

INTOSAI



*Foreword to
ISSAI 5421*

INTOSAI PROFESSIONAL STANDARDS COMMITTEE

PSC-SECRETARIAT

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FOREWORD

Public debt has always been a useful source of funds for financing the economic and social development of nations. Governments have often resorted to borrowing to finance budget deficits and large infrastructure projects. It has also been used to balance external accounts and as an instrument for monetary policy. Increasingly however, public debt has been seen as a real threat to the economic stability of growing number of countries.

This threat has been recognised by SAIs but for most of us the audit of public debt is still a new area of interest and there is a perceived need for guidance and the development of methodology and techniques. In response, the Governing Board of INTOSAI established in 1991 a Public Debt Committee to develop guidelines which could be used by SAIs to encourage the proper reporting and sound management of public debt. The Committee comprises representatives from the SAIs of Argentina, Canada, Portugal, the United Kingdom and the United States and is chaired by Mexico. The Committee also counts on the support of the SAIs of Chile, Finland, Gabon, Jordan, Korea, and Sweden.

This current Guidance on Definition and Disclosure of Public Debt was approved by the General Assembly of INTOSAI at its Congress in Cairo in 1995. The Public Debt Committee hopes that these first results of its work will contribute towards a better understanding of this complex aspect of public finance. Because of the diversity of the political and administrative structures in which the SAIs of INTOSAI operate, the guidance has been drawn up in general terms which nevertheless the Committee hopes SAIs will find informative and update the Committee will continue to revise and update the guidance from time to time to take account of new ideas and experiences.

Finally I should like to thank my colleagues on the Committee for their enthusiasm and dedication which made possible this first contribution to the work of our Organization.

JAVIER CASTILLO AYALA
Contador Mayor de Hacienda
de Mexico and Chairman of the Public Debt Committee.