



Internal Use Software Working Group Status Update



February 19, 2015

Recap of Events

- ▶ Feb / Mar 2014: Presented Working Group's findings and recommendation to AAPC and FASAB
- ▶ Board requested that the WG peruse two concurrent avenues:
 1. Perform research on information relevant to the Users of the Financial Statements to determine if a change to the standard would be appropriate
 2. Draft implementation guidance for IUS



Changes to the Standard

- ▶ **Met with OMB to understand budgetary reporting requirements**
 - ▶ Requirements align to the standard in that costs associated with each software development phase should be reported
 - ▶ OMB and GSA moving toward agile development acquisition practices focused on short-term software capability deliveries
- ▶ **Interviewed Program Managers from select agencies to understand goals and software investment decisions**
 - ▶ PMs and leadership typically focus on total program / project costs, not just the development (capital) portion
- ▶ **Working Group believes that a change to the standard that does not completely remove the reporting requirement within the financial statements and notes would cause agencies to incur costs that would exceed the expected benefit**



Implementation Guidance

- ▶ February 2015: The IUS Working Group will hold a re-entrance meeting to re-engage agencies in drafting Implementation Guidance
- ▶ Guidance will consist of two major topic areas:
 1. Standard clarification
 2. Practical examples of implementation
- ▶ Requires input from agencies who have successfully undergone an audit of their IUS balances
- ▶ DoD initiated IUS policy review and will work in concert with initiative to draft Implementation Guidance

