and examine the methodology used for data gathering, its reliability and the system safety. Also this audit will analyze whether the debt management software and hardware are adequate.

Performance audits

At the INTOSAI Public Debt Committee meeting, held in Moscow in June 2004, a document on reference terms for carrying out a public debt performance audit was presented. During its meeting in Sofia, Bulgaria in June 2005, this Committee endorsed that this document titled “Public Debt Performance Audit and its Reference Terms” would become an official product of the Committee. According to the INTOSAI guidelines, it will be translated into the five official languages and distributed to all INTOSAI members for their comments. Once they have been taken into account, it will be published and presented during the XIX INCOSAI.

This exercise encompasses six guidelines. The first one proposes the terms to be observed by an auditor in order to ensure that public debt and related concepts have been clearly defined and classified and according to hermeneutic orthodoxy.

The second one deals with the subjects that a country’s legal framework must have in order to allow debt management governance and consistency.

The third one encompasses unavoidable aspects to ensure that debt management is being undertaken according to the best practices. In the first place, it is proposed that the government is censured to have an indebtedness strategy; that debt structure regarding currencies, terms, rates and instruments is according to that strategy; that its management encompasses risk assessment to validate and support the adopted strategy; that there are sensible debt management practices; that there is a solid and consistent register and control system; and that, based on this, quality norms reports are written.

The fourth guideline refers to the need of using vulnerability and sustainability analysis by means of static and dynamic indicators. The former give an answer to the question: Given the current conditions, may the government face its obligations? The latter is used to assess the question: Given alternative or risk scenarios, can the government face its commitments?

Vulnerability indicators are useful to measure and prevent any situation compromising the payment of the government's debt. Among these, we have:

- Total debt indicators
 - Debt / GDP
 - Deficit / GDP
 - Debt costs / GDP
 - Fiscal revenue / GDP
 - Fiscal revenue / debt
 - Total income / debt.

- External debt indicators
 - External debt / GDP
 - Debt service / exports income
 - Debt in foreign currency / total debt
 - International reserves / short-term external debt
 - Estimated debt average rate
 - Structure indicators: External debt composition in market and contracted debt; composition regarding type of instruments and maturity dates.

- Internal debt indicators
 - Internal debt / GDP
 - Foreign holders' internal debt / indexed debt or linked to exchange rate
 - Less-than-one-year debt
 - Estimated average term
 - Estimated average debt rate

Vulnerability indicators encompass public sector, finances, households and enterprises. When economies are under stress, the existing problems in one sector may infect others.

Among those indicators closely monitored by the IMF we find:

- Indicators on domestic and foreign debt
- Maturity profiles, payments schedule
- Interest rates sensitivity
- Foreign currency composition of the debt
- Foreign debt, exports and GDP
- Indicators on reserves sufficiency
- Indicators on financial solidity

SAIs might encourage governments to construct an indicators system as complete and adequate as possible in order to supervise debt vulnerability and give priority to risk management.

Debt sustainability means that the present value of all future revenues is higher than that of the expenses, including debt service.

It is very important to analyze, in a continuous fashion, the solvency and the sustainability of debt, as well as carrying out the exercises that simulate the dynamic debt behavior before problematic scenarios or stress situations.

Sustainability measurements are intended to acknowledge whether the government may keep the same expenses and incomes trend or it will have to be adjusted in order to keep constant the ratio debt / GDP.

The indicators are designed to respond questions such as: Is it feasible to maintain the current fiscal policy without generating an increase of public debt without limit? Does the government require to increase taxes or to reduce its expenditures to avoid a debt explosive behavior?

The fifth guideline refers to the assessment to be undertaken by the auditor in order to issue an opinion on the behavior of the institutions which look after debt management and who work in them; the competency, training and experience they must count on and the ethics code they should follow.

The last one is related to the governmental obligation to inform and disclose in a timely, systematic and transparent manner, the status of debt, the financial compromises and the related risk, as well as issuing periodical, timely and complete reports.

The ultimate purpose of this audit would be to propose sensible and sound debt practices, as well as improving the performance of those responsible of attaining the strategic goals proposed by debt policy-makers.

Final considerations

First: It is important that this Committee's members may reflect on the eight principles sustaining general public debt policies and offer us their concepts, whether perfecting them, eliminating those not appropriate, or proposing those which, at their best knowledge, were omitted.

Second: There is a wider consensus on best debt management practices, however there is not any structured document proposing a logic guide for better supporting whether debt operators follow the best practices. We will appreciate very much your help in this chapter.

Third: Transparency, accountability and auditing are topics already known by you. Your considerations will help us to deepen our analysis of these concepts.

Fourth: We propose the following activities chronogram:

- (1) Deadline for the reception of your first reactions to this document: October 31, 2006.
- (2) The received comments would be included in the document; this second version would be sent no later than January 31, 2007.
- (3) Deadline for the reception of your reactions to this second version: April 30, 2007.
- (4) A consolidated version would be presented during the next meeting of this Committee, in June 2007, for your endorsement and last corrections.
- (5) The final draft of the document would be prepared in June, 2007.
- (6) The final document would be sent, at the latest, on July 31, 2007 to all INTOSAI members so they could send their comments no later than September 15, 2007.
- (7) In November 2007, the final version would be presented during the XIX INCOSAI.

Ladies and gentlemen,
Thank you very much