

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

Monica Valentine
(202) 512-7362
ValentineM@fasab.gov

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NEWS RELEASE

FASAB Issues Exposure Draft *Classified Activities*

The chairman of the Federal Accounting Standards Advisory Board (FASAB or “the Board”), D. Scott Showalter, announced today that FASAB is seeking input on the proposed Statement of Federal Financial Accounting Standards (SFFAS) entitled *Classified Activities*.

The Board is proposing guidance to protect classified national security information or activities from unauthorized disclosure in a publically issued General Purpose Federal Financial Report. This proposal represents the first step in balancing the need for financial reports to be publicly available with the need to protect classified information from public disclosure.

This proposal would permit component reporting entities to provide GPFRR to the public by including limited modifications necessary to protect classified information from disclosure. This would allow financial presentation and disclosure to appropriately accommodate end user needs in a manner that does not impede national security.

“The Board believes this proposal allows federal entities to issue unclassified, public financial statements that comply with generally accepted accounting principles and at the same time protects classified information,” according to Chairman Showalter.

The Board requests comments on the exposure draft by March 16, 2018, and encourages respondents to provide responses to all of the questions raised and the reasons for their positions. The exposure draft and the specific questions raised are available at the FASAB website in PDF and Word format, respectively (<http://www.fasab.gov/documents-for-comment/>).

ABOUT FASAB

FASAB serves the public interest by improving federal financial reporting through issuing federal financial accounting standards and providing guidance after considering the needs of external and internal users of federal financial information.

Financial reports, which include financial statements prepared in conformity with generally accepted accounting principles, are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, the Board plays a major role in fulfilling the government's responsibility to be publicly accountable. Federal financial reports should be useful in assessing (1) the government's accountability and its efficiency and effectiveness and (2) the economic, political, and social consequences, whether positive or negative, of the allocation and various uses of federal resources.

FASAB issues federal accounting standards after following a due process consistent with the Memorandum of Understanding under which it operates. Due process includes consideration of the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

For more information on FASAB, please visit our website: www.fasab.gov.