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Sent: Wednesday, February 13, 2019 8:33 AM
To: 'FASAB@updates.gao.gov' <FASAB@updates.gao.gov>
Subject: FW: Comment Deadlines Extended to 2/8/19

Materiality

Q1. The Board proposes materiality concepts providing a discussion of users, scope, and factors to consider in the federal government environment. Refer to paragraph 1.

a. *Do you agree or disagree with the proposed materiality section? Please provide the rationale for your answer.* Ans. I am in agreement with the materiality section because materiality should be evaluated in the context of the specific reporting entity. Also, in regards to whether or not a misstatement has occurred, including omission of information, I agree using what would be expected that the judgment of a reasonable financial report user relying on the information would change or be influenced by the correction or inclusion of the information.

b. *Do you have any suggestions that would enhance the section?* No, I think the topic has been adequately and thoroughly covered.

Q2. The Board proposes placing the materiality concepts in Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*. Refer to paragraph A14.

Do you agree or disagree with the placement within concepts and specifically in SFFAC 1? Please provide the rationale for your answer. Ans. Agree. It makes sense to having materiality levels in SFFAC 1 so the concepts are relevant and meaningful.

Other suggestions: it would be nice if the guidance included examples of how to calculate materiality, because when it is calculated at an agency the auditors will ask the agency to support the components of the calculation and sometimes it can feel arbitrary and there isn't always a 1:1 correlation, so having something from FASAB as an example to fall back on would be helpful

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