

Rules of Business

1.1 Introduction

- 1.1.1 These Rules of Business set out the objectives and operating procedures of the Government Accounting Standards Advisory Board (GASAB). These rules govern the procedures relating to formulation of standards approved by GASAB.
- 1.1.2 GASAB functions as a standard-setting body functioning in the office of the Comptroller and Auditor General of India. "The mission of the Government Accounting Standards Advisory Board (GASAB) is to formulate and recommend Indian Government Accounting Standards (IGASs) and Indian Government Financial Reporting Standards (IGFRSs) with a view to improving standards of Governmental accounting and financial reporting which will enhance the quality of decision-making and public accountability."

1.2 Objectives

- 1.2.1 The objectives of GASAB are to formulate high quality of government accounting and financial reporting standards. While formulating standards, GASAB shall examine the existing rules, underlying accounting concepts and principles and relevant international best practices, thereby enhancing the quality of financial reporting for improved accountability and decision-making.
- 1.2.2 GASAB will achieve its objectives by:
 - **Formulating Indian Government Accounting Standards (IGASs)** to be applied by the Government in the preparation of General Purpose Financial Statements under cash basis of accounting.
 - **Formulating Indian Government Reporting Standards (IGFRS)** to be applied for financial reporting while preparing accounts under accrual basis of accounting.
 - **Issuing acceptance of these standards.**
 - **Occasional Papers and guidance notes** to provide information and guidance on issues relating to accounting and financial reporting in conformity with its mission.
- 1.2.3 The Standards are designed to apply to the General Purpose Financial Statements of all government entities. These include Union governments, State governments, local governments and their component entities (for example, departments, agencies, boards, commissions), unless otherwise stated. Any limitation of the applicability of a specific standard is made clear in the standard.

1.3 Members

- 1.3.1 The members of the GASAB were appointed on the advice of Ministry of Finance. It comprises 16 members, viz. Deputy Comptroller and Auditor General, as Chairman; Controller General of Accounts; Financial Commissioner (Railways); Controller General of Defence Accounts; Secretary (Posts) Department of Posts; Member

(Finance) Department of Telecommunications; Additional Secretary (Budget), Ministry of Finance; Deputy Governor (RBI) or his nominee; Director General (NCAER); President, Institute of Chartered Accountants of India (ICAI); President, Institute of Cost & Works Accountants of India (ICWAI) ; Principal Secretary (Finance) of four States by annual rotation; and Director General (Accounts) from CAG's office, as Member Secretary. The constitution of the Board ensures that it represents views of important stakeholders and accounting organizations while steering accounting reforms in the country.

1.3.2 For voting purposes, each GASAB member has one vote.

1.4 GASAB Secretariat

1.4.1 The Director General (Accounts) from the Indian Audit and Accounts Service is the Member Secretary of GASAB. The Secretariat consist of representatives from major accounting departments of Government of India, namely

- a. Indian Audit and Accounts Department
- b. Indian Civil Accounts Department
- c. Indian Defence Accounts Department
- d. Indian Railway Accounts Department
- e. Indian Posts & Telecommunications Accounts and Finance Department

1.5 Technical Advisor

1.5.1 Each member of the GASAB may nominate a Technical Advisor (TA) who may assist the member during the board meetings. The TA may act as the nodal officer to present the views of the member and interact with members of the GASAB Secretariat and other TAs. The Technical Advisor may or may not be from the same organization as the member.

1.5.2 The Technical Advisor will have the full privilege to participate in the Board meetings but will not be entitled to vote.

1.6 Consultative Group

1.6.1 GASAB may engage a Consultative Group comprising observers, representatives of appropriate accounting organizations and academia that have a strong interest in financial reporting in the government and have an interest in endorsing and supporting the standards, to provide inputs to the members of GASAB/GASAB Secretariat.

1.6.2 The members of the Consultative Group shall be nominated by members of GASAB. Members of the Consultative group may be invited to attend the Board meetings at the discretion of the Chair to provide views on technical issues referred to them by GASAB but will not be entitled to vote. They will be expected to possess the technical skills to participate fully in GASAB discussions. GASAB may review the composition and role of Consultative Group periodically.

1.6.3 The objective of this Consultative Group is to provide a forum in which GASAB can consult with representatives of different groups of constituents to obtain input and feedback on its work program, project priorities, major technical issues, due process and activities in general. It provides a means by which GASAB can consult and seek advice as and when found necessary from a broad representative group.

1.7 Task Based Groups

- 1.7.1 The members may form Task Based Groups (sub committees) from amongst themselves to formulate standards on specific subject (s), approved by the Board, in consideration of the expertise they have and the relevance of the topic (s) to their organization
- 1.7.2 Members may also nominate their TAs and professionals from other accounting organizations to this Task Based Group.
- 1.7.3 Officers of GASAB Secretariat may actively associate themselves with the members of the Task Based Group at each stage of formulation of the standard.
- 1.7.4 The paper/standard formulated by the TBG may be presented by members of the TBG during the Board meetings for discussion and approval of the Board.

1.8 Working Procedures

- 1.8.1 In developing the standards, GASAB members may seek inputs from its Consultative Group and consider and make use of pronouncements issued by:
 - a) The Government of India;
 - b) The International Public Sector Accounting Standards Board (IPSASB) and other International best practices to the extent they are applicable to the Government sector;
 - c) Regulatory authorities and similar bodies;
 - d) Other organizations interested in financial reporting in the government.
- 1.8.2 **Identification of an issue:** A technical issue may be identified by the Board members based on their significance to improve Government accounting and financial reporting in Governments. The Board may review the IPSASs already issued or identify any other topic relevant to accounting needs of India which is likely to enhance the quality of decision – making and public accountability. GASAB may identify these technical issue during board meeting based on their priority or by a simple majority vote, if required. The issues so identified may be included in the work plan of GASAB.
- 1.8.3 **Issue Paper :** Once a technical issue has been identified, members may identify the Task based Group (TBG) which will guide the GASAB Secretariat to develop an “Issue Paper”. The Chairperson will solicit nomination for Task Based Group from amongst Board members during the board meeting. The Issue paper will contain a project description, key issues, and an assessment of the potential benefits for undertaking the project, Standards issued by other National, and/or International standard setters on the issue. The Issue Paper will be circulated to members of the Board as an agenda item. The Board may review the Issue Paper and take a decision as to whether the project should be taken up for further development.
- 1.8.4 **Discussion Paper:** Based on the responses of the Board members and decision of the Board for development of the standard, a “Discussion Paper” will be developed by the GASAB Secretariat and the associated Technical Advisors under the guidance of the TBG. The Discussion Paper will give a comprehensive overview of the issue alternative approaches in addressing the issue and preliminary views of the TBG. It may draw upon relevant material from other standard setters, including the IPASAS, IASB and other Accounting Boards. The Discussion Paper will be circulated to Board

members as an agenda item and discussed during the board meeting. If approved, it will be circulated amongst a select group of expert or Consultative Group (CG). The Discussion Paper will be reviewed and revised in consideration of the responses of the Board members and Consultative Group by the TBG with research support from officers from GASAB Secretariat.

- 1.8.5 **Draft Exposure Draft:** The revised Discussion Paper will be developed as a draft Exposure Draft by GASAB Secretariat and associated TAs under guidance from the TBG and included as an agenda item for discussion of key issues during the Board meeting. The Board may then take a view to approve it for public exposure as an Exposure Draft (ED) for a minimum period of 90 days, for wide consultation with stakeholders. An ED is likely to include more refined proposals and generally seek feedback on broad issues through Invitations to Comments.
- 1.8.6 **Approval of Standards or other pronouncements:** The Exposure Draft will be revised by GASAB Secretariat and associated TAs under the guidance of the TBG in consideration of the responses from stakeholders and included as an agenda item flagging key issues, responses and comments. The outcome of the Board's consideration of an issue may be the issuance of a pronouncement relating to formulation of a standard or issuance of a paper or research report. The pronouncement, once approved by the Board will be forwarded to the Ministry of Finance for consideration.
- 1.8.7 The standards notified by the Government are mandatory from the effective date (s) as mentioned in the notification

1.9 Meetings

- 1.9.1 The quorum for GASAB meetings requires the presence, in person or by simultaneous telecommunications link, of at least seven members.
- 1.9.2 An affirmative majority vote is necessary to approve Issue Paper, Discussion Paper, Exposure Draft and Standards.
- 1.9.3 GASAB meeting may be held once in each quarter of the financial year. Special meeting, if any may be convened by the Chair as and when necessary, in addition to these quarterly meetings to address an emergent issue.