

The Subcommittee on Accounting and Reporting proposes that the document entitled “*The importance of an independent standard-setting process*”, endorsed at INCOSAI in 2010, become a GOV as it provides guidance to public authorities on the proper administration of public funds.

Background

Fundamental to any democracy is the accountability relationship between a country’s government and its citizens. People wish to know about the revenues collected and how, in turn, those revenues are used to provide goods and services. A government’s financial statements must be credible. In order to be credible, they must be prepared using accounting standards that are unbiased and transparent.

Financial statements should be prepared following a set of understandable, enforceable and objective principles that are not subject to the individual preference of the individual preparing them. This document outlines the recognized process for independent standard setting.

The paper also presents the results of a survey conducted in 2009 relating to the accounting standards used by INTOSAI members. Relationship to other GOVs

There are currently 4 GOVs in the section on Accounting Standards (INTOSAI Govs 9200- 9299). We believe that these GOVs do not reflect the many changes that have taken place since these GOVs were first endorsed. The Subcommittee on Accounting and Reporting would propose a restructuring in which updated information could be provided to readers via links to current information (see Annex II). “*The importance of an independent standard-setting process*”, as a GOV, would act as a foundation and the fundamental starting point.