

Purpose: This worksheet contains DHS feedback to the FASAB Annual Report and 3 Year Plan.		
Source: DHS OCFO-Financial Management Division		
Scope: FASAB 2022 Annual Report and 3 Year Plan		
Results/Conclusion: See below.		
#	Topic	Comments for Consideration
1	Page 6 – Collaboration:	<p>1. DHS noted that "auditors" are only mentioned once under the "Task forces and working groups" bullet - as part of the SMEs recruited by FASAB staff. However, it has been DHS's experience that auditor's (i.e., IPA's) perspective may not be given sufficient consideration up front, before standards or guidelines get finalized. This could, and frequently does, lead to differences in interpretation of the standards between the agencies (and some times OMB/Treasury as well) and the auditors during the agency FS audits.</p> <p>We strongly recommend more collaboration and involvement of the audit/IPA community as the key collaborators (i.e., more than just as a part of the optional SMEs). <i>[Note: DHS' auditor (IPA) frequently relies on the interpretations of FASAB standards from their private sector professional practices group (and usually during the critical audit cycle in late October/November), and if possible, it would be better for the agencies if such group's input/perspective can be considered by FASAB during the research/development/ED phases, and not during the actual audit...]</i></p>
2	Page 7 – "FY22 By The Numbers" panel: It states "FASAB staff addressed 12 technical inquiries submitted by the community."	<p>1. Please consider publishing the summary of individual inquiries and how each inquiry was disposed – either as an appendix to the Annual Report or separately on the FASAB web site (with reference made to it in the Annual Report).</p> <p>We believe this would provide a valuable resource to all agencies and to their auditors/IG. It will also help to minimize FASAB receiving duplicate inquiries on similar subject matter.</p> <p>2. Also, consider maintaining an archive of the past technical inquiries on the FASAB web site.</p> <p><i>* These represent repeat comments (same as our comments last year on FY21 Annual Report)</i></p>
3	Page 12 – Budgetary Resources:	<p>1. DHS's comments on last year's annual report (FY21) had included a suggestion to consider presenting budget to actual, and we are glad to see this has been implemented. We believe it provides useful information to readers.</p> <p>2. We also noted that 'Budget in Brief' analysis has been added this year (was not presented in FY21 annual report). This should be helpful to readers as well.</p>
4	Page 15 – Climate-Related Financial Reporting:	DHS agrees with FY23 CRFD still being in the research and development phase. Accordingly, we anticipate that OMB A-136 should continue to require disclosure in the unaudited Other Information section of FY23 AFRs , and keep reporting burden to a minimum.
5	Page 18 – Reexamination of Existing Standards:	<p>In April 2022 CRT meeting, OMB presented a plan for "a proposal to update OMB Circular No. A-11 (2022) to instruct agencies not to record any budgetary USSGL account accruals when proprietary USSGL account accruals are recorded for financial statement purposes, will not result in gross outlays, and will be reversed in the subsequent fiscal year." This was planned to be effective FY 2024 (October 1, 2023).</p> <p>In relation to this OMB A-11 change, DHS would like FASAB to reexamine and/or consider revising (i.e., adding clarification to) SFFAS No. 5: <i>Accounting for Liabilities of the Federal Government</i>, in order to provide a supporting FASAB guidance which corresponds to, and is consistent with, the new OMB guidelines. Furthermore, DHS would like for the new guidance from OMB an/or FASAB to allow for early implementation.</p> <p><i>[Note: as an example of the comment made in item #1 above, during the audit of DHS's FY22 financial statements DHS's IPA interpreted SFFAS No. 5 (paragraphs 31 and 32) and 31 USC 1501 as also requiring recording of accompanying obligation, when SFFAS 5 requires a liability to be recorded. DHS (FEMA) did not agree with the IPA's interpretation, and would welcome further clarification from FASAB.]</i></p>
6	Leases-Page 19/28	<p>Since the items D2, Implementation Guidance for SFFAS, 54, Leases and D3, Intragovernmental Leases-related Reimbursable Work Agreements are still in the research phase and/or development and exposure draft phase--and OMB, Treasury, and GAO compliance requirements with FASAB Lease guidance are not fully finalized, system integrators have had challenges with defining requirements to be ready to capture all transactions related to lease balances per lease guidance requirements.</p> <p>Integrators and business process owners need more time to implement and adequately test Lease guidance requirements from FASAB, OMB, Treasury, and GAO to comply with additional requirements that are not finalized.</p> <p>For example, SGL requirements are not finalized. Also, the GAO 2020 checklist for Leases can be developed before Lease modules go-live.</p> <p>Should the implementation be delayed by one year? (Note: no more than one year).</p> <p>This allows a phase-in year to synchronize guidance requirements between FASAB, OMB, Treasury, and GAO and properly upgrade and test system lease modules. The year can be used for better system and end-user testing of beginning balances and internal controls.</p> <p>This time will allow agencies to comply with FASAB, Treasury, OMB, and GAO requirements and minimize the risk to audit opinions.</p> <p>Please bring this question for consideration to Government-wide financial decision makers at FASAB, OMB, Treasury, GAO, and other CFO stakeholders.</p>