

Federal Accounting Standards Advisory Board

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NEWS RELEASE

FASAB Issues an Exposure Draft of a Concepts Statement on Federal Financial Reporting

The chairman of the Federal Accounting Standards Advisory Board (FASAB or “the Board”), D. Scott Showalter, announced today that FASAB is seeking input on an exposure draft (ED) of a Statement of Federal Financial Accounting Concepts entitled *Federal Financial Reporting*. The ED provides concepts to assist the Board in developing reporting models for the government-wide and component reporting entities and provides a platform for addressing current and evolving federal financial reporting needs.

The federal government and its component reporting entities are making an immense body of data and information available to the public. Based on the Board’s research, due to this increased access to information, users of federal financial information need to better understand the relationship between information required by generally accepted accounting principles (GAAP) and other reported information. Users also need to better understand: the relationship among the types of information GAAP requires, such as budget, cost, and performance information, and the relationship between GAAP-based information presented by the government-wide reporting entity and component reporting entities. “The identification and explanation of concepts provides a platform that will enhance the Board’s deliberations on the types of information that should be presented to inform users of the government’s operating performance, stewardship, and budgetary integrity,” according to Chairman Showalter.

FASAB encourages respondents to provide the reasons for their positions. The Board requests comments on the ED by **January 6, 2017**. The ED and the specific questions raised are available in PDF and Word format at the FASAB website:

<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.