



## **CICPA: Assistant Finance Minister Stressed Accounting's Role in Fiscal Transparency at WCOA**

**(Beijing, November 2, 2014)** – Mr. Yu Weiping, Assistant Minister of the Ministry of Finance, P. R. China, was invited to attend the 19th World Congress of Accountants (WCOA) in Rome and deliver a speech on “Gathering Strength Across the Accountancy Profession for Financial Transparency and Sustainable Growth.” The WCOA, themed “2020 vision: learning from the past, building the future,” provided a platform for accountants around the world to discuss topics including business prosperity by accounting, promoting government transparency and accountability and improving corporate performance and value creation from November 10-13.

Mr. Yu pointed out in his speech that financial transparency sets the groundwork for good governance, economic stability and fiscal fairness. Openness and transparency are basic characteristics of the modern financial system, and is essential for the construction of a credible, responsible and service-oriented government. Strengthening fiscal transparency is conducive to administration according to laws, fiscal management according to laws and regulation of government behavior. It will also help make scientific decisions, combat against financial risks, enhance public scrutiny to curb corruption at the root, inform the general public of government policies and incentives to lead expectations and behaviors of economic and social entities. In order to build a modern "open, transparent and standardized" budget system, the Chinese government prioritizes legal protection, budget disclosure and information quality and has taken a series of actions and measures.

Mr. Yu believed that accounting has historically been the driving force for economic development and social progress, and has also been the driving force for promoting fiscal transparency. Therefore, he made three proposals in his speech.

Firstly, attach great importance to the role of accounting in fostering transparency. The accounting system is a key factor in economic and social operation as well as in creating fiscal transparency. A well-established accounting system which allows public review to the accounts, fiscal policy, financial forecasts and other information of the public sector can greatly ensure that such information is reliable, detailed, timely, easy to understand and comparable. This is conducive to accurate evaluation of public resource use, identification and control of debt risks and guarantee on economic sustainability.

Secondly, accelerate the development of government accounting standards. Support should be provided to the vision for improved mechanisms for international accounting standards-setting in the public sector characterized by shared responsibility and accountability, and the accrual-based architecture of accounting standards for the public sector. In further promoting the international accounting standards-setting efforts across the public sector, the focus should be put on research into accounting practices in the public sector all over the world, learning from and sharing best practices with each other. The due standards-setting procedures should be refined to ensure broad participation, transparent process and theoretical completeness. Policy coordination should be enhance on budgets, statistics, accounting and other caliber issues for consensus to maintain consistency of accounting standards.

Thirdly, engage fully the expertise of professional accountants. The seasoned accounting and finance professionals can provide us insights in financial transparency enhancement and government accounting reforms. Government accounting personnel training should be doubled to improve their competency with updated accounting knowledge, upgraded accounting philosophy and enhanced professional skills. Professional accounting organizations and accountants should be engaged in advisory for the government accounting reforms. The role of professional accountants should be a major part of budget reviews, performance evaluations and policy assessments, as well as in auditing and assurance responsibility for financial reporting of the government. This is to ensure continual improvement of the reliability and credibility of the government's financial reporting and accounting information.

During the WCOA, Mr. Yu also attended the signing ceremony of memorandum of understanding between CICPA and CPA-Canada.

### **The WCOA**

The WCOA has been hosted by International Federation of Accountants (IFAC) and has been praised as the "Olympic of Accountancy Profession." The first WCOA was held in 1904 in St. Louis, USA and has been held every four years from 2002. Since joining IFAC on May 8<sup>th</sup>, 1997, CICPA has participated in all the WCOAs in a row from 15<sup>th</sup> WCOA to 18<sup>th</sup> WCOA.