

Abstract

Since the 21st century, government accounting reform in China has been influenced by four main motivations: first, budget openness imposes higher requirements on government accounting information; second, finding out the underlying compositions of government assets imposes new requirements on government asset information; third, preventing local debt risks imposes new requirements on government debt information; and fourth, practicing thrift imposes new requirements on government cost information. The practices of government accounting reform in China have been divided into two main stages. The first stage is the accounting reform for administrative entities and public institutions. In this stage, government accounting academics and practitioners mainly discuss two issues: whether to introduce accrual basis in administrative and public institutions' accounting system, and how to coordinate with the existing cash basis. The second stage is government accounting and financial reporting reform. In this stage, government accounting academics and practitioners reach the consensus to adopt a reform model of "dual system", "dual bases", "dual elements", and "dual objectives"; to appropriately separate and connect government financial accounting and budget accounting; to enhance government financial accounting's function on the basis of improving budget accounting's function; to integrate the use of cash basis and accrual basis, and to take into account the objectives of budget management and financial management. The main task of this stage is to establish a series of government accounting standards and a unified government accounting regulation.