

Accounting regulatory bodies

[Business](#), [Accounting](#)



Accounting Regulatory Bodies

1. International Accounting Standards Board (IASB).

International Accounting Standards Board is a non-governmental not for profit organisation. It was formed in 2001 to take the place of the former International Accounting Standards Committee. It has been given the mandate to develop, approve and oversee the implementation of the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs).

International Accounting Standards Board develops and approves International Financial Reporting Standards, and International Accounting Standards (IASs) which have been adopted as a benchmark in Financial Reporting by many countries globally. It is the most widely used system of financial reporting.

The IFRSs are coded into eight, i. e. IFRS number 1 (First-time Adoption of International Financial Reporting Standards) to IFRS number 8 (Operating Segments), and the IASs range from IAS number 1 (Presentation of Financial Statements) to IAS number 41 (Agriculture).

For financial statements to be considered IFRSs-compliant, they ought to have been presented in line with all the relevant applicable standards and all the interpretations of the standards. This forces all the organizations applying these standards to be strict with its adherence, and consistence.

2. Financial Accounting Standards Board (FASB)

This is a not for profit body of the US formed by the Securities Exchange Commission while exercising its mandate under the Securities Exchange Commission Act of 1934. It was created in 1973 and has been entrusted with the development of Generally Accepted Accounting Policies within the United States. The former Accounting Principles Board was replaced by this body when it became effective from 1973.

Its mission is to establish, and to improve the standards of preparing the financial statements and reporting of the same. It works together with, but under Financial Accounting Foundation. Financial Accounting Foundation is charged with selecting the FASB's members, and funds its operations.

All the organizations which need their Financial Statements to be approved as GAAP-compliant must follow all the rules and procedures laid down in the Financial Accounting Standards Board procedures of preparation and reporting. This includes the treatment of development costs as expenditure, recording of investment in unlisted equity securities at their cost, deferring of income tax effects resulting from intergroup profits at seller's tax rate, among others.

3. Federal Accounting Standards Advisory Board (FASAB).

This is a body established by the American Institute of Certified Public Accountants (AICPA) and is concerned with the formulation of GAAPs of the federal financial information, and other public sector accounts. It is meant to boost accountability and effective functioning of the public sector financial services.

Federal Accounting Standards Advisory Board is constituted by the membership of; the Secretary of Treasury, Director of the Office of Management and Budget, and the Comptroller General of the United States. These three individuals are expected to consult the relevant authorities including the public whenever there's need, e. g. introduction of a new Standard.

The body usually considers the informational needs of the public, congress, managers, and other users of the federal financial information. It collects public views and opinions concerning proposed statements through exposure drafts.

All the financial statements of the federal governments' organizations and other public sector accounts must adopt the rules and procedures laid down by this body. Any officer proved to be negligent in presentation of the financial statements as required under the system is punishable by law.

4. Australian Accounting Standards Board (AASB)

AASB is a body formed under Australian Securities and Investments Commission Act 2001 and mandated to develop and approve the Australian Generally Accepted Accounting Policies. The GAAPs are the accounting principles which are the equivalent of IFRSs as applied in Australia. Standards developed by AASB are widely related to, and greatly drawn from the IFRSs. The task of the body includes; formulation of accounting standards, interpretation of rules for such standards, basis for conclusion, guidance on use and application of the standards, and reporting framework.

The standards are meant to be used by; accountants and auditors across all the sectors of Economy, Certified Public Accountants program students, and the Directors of the companies which act in compliance with the respective accounting standards.

All organizations in Australia who need to be approved as GAAP-Compliant, or are required by the law to present their financial statements in such a version, must follow the GAAPs as required by the AASB. This demands, for example, presentation of balance sheet, income statements, and cash flows in accordance with GAAP numbers 3, 4, and 5 respectively.

References

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FASAB. (2008, September 2nd). About FASAB. Retrieved March 19th, 2009, from Federation Accounting Standards Advisory Board: <http://www.fasab.gov/aboutfasab.htm>

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IASB. (2009, February 11th). What is IASB? Retrieved March 20th, 2009, from International Accounting Standards Board: <http://www.iasb.org/>