



August 20, 2004

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Ms. Comes:

The Association of Government Accountants (AGA) Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board's (FASAB) Exposure Draft of a Proposed Statement of Federal Financial Accounting Standards (SFFAS), *Deferral of the Effective Date of Reclassification of the Statement of Social Insurance (SOSI: Amending SFFAS Nos. 25 and 26 (ED)*. The FMSB comprising 21 members with accounting and auditing backgrounds in federal, state and local government, academia and public accounting, reviews and responds to proposed standards and regulations of interest to AGA members. Local AGA chapters and individual members are also encouraged to comment separately.

The FMSB concurs with the proposed one-year deferral of SFFAS 25, *Reclassification of Stewardship Responsibilities and Eliminating the Current Services Assessment*, and SFFAS 26, *Presentation of Significant Assumptions for the Statement of Social Insurance*. The tentative guidance developed so far by the AICPA highlights the importance of advanced planning for the audit engagement, including the development of projections relating to the SOSI. The AICPA hopes to issue final guidance in 2004. Three agencies (the Office of Management and Budget, the Social Security Administration, and the Department of Health and Human Services) have requested the deferral to allow them time to prepare and because the audit guidance has not yet been finalized. The FMSB deems the agencies' request for a deferral reasonable given the absence of final audit guidance and inadequate preparation time to conduct an audit.

The FMSB appreciates the opportunity to comment on the ED. This response letter represents a consensus of the views of the FMSB members. We would be pleased to discuss this letter with you at your convenience. You can contact me at hintonrw@audits.state.ga.us or (404) 656-2174 or Anna D. Gowans Miller, CPA, AGA's Technical Manager and facilitator for this project, at amiller@agacgfm.org or (703) 684-6931, ext. 203.

Sincerely,

Russell W. Hinton, CGFM, Chair,
AGA Financial Management Standards Board

cc. Bobby A. Derrick, CGFM
AGA National President



Association of Government Accountants Financial Management Standards Board

July 2004 – June 2005

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