

NATIONAL

# ‘Natural Resource Accounting is a promising assessment tool’

## SPECIAL CORRESPONDENT

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## It will play a vital role in projects involving usage of land, water, forests and mineral wealth

The 35th meeting of the Government Accounting Standards Advisory Board (GASAB) has discussed the “Natural Resource Accounting (NRA)” as a promising tool for environmental impact assessment of projects in which usage of resources is envisaged.

At the meeting chaired by Anita Pattanayak, Deputy Comptroller and Auditor General, some members suggested that the NRA, being an important and current topic associated with the attainment of sustainable development goals and management of resources, could be an important tool in assessing the projects sanctioned by the Centre.

The GASAB has prepared a concept paper on the NRA in coordination with the Delhi University’s Economics and Environmental Sciences Department. It will be the basis of accounting for four major **natural resources** – land, water, forests and mineral wealth.

The Due Process of GASAB, the concept paper on the NRA, four cash-based International Public Sector Accounting Standards (IPSAS) – Disclosure Statement on Contingent Liabilities, Prior Period Adjustments, Recipients of External Assistance and Recognition of Revenue Receipts – and the Knowledge Centre were discussed at the meeting.

The Board was informed by the participants that the cash-based IPSAS were being formulated to make the cash basis of accounting in Union and State governments compliant with internationally accepted standards for greater transparency in financial reporting.

The GASAB has taken up formulation of standards relating to revenue recognition, prior period adjustments, external assistance and contingent liability for compliance. A draft concept paper has been prepared on these issues and testing is under way in two States.

It is an inter-ministerial group constituted by the Central government for formulating policies and accounting standards related to financial transactions of the Centre and the States.

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