

**FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD**  
**Board Meeting Minutes**  
**February 22-23, 2023**  
**Zoom for Government**

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For research purposes, please see the briefing materials at [www.fasab.gov](http://www.fasab.gov). Briefing materials for each session are organized by topic; references to these topics in the minutes are hyperlinked.

***Wednesday, February 22, 2023***

**Attendance**

The following Federal Accounting Standards Advisory Board (FASAB or “the Board”) members were present throughout the meeting: Messrs. Scott (chair) and Bell, Ms. Bronner, Mr. Dacey, Mses. Harper and Johnson, and Messrs. McNamee and Patton. Mr. Vicks was absent. The executive director, Ms. Valentine, and general counsel, Mr. Kirwan, were present throughout the meeting. Ms. Valentine conducted a verbal roll call of the members.

## Administrative Matters

- **Approval of Minutes**

The chair approved the December 2022 meeting minutes prior to the meeting.

- **Clippings and Updates**

Ms. Reese, Governmental Accounting Standards Board (GASB) senior project manager, provided a brief overview of the recent activities of the GASB.

Mr. Reese highlighted the following GASB projects:

- Revenue and expense recognition – The goal is to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. GASB continued Preliminary Views re-deliberations on the categorization methodology. They removed the term “mutual assent” and added identification of the parties at an earlier stage of the methodology.
- Reporting model – The goal is to enhance the effectiveness of the model in providing information that is essential for decision-making, enhance users’ ability to assess a government’s accounting, and address certain application issues. GASB continued re-deliberations discussing exposure draft (ED) feedback. The Board discussed the major component unit information and how it is presented. The Board agreed to continue with the proposal to require that major component unit information be presented on the face of the financial statements unless it is impractical to do so. The Board also reviewed the results of staff research on reconciliations of governmental fund information to government-wide information and on unusual or infrequent items.
- Conceptual framework for disclosures – Last June GASB issued Concepts Statement No. 7, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to Financial Statements—an Amendment of GASB Concepts Statement No. 3*. Now that there is conceptual guidance, the Board is considering strategies on how to address the large body of literature that includes note disclosures and whether to amend note disclosure requirements.
- Certain risk disclosures – The goal is to identify potential risks associated with concentration and constraints in the state and local government environment and consider developing disclosure requirements associated with those risks. The Board discussed specific language related to certain

concentrations and constraints that a government faces when it reaches certain thresholds.

- Classification of non-financial assets – The goal is to reconsider the existing classification of nonfinancial assets and other related sub-classifications. The Board discussed the descriptions of capital assets, capital assets in service, and capital assets held for sale. The Board tentatively decided that classification could change back and forth depending on the government’s intent for that asset.
- Annual implementation guide update – The Board engages in an annual process where it adds questions as needed to the comprehensive implementation guide. There was an ED out for comment on this.
- The Board added another question to the annual implementation guide update ED on Subscription-Based Information Technology Arrangements (SBITAs). The Board wants to make clear the types of arrangements meeting the definition of a SBITA. This question makes clear that three of the commonly used deployment models for SBITAs—software as a service, platform as a service, and infrastructure as a service—include both a component of software and a tangible capital asset (one of the needed characteristics to be considered a SBITA). GASB released a supplemental ED with comments due March 10.

Mr. Scott thanked Ms. Reese for keeping the Board informed of the GASB’s activities.

## **Agenda Topics**

- **Climate-Related Financial Reporting**

Ms. Gilliam, assistant director, introduced [topic A](#) on the climate-related financial reporting project. The project is in the research phase for developing a climate-related financial disclosure framework. The objective of this session was to provide research to the Board about the proposed U.S. Securities and Exchange Commission (SEC) *Enhancement and Standardization of Climate-Related Disclosures for Investors* to help develop the climate-related financial disclosure framework.

## **Education Session**

Ms. Gilliam introduced the following panelists from SEC: Luna Bloom, chief of the Office of Rulemaking, Division of Corporation Finance, and Larry Yusuf, a professional accounting fellow, Office of Chief Accountant. Ms. Bloom provided the presentation. Ms. Bloom and Mr. Yusuf both answered questions from the Board.

## **Member Questions for the Panelists**

**What does SEC currently require for climate-related disclosures?**

Ms. Bloom said there is 2010 Commission guidance regarding the application of existing disclosure requirements on topics related to climate-related risks, including in management's discussion and analysis (MD&A) and risk factors disclosure. However, the disclosure that has resulted is often inconsistent and not comparable. For example, some companies provide robust climate risk factors in relation to materiality, while others provide generic information. Therefore, these disclosures are not consistent and it is not clear whether companies are telling a complete story. These disclosures are not adequate for investors to make decisions around climate-related risks.

SEC is proposing a climate-related disclosure that is in a separately captioned section to improve the consistency of and accessibility to information that investors can identify and analyze.

### **Is SEC actively monitoring current climate-related reporting?**

Ms. Bloom said that no monitoring is going on in relation to the proposal. There is monitoring in relation to the Commission's 2010 guidance. The Division also issued a sample comment letter to guide companies as to the type of comments that the disclosure review program may issue.

### **Please clarify the proposal for attestation and assurance.**

Mr. Yusuf explained that the proposal provides for two types of assurance. The first will be for the climate-related disclosures, such as the financial metrics in the S-X proposed amendments. Those would be included in the financial statement footnotes and would be subject to the financial statement audit.

Additionally, the proposal contains another requirement for the greenhouse gas (GHG) emissions scopes 1 and 2 metrics that is outside of the financial statements. There is a phased-in attestation requirement that starts with a limited assurance in fiscal years two and three, after the Scope 1 and 2 emission disclosure compliance date. Then there is a reasonable assurance for fiscal year four and beyond. This attestation assurance would be applicable to accelerated filers and large accelerated filers under the proposal.

### **Are there different filer requirements for GHG scope 3?**

Ms. Bloom said the proposal makes an accommodation for smaller filers to provide only metrics for GHG scope 1 and 2, in addition to phased-in compliance for all scopes and for all issuers over time, with a longer phase-in for scope 3.

Members thanked the panelists for their presentation and opportunity to continue to refer to them as a resource.

### **Information Relevant to Members**

- Where can FASAB leverage and reference other required federal climate-related reporting to focus on what information is relevant for the financial statements?

*Ms. Gilliam responded that staff is working on presenting this research over the next few Board meetings.*

- How can FASAB include financial impacts for climate-related risks?
- How can FASAB include climate-related risks related to the ability to continue with operations?

*Ms. Gilliam replied that research shows that other organizations, such as the International Public Sector Accounting Standards Board and Canadian cities, are working on developing disclosures for sustainability reporting and not just climate-related reporting. FASAB's scope at this time is climate-related.*

- Where should FASAB present climate-related risks in financial reports? For example, would required supplementary information (RSI) be appropriate?
- The Board should determine if tiered reporting is an option. For example, the tiers could be organized by size of the reporting entity or how much activity each entity focuses on for managing climate-related risks in relation to the reporting entity's mission.
- The Board should determine which GHG scopes (1, 2, or 3) are useful for climate-related federal financial statement disclosures.

The meeting adjourned for lunch.

- **Reexamination of Existing Standards**

Ms. Batchelor, assistant director, introduced [topic B](#) by explaining that the Board reviewed the first draft of the Invitation to Comment (ITC) at the December 2022 meeting. Ms. Batchelor reminded members that the Board had approved a plan for the reexamination of existing standards project that included issuing an ITC to gain broad stakeholder feedback on FASAB's generally accepted accounting principles (GAAP) hierarchy, reexamination of FASAB standards, and codification of FASAB standards and/or Handbook improvements. The Board had provided feedback in December that staff incorporated into the revised draft.

Staff had streamlined significantly the updated draft ITC since December. Ms. Batchelor explained that the Board could elect to further streamline questions, but that she wanted more Board feedback on these matters.

**Question 1 – Do Board members generally agree with the revised FASAB GAAP Hierarchy section of the Draft ITC? If NO, please provide feedback or suggested improvements.**

At the December meeting, the Board agreed that the GAAP hierarchy should be included first in the ITC. However, members had mixed views regarding the placement, level of detail, and specificity of questions regarding level D GAAP. After the December meeting, staff met with a member to discuss his concerns. Staff revised the section to provide proper context for asking respondents about whether and where administrative directives should be considered in the hierarchy and the clarity of the term “practices that are widely recognized and prevalent in the federal government” in level D.

Mr. Scott opened the floor for discussion.

A member suggested that the third paragraph needed clarification. After discussion, the Board agreed to add a sentence to explain that the Financial Accounting Standards Board (FASB) and GASB had a GAAP hierarchy of several levels prior to their reexamination (that is, all standard setters had a four-level hierarchy at one time).

The Board generally agreed with the revised GAAP hierarchy section and related questions.

**Question 2 Do Board members want to maintain question 1.3 that asks respondents if training would assist in your understanding and application of the federal GAAP hierarchy?**

Staff wanted to confirm if the majority of the Board preferred maintaining the question regarding training in the GAAP hierarchy section. FASAB staff offers training in this area (as other areas) and therefore the question may not be necessary to ask respondents in the ITC. Ms. Batchelor noted this would be a way to further streamline.

The Board agreed to remove question 1.3 regarding training on the GAAP hierarchy from the ITC.

**Question 3 – Does the Board generally agree with the revised Reexamination of Standards section of the draft ITC? If NO, please provide feedback or suggested improvements.**

At the December meeting, the Board agreed to remove the discussion and questions on ranking reexamination approaches because it would be difficult for respondents to conceptualize (especially without knowing all the topics that have been identified). Ms. Batchelor explained that staff incorporated these changes and other streamlining revisions to the reexamination section of the ITC. Based on feedback at the December meeting, questions that would assist with prioritizing issues were maintained. Ms. Batchelor explained that Board preliminary feedback received prior to the current (February 2023) meeting had been favorable, but there were certain members that believed additional streamlining could be achieved because the questions were duplicative. While in agreement that the questions could be streamlined further, Ms. Batchelor noted that the questions were included based on Board feedback in December to maintain questions that would assist with identification and prioritization of

issues. Ms. Batchelor suggested that the members provide their views on this and any other concerns for the reexamination section of the ITC.

Mr. Scott opened the floor for discussion.

A member explained that he believed there were too many questions—particularly questions that ask for similar types of information and respondents may find duplicative questions frustrating. The member suggested removing the question and narrative related to FASAB's EZ-FAS. He suggested combining questions 2.1a and 2.1b by allowing respondents no more than five "high priority" items. After discussing, the Board agreed to revise the questions as suggested.

A member suggested that the "medium/low priority" category be changed to "medium priority" as it may be important to distinguish between medium and low priority. He suggested that "no priority" be replaced with "low priority / no priority." He explained that it appears to be more appropriate to group low priority and no priority because the Board probably wouldn't address these topics in the near future. The Board agreed to change the categories.

A member suggested adding references for Interpretations and Technical Bulletins to the chart included with question 2.1 and Appendix A, Matrix of Individual Statements of Federal Financial Accounting Standards (SFFASs), to assist users with fully understanding the guidance related to the topics. The Board was in general agreement.

With the above changes, the Board agreed to the reexamination portion of the ITC.

**Question 4 – Does the Board generally agree with the revised Codification of FASAB Standards and/or Handbook Improvements section of the draft ITC? If NO, please provide feedback or suggested improvements.**

At the December meeting, the Board did not have an opportunity to discuss the last portion of the ITC: Codification of FASAB Standards and FASAB Handbook Improvements. Since that meeting, staff had streamlined the section and eliminated questions.

Ms. Batchelor noted that although the Board did not discuss it in December, member preliminary comments received before the December meeting had indicated that several Board members had a preference to issue this as a separate ITC. Ms. Batchelor explained that feedback on the updated ITC had been favorable but there may still be a preference to delay this portion.

The Board discussed time burden on respondents and that additional education and outreach may be necessary for the codification topic. After discussion, the Board agreed to issue the Codification of FASAB Standards and/or Handbook Improvements content as a separate ITC in the future.

**Question 5 – Do you have any other feedback or suggested improvements to the content or questions in the draft ITC?**

The Board determined there was no need to discuss feedback or suggested improvements to the content or questions in the revised Codification of FASAB Standards and/or Handbook Improvements section since it would not be included in the current ITC.

**Question 6 – Do Board members prefer to issue one ITC as planned? If NO, please state your preference.**

One member identified that the Board had already answered this when it discussed question 4. The Board agreed that the document should be split into two ITCs because the Codification of FASAB Standards and/or Handbook Improvements section would be issued as a separate ITC later.

**Question 7 – Do members agree that a four-month length of time for response is appropriate? If NO, please provide your preference.**

Ms. Batchelor explained that it is important to consider the timing when any document is released for comment to stakeholders. It is equally important for the Board to consider the length of time it should be available for comment. Staff recommended the ITC be available for four months.

One member suggested that a key consideration would be when the ITC goes out because the Board should be cognizant of the end of the fiscal year-end reporting cycle. This affects stakeholder availability. The member noted that if the Board releases the ITC in April or May, then a four-month response period is reasonable; however, the timeframe should be adjusted based on when the ITC is actually released.

The Board agreed with a comment period of three to four months depending on when the ITC is completed.

**Next steps:** Staff will incorporate the agreed upon changes into the ITC. The ITC is anticipated for release in early spring.

- **Mid-Fiscal Year Technical Agenda and Annual Report Comments**

Ms. Valentine introduced the annual report/mid-year technical agenda review discussion from [topic C](#) of the briefing materials.

Ms. Valentine noted that FASAB had issued its FY 2022 annual report and three-year plan on November 15, 2022, with comments requested by January 18, 2023. Staff received 11 comment letters on the annual report from various federal entities and professional organizations. Ms. Valentine gave an overview of the comments received on the following topics:

- Current projects



- Outreach and training
- Task forces
- Technical inquiries
- Collaboration with FASAB sponsors
- Budget to Actual Comparative Statement

Ms. Valentine noted that, based on staff's assessment of the responses, she did not recommend any change to the Board's current technical agenda. Staff plans to continue its outreach and training efforts, including the planned annual update in the spring.

Mr. Scott asked the members to respond to the first three questions staff had posed to the Board.

**Question 1 – Does the Board want to follow up with any of the respondents to get further information or clarity on their comments?**

**Question 2 – Does the Board agree with staff's assessment of the responses and recommendations and planned discussions?**

**Question 3 – Do the members have other specific comments on any of the responses?**

Several members stated that they agreed with staff's assessment of the responses and staff recommendation that no changes be made to the Board's technical agenda. Members also complimented the final annual report. Other comments noted from members include:

- Consider following up with one respondent who only provided editorial comments to ask if they understood what the Board was requesting feedback on.
- The Department of Homeland Security response did express some concerns around systems integration and some other issues related to leases.
- As it relates to the implementation of SFFAS 59, *Land*, Mr. Dacey stated that the Government Accountability Office (GAO) is progressing on drafting some audit guidance to share with the inspector general community. To gain an audit perspective, GAO has also been getting feedback on what agencies are reporting on land. He also suggested that the land implementation monitoring should continue.

- Ms. Johnson questioned the respondent noting inconsistencies between FASAB's guidance and the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, and the Treasury Financial Manual. She noted that OMB is willing to accept feedback if there are inconsistencies. Ms. Johnson also expressed her hope that a land implementation workgroup could be formed soon given the anticipated burden.

Ms. Valentine reminded the Board about the August 2022 technical agenda session during which the members had agreed to continue the projects currently on the technical agenda and add one research topic.

Ms. Valentine gave the members an overview of the status of those projects. Based on the progress of the current technical projects and the current staffing level, staff recommends no changes in the Board's technical agenda at this time. She also noted that the reexamination of existing standards project will assist the Board with setting its technical agenda.

Mr. Scott asked the members to respond to the final question staff had posed to the Board.

**Question 4 – Does the Board agree with staff's recommendation that no changes be made to the Board's technical agenda at this time and that staff resources also be allocated to the work of the Accounting and Auditing Policy Committee as needed?**

- One member reiterated the importance of ensuring the Board has a sense of the land implementation progress given the Board's commitment to review those effort prior to the transition to basic information.
- One member asked about the note disclosure streamlining efforts that began a few years ago. Ms. Valentine noted that the reexamination of existing standards project will cover both the recognition/measurement aspects of the standards, as well as the existing note disclosure requirements.
- One member commented on limited staffing resources given the technical agenda plans.

No other members provided comments on question 4.

## **Adjournment**

The Board meeting adjourned for the day at 4:00 p.m.

- **Steering Committee Meeting**

The Committee approved FASAB's fiscal year 2024 budget. Actual funding levels are dependent on final FY 2024 appropriations and will be determined after appropriations are provided to each of the Board's sponsors. The fiscal year 2025 budget discussion will begin at the next meeting. The Committee also discussed other administrative matters.

***Thursday, February 23, 2023***

## **Agenda Topics**

- **Management's Discussion and Analysis**

Ms. Gilliam introduced [topic D](#), MD&A. The goal of the session was to prepare the draft MD&A ED for pre-ballot in April 2023.

**Question 1 – Does the content in the Executive Summary answer both questions? If not, what significant changes do you recommend?**

**A. What is the Board Proposing?**

Members agreed to update what the Board is proposing by referencing all the standards found in the section titled *Information Discussed and Analyzed in MD&A*: organization and mission; financial position and condition; operating performance; opportunities and risks; systems; internal controls; and compliance with applicable<sup>1</sup> laws and regulations.

**B. How would this proposal improve federal financial reporting and contribute to meeting the federal financial reporting objectives?**

Members agreed to

- include a short history and the Board's intent for the MD&A guidance published in 1999;
- remove any reference to "standards-like content/language;" and
- provide a principles-based approach that merges and updates relevant content from Statement of Federal Financial Accounting Concepts (SFFAC) 3, *Management's Discussion and Analysis*, and SFFAS 15, *Management's Discussions and Analysis*, and is consistent with FASAB's

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<sup>1</sup> Applicable laws may include Federal Managers Financial Integrity Act (FMFIA), Federal Financial Management Improvement Act (FFMIA), and Federal Information Security Management Act (FISMA).

reporting objectives for budgetary integrity, operating performance, stewardship, and systems and controls.

**Question 2 – Will the proposed questions for respondents provide members with the necessary feedback to finalize this Statement? If not, what significant changes do you recommend?**

Q1. Members agreed to update this question based on conforming changes in the Executive Summary.

Q2. Members agreed to focus the question on learning about the reduction of preparers' cost and burden over the long term. Members agreed that the question should also elicit comments as to whether management instead expects additional costs over the long term

Q5. Members agreed to remove the question about stewardship investments not being required in the MD&A because the basis for conclusions will adequately explain the Board's decision.

**Question 3 – Members should confirm that the content in the Purpose of MD&A paragraph states the Board's intent for this proposed Statement. If not, what significant changes do you recommend?**

Members agreed to update the Purpose of MD&A (paragraph 6) to match the update agreed on in the Executive Summary.

Members agreed that the Purpose of MD&A (paragraph 7) is to explain how to present a balanced, integrated, concise, and understandable MD&A, and **what** type of information to include in MD&A

**Question 4 – Members should confirm that the content in this proposed standard meets the Board's intent for presenting a "concise" MD&A. If not, what significant changes do you recommend?**

Members agreed to three characteristics of a concise MD&A: emphasizing vital few matters, summarizing and providing references to detailed information found outside the MD&A, and focusing on relevant information by reducing boilerplate language.

**Question 5 – Members should confirm that the content in this proposed standard meets the Board's intent for reporting whether the reporting entity's financial position and condition has improved or deteriorated. If not, what significant changes do you recommend?**

Members agreed to remove "whether the financial position and condition has improved or deteriorated." The Board also agreed to update the standard to require the causes of significant changes and trends in

- financial position as articulated by the composition or balances of assets, liabilities, net position; costs, revenues, budgetary resources, and financing sources;
- financial condition as indicated by business-type activity, social insurance, and long-term fiscal projections; and
- other relevant RSI.

A footnote includes some examples of RSI but is not all-inclusive in the event that the Board adds or removes RSI in the future.

**Question 6 – Do members agree that this basis for conclusions explains the Board’s rationale for the proposed standard on how to achieve a “concise” MD&A? If not, what significant changes do you recommend?**

Members agreed to update the “concise” basis for conclusions in relation to updates made to the “concise” standard.

**Question 7 – Do members agree that this basis for conclusions adequately explains the Board’s rationale for NOT requiring the reporting of stewardship investments in MD&A? If not, what significant changes do you recommend?**

Members agreed that more editing was necessary to explain how the Board followed up with SFFAS 57, *Omnibus Amendments 2019*, and decided not to report stewardship investments in MD&A.

**Next steps:** Staff will make the necessary edits to pre-ballot the EDs for MD&A and omnibus amendments for SFFAC 2, *Entity and Display*, and SFFAC 3.

- **Leases**

Mr. Perry, senior analyst, introduced [topic E](#), an informational report on leases implementation. He provided an overview of leases implementation themes and staff observations reported within the briefing material. He summarized six staff observations:

- Organizational change management, project management, and systems are top management challenges affecting implementation of SFFAS 54, *Leases*. As a result, numerous practice and operational challenges have persisted (and may continue to persist) for some reporting entities. These challenges are generally consistent with the challenges experienced by entities that implemented the new leases standards of both the FASB and the GASB.
- Many reporting entities never developed or planned implementation project schedules and requirements or engaged in standard practices for

planning and managing projects. As a result, their implementation projects did not appropriately reflect the actions or resources needed to complete critical activities along the critical path.

- The selection of an accounting system has downstream effects on implementation project critical paths and project float.
- Improved coordination and collaboration with financial management systems providers to incorporate SFFAS 54 requirements into solutions and services earlier in the process would have helped mitigate systems-related challenges.
- Decentralized systems of accounting control and management exacerbate challenges associated with mobilizing and aligning resources and managing critical dependencies across the organization.
- As implementation has continued, staff has observed that the forthcoming changes in accounting principles are triggering renewed attention on reporting entities' systems of accounting control and driving considerable improvements. In addition, they are triggering secondary improvements to operating performance, budgetary integrity, contract management, payment integrity, and business processes. Mr. Perry emphasized staff's observations of early indicators that the anticipated benefits of SFFAS 54 and its contributions to all four federal financial reporting objectives under SFFAC 1, *Objectives of Federal Financial Reporting*, are coming to fruition.

Mr. Perry noted that five agencies sent letters to the chair following the release of the briefing materials. These letters were posted [online](#) as addenda to topic E and distributed to members in advance of the meeting. The letters were generally consistent with the implementation themes, observations, and conclusions of staff under topic E. Staff did not propose or recommend any tentative Board decisions or recommendations under topic E and reaffirmed the position at the meeting.

Mr. Scott noted that the following departments submitted letters: State, Interior, Veterans Affairs, Health and Human Services, and Energy. He thanked staff for analyzing the letters as they arrived and providing the material to the Board timely.

Mr. Scott, recognizing himself to begin the Board's discussion of the letters, began by sharing some concerns he had with the letters. He expressed the following points for members to consider:

- The mission of the Board is to improve financial reporting by developing standards that provide useful information for all users. The Board considers the needs of all users, including but not limited to the views of preparers.

- SFFAS 54 underwent a thorough, well-documented, transparent due process. The Board considered a wide range of views from all parties, including citizens, citizen intermediaries, project managers, practitioners, and auditors. The Board considered, as noted in staff's analysis, its reporting objectives when developing and approving the pronouncement.
- The Board unanimously approved SFFAS 54; SFFAS 58, *Deferral of the Effective Date of SFFAS 54*; SFFAS 60, *Omnibus Amendments 2021*; and proposed SFFAS 61; *Omnibus Amendments 2023* (still under sponsor review).
- Many of the concerns expressed in the letters are management challenges and internal control deficiencies. Some of the points raised indicate considerable delays in implementation activities among some reporting entities.

Several members concurred with the points raised by Mr. Scott.

One member noted that the Board had received two comment letters on SFFAS 61 during the exposure period that expressed concerns about the implementation date. The member requested that staff summarize the extent to which the Board considered those comments. Mr. Perry recalled that the Board read the comments and that the comments were also analyzed by staff in the briefing material matrices following the exposure period. The Board duly considered those comments and staff's analysis thereof and unanimously agreed that Board action was not appropriate during the finalization phase. The member thanked staff for summarizing the Board's process and previous consideration of such comments.

Several members expressed a desire to obtain additional information regarding implementation and an openness to consider additional actions based on the review of such information. Some of these members expressed an interest in obtaining additional information regarding systems issues. Mr. Perry encouraged members to gain an understanding of the extent to which actions to implement the relevant provisions of the FFMIA—including those that require the implementation of financial management systems that comply with federal accounting standards—have or have not been implemented since the issuance of SFFAS 54 in April 2018.

As the session concluded, Mr. Scott emphasized to observers that Board monitoring activities and the forthcoming clarification discussion should not in any way be viewed as signaling potential Board actions. Practitioners should continue to prepare for fiscal year 2024 implementation of SFFAS 54.

**Next steps:** Staff, in consultation with Ms. Valentine and Mr. Scott, will organize a clarification discussion for the April 2023 meeting. This discussion will provide members with an opportunity to obtain additional information related to leases implementation.

## **Adjournment**

The Board meeting adjourned for the day at 4:00 p.m.