Mission Statement

Federal Accounting Standards Advisory Board

[Comments highlight areas needing an update or for consideration.]

The General Accounting Office, the Department of the Treasury, and the Office of Management and Budget established the Joint Financial Management Improvement Program (JFMIP), to conduct a continuous program for improving accounting and financial reporting in the federal government. To complement the JFMIP, the Comptroller General, the Secretary of the Treasury, and the Director of the Office of Management and Budget (the JFMIP principals) established the Federal Accounting Standards Advisory Board (FASAB) to consider and recommend accounting standards and principles for the federal government.

Mission Statement

The mission of the FASAB is to recommend accounting standards to the JFMIP principals after considering the financial and budgetary information needs of congressional oversight groups, executive agencies, and the needs of other users of federal financial information.

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.

Accounting standards should:

- Result in federal agencies providing users of financial reports information that is understandable, relevant, and reliable about the financial position, activities, and results of operations of the United States government and its component units; and

- Foster the improvement of accounting systems and effective internal controls that will help provide reasonable assurance to users that governmental activities can be conducted economically, efficiently, and effectively, and in compliance with applicable laws and regulations.

How the mission is accomplished:

To accomplish its mission, the FASAB acts to:

- Determine the primary users of federal financial information and their needs;
- Recommend accounting standards and principles that improve the usefulness of financial reports based on the needs of users and on the primary characteristics of understandability, relevance, and reliability;
- Provide advice to central financial agencies on implementing the standards;
- Improve the common understanding of information contained in financial reports;
- Recommend standards and principles only when the expected benefits exceed the perceived costs;
- Review the effects of current standards and recommend amendments or replace standards when appropriate;
- Use a thoughtful, open, neutral, and fair deliberative process and consider the accountability and decision-making needs of users; and
- Develop rules of procedures designed to permit timely, thorough, and open study of financial accounting and reporting issues and to encourage broad public participation in all phases of the accounting standard-setting process.

The FASAB recognizes that general acceptance of its recommendations is enhanced by demonstrating that the comments received in due process are considered carefully. The Board is authorized, however, to recommend interim standards to be used in federal financial statements for fiscal years ending before October 1, 1991, without first publishing an exposure draft of such recommendations.