

Federal Accounting Standards Advisory Board

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NEWS RELEASE

FASAB Financial Reporting Model Task Force Issues Recommendations for Enhancing the Federal Reporting Model

The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the FASAB Financial Reporting Model Task Force (task force) issued its recommendations for enhancing the financial statements, terminology, and methods used to communicate basic federal financial information (the federal reporting model). These recommendations can be downloaded from the “Reports and Documents” section of the FASAB website at <http://www.fasab.gov/reports.html>.

Since mid-2008, the FASAB has been evaluating concepts related to the federal reporting model. In an effort to improve the usefulness of federal financial reports, FASAB undertook a study of the federal financial reporting information needs of citizens, Congress and others interested in the financial condition of the federal government (“users”). Following completion of its user needs study in April 2010, the FASAB organized a task force of well-regarded experts to review the results, study the federal reporting model, and recommend enhancements to it. The task force members included:

- Jonathan D. Breul, Executive Director, IBM Center for The Business of Government, and Partner, IBM's Global Business Services, and former Senior Advisor to the Deputy Director for Management in the Office of Management and Budget (OMB)
- Patricia E. Healy, Executive Consultant, CGI, and former Deputy Chief Financial Officer, U.S. Department of Agriculture
- Michael J. Hettinger, Executive Director of Practice Planning and Marketing, Global Public Sector, Grant Thornton LLP, and former staff director of the House Committee on Government Oversight
- John H. Hummel, Partner and Federal Segment Leader, KPMG LLP, and Chair, Certificate of Excellence in Accountability Reporting program sponsored by the Association of Government Accountants

- Edward J. Mazur, Senior Advisor for Public Sector Services, Clifton Gunderson, LLP, and the first Controller of the Office of Federal Financial Management, OMB, and former FASAB member
- Marvin Phaup, Director, Federal Budget Reform Initiative, The Pew Charitable Trusts, and former Deputy Assistant Director, Congressional Budget Office
- Al Runnels, Deputy Chief Financial Officer, Department of the Treasury
- Jeffrey C. Steinhoff, Executive Director, KPMG Government Institute, and Managing Director, KPMG LLP, and former Assistant Comptroller General of the United States for Accounting and Information Management and Managing Director for Financial Management and Assurance at the Government Accountability Office
- Sheila A. Weinberg, founder and CEO, the Institute for Truth in Accounting

To best meet FASAB's objectives and the public's needs for transparency and accountability, the task force recommended that the federal government adopt an electronic, Web-based method of communicating information about the financial condition and performance of the federal government. The task force believed that this method would enable the federal government to meet more user needs more quickly and at a lower cost than the paper-based method currently used. The task force recommended that the electronic, Web-based method involve a central Web site for financial and performance information with multimedia presentations to help educate users about the significance of the information. In addition, the site should include: the ability for users to "drill-down" to the appropriate level of detailed material; machine-readable data to enable users to conduct searches and download data for analysis; and the ability to report cost and accomplishments in a variety of ways based on user preferences. Also, the task force recommended reporting additional financial and non-financial measures and changes in the presentation of information in existing reports to assist users in understanding the financial condition and performance of the federal government.

The task force believed that the success of the electronic, Web-based method of reporting and its other recommendations requires adequate public awareness of federal financial reporting. Thus, the task force recommended establishing a federal financial information Web site and taking steps to raise public awareness of its availability. Chairman Allen thanked the task force for its efforts and stated, "The need for timely, relevant financial reporting has never been more critical. The task force's hard work should support making financial reporting more accessible and understandable to the various groups of users who need to make decisions about the federal government's fiscal future."

ABOUT FASAB

Accounting and financial reporting standards are essential for public accountability and for an efficient and effective functioning of our democratic system of government. Thus, federal accounting standards and financial reporting play a major role in fulfilling the government's duty to be publicly accountable and can be used to assess (1) the government's accountability and its efficiency and effectiveness, and (2) the economic, political, and social consequences of the allocation and various uses of federal

resources. The 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.