



January 6, 2022

Mr. George A. Scott, Chair
Federal Accounting Standards Advisory Board
441 G Street NW
Suite 1155
Washington, DC 20548

Dear Mr. Scott:

The Financial Management Standards Board (FMSB) of the Association of Government Accountants (AGA) appreciates the opportunity to provide comments to the Federal Accounting Standards Advisory Board (FASAB) on its three-year plan for its technical agenda.

General Comments

As always, we have appreciated the Board's ongoing educational and outreach activities. With COVID restrictions, we would encourage the Board to make further use of electronic means of communication – for example, considering a webinar or virtual format for its annual update, or perhaps releasing a recording of the annual update on the Board's YouTube channel.

We noted page 9 of the document has an obsolete reference to AICPA Rule 203. It is our understanding that rule has been codified and the new references would be the AICPA Code of Ethics sections 1.320 and 2.320.

Finally, we noted that Table 1 reports budget information but does not compare to actual or otherwise comment on whether there are any restrictions on FASAB's ability to accomplish planned technical activities due to any budgetary restrictions or limitations.

A. Land Accounting and Reporting

We agree that providing implementation guidance will be necessary to support this important change in standards.

B. Leases

We appreciate the omnibus amendments and further planned guidance, as they should provide support for preparers to properly implement this important change in standards.

C. Public-Private Partnerships

We support this project and expect the Board will consider the Governmental Accounting Standards Board's (GASB's) recently issued standard on this topic and strive for convergence to the extent appropriate for the federal environment.

D. Budgetary Information

Since federal budgeting and the related reporting has been under the purview of Office of Management and Budget (OMB), we would expect that the role of the FASAB would be limited to considering whether, or how, the existing budgetary reporting might be more clearly integrated within the overall financial reporting framework.

E & F. Management Discussion & Analysis (MD&A)

We believe the MD&A is a key component of the financial statements and is particularly beneficial to the readers of the financial statements. While we agree that technical issues should be resolved, it is important that MD&A continues to include relevant, value-added information that allows readers to understand the report in its proper context and allows the agency to effectively demonstrate accountability and transparency for its use of funds. To that end, we encourage the Board to consider the user perspective in its research activities.

G. H. I. J. Technical Clarifications to Existing Standards

We appreciate the Board's work to provide for technical clarifications and updates to standards. We also support the FASAB's ongoing efforts to resolve matters specific to the Department of Defense.

Reexamination of Existing Standards

We support this project and encourage the Board to also include within the scope of this project an evaluation of inconsistencies between the standards, OMB Circular A-136, and the Treasury Financial Manual.

We also encourage FASAB to consider transitioning to a codification-and-update model like the model used by the Financial Accounting Standards Board (FASB). We believe such a model will help to avoid apparent or actual inconsistencies, duplication, or technical errors in standard-setting. Moreover, such a model would make amendments easier to communicate and administer, as well as allow for the organization of standards in a logical, topical order rather than by evolution.

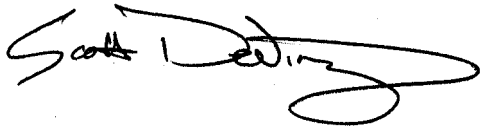
Intangible Assets

We agree that enhanced federal accounting guidance for intangible assets - including data sets, software, and subscription-based information technology arrangements - is necessary given the prevalence and valuation issues related to these transactions. We expect the Board will consider the GASB's recently issued standard on this topic and strive for convergence to the extent appropriate for the federal environment.

Climate-Related Financial Reporting

We affirm the importance of this topic and the need for research. In researching this topic, we agree that consideration of the government's climate-related financial risk strategy as it evolves will help with consistency of agency efforts and reporting. We further agree that seeking alignment with climate-related financial disclosure work conducted by other standard setters would be helpful to preparers, auditors, and users.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott DeViney", with a large, stylized loop at the end.

Scott DeViney, CPA
Chair, Financial Management Standards Board

cc: Gerry Boaz, CPA, CGFM, CGMA, AGA National President

Association of Government Accountants
Financial Management Standards Board

The FMSB is comprised of the following 23 members with accounting and auditing backgrounds in federal, state, and local government, as well as academia and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. The views of the FMSB do not necessarily represent those of AGA. Local AGA chapters and individual members are encouraged to comment separately.

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