



## INTERNATIONAL COOPERATIVE ALLIANCE

### DEVELOPING ACCOUNTING STANDARDS FOR CO-OPERATIVES

▪ APPROVED BY THE ICA GENERAL ASSEMBLY OF 17 OCTOBER 2019, IN KIGALI (RWANDA) ▪

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This ICA General Assembly:

- Believes that a cooperative's published accounts should enable it to report to members and stakeholders on its financial position in the context of its purpose as a cooperative
- Recognises the role of financial reporting standards in encouraging consistency and accountability
- Notes that recent trends towards the harmonisation of international accounting standards are driven by an exclusive focus on the needs and perspectives of investor-led enterprises
- Cautions that as a result, accounting standards may restrict or distort a presentation of the co-operative difference, including the treatment of capital and the distribution of member dividends, and that this can prevent cooperatives from describing their financial flows in line with established co-operative values and principles
- Recognises the importance of the ongoing work of the Audit and Risk Committee of the ICA (IARAC) and its efforts over time to monitor and influence international accounting bodies
- Notes also that in some jurisdictions, certain economic sectors, such as non-profit and for-purpose bodies, have successfully developed their own reporting standards (Statements of Recommended Practice or SORPs plus other voluntary disclosure guidelines) to enable them to report in a consistent and more appropriate way
- Notes the work of The Centre of Excellence in Accounting and Reporting for Cooperatives based at the University of St Mary's in Halifax, Nova Scotia, Canada, and specifically the recommendation of its international symposium, held in London in June 2018, to explore the case for a cooperative SORP.

This General Assembly calls upon the ICA to engage with members and experts with an interest in this matter to explore the case, costs and benefits, for the potential development over time of a Cooperative SORP, designed to permit cooperatives to focus their reporting on their performance in line with cooperative values and principles.