THE EVOLUTION OF CRO....
FINANCIAL STATEMENTS IN NEW ZEALAND

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ABSTRACT

In April 1992 the Financial Statements of the Government of New Zealand (also called Crown Financial Statements (CFSs)) were published for the first time. These accrual statements consolidated the activities of Government and were prepared in accordance with generally accepted accounting practice (GAAP). This initiative by a sovereign government is believed to be unprecedented in the world in recent times. The initiative occurred within core public sector management reform undertaken in New Zealand since 1987, a subset of broader economic reform that commenced with the election of the Fourth Labour Government in July 1984.

This study investigates how the process of change led to the evolution of CFSs in New Zealand. Grounded theory, an interpretative research strategy, is applied to discover why this initiative was taken in New Zealand.

The study provides a substantive theoretical framework to explain many mutually shaping factors that influenced the phenomenon under investigation. The contribution of this study is to offer a new way of understanding accounting by developing a framework that incorporates many complex and interdependent factors that influenced the publication of CFSs in New Zealand.