



Advance. Grow. Accelerate.

June 24, 2022

Financial Accounting Foundation
401 Merritt 7
Norwalk, CT 06856

RE: Comments on Financial Accounting Foundation *Strategic Plan Draft for Public Comment*

The Financial Management Standards Board (FMSB) of the AGA appreciates the opportunity to provide comments on the Financial Accounting Foundation's draft strategic plan.

In general, we agree with the plan and appreciate the Foundation's commitment to effective, transparent oversight. We offer the following comments for the Foundation's consideration:

- Mission/Vision/Values – In order to better align with the financial reporting concepts of the GASB and the FASB, we would suggest the mission statement be amended to read “essential” rather than “useful” when referring to the quality of information provided to users.
- Goal 2 – The word “evolve” implied to us a constant change-for-the-sake-of-change towards increasing complexity. We felt that “continue to improve” or “continue to meet objectives” might be a more appropriate way of describing the Foundation's goal, and be a better match to the stated objectives of financial accounting and reporting standards. In many cases, greater simplicity – rather than greater complexity – would be a more valuable improvement for users and stakeholders. To that end, we especially agreed with the objective in Goal 2 to encourage the use of clear language.
- Goal 5 – This goal and objectives appear to be focused on the FASB. While we agree in general with the goal of global collaboration and convergence, we would also like to emphasize the need for collaboration and convergence among national standards, in particular between the FASB, the GASB, and the Federal Accounting Standards Board (FASAB). This convergence can work very well as evidenced by the relatively high degree of similarities in standards on leases between FASB ASC Topic 842, GASB Statement No. 87, as amended, and Statement of Federal Financial Accounting Standards 54, as amended. The government sector comprises a significant portion of the economy and the accounting profession, and impacts an even wider set of stakeholders. Accordingly, it is essential for the Foundation to continue to maintain *at least* three members with extensive experience in state and local government accounting, and for the Foundation to devote appropriate attention to the strategic direction and collaborative efforts of the GASB.
- Goal 6 – We agree that engagement on this topic is necessary to determine how sustainability information should be reported, and what organization(s) are most appropriate to establish measurement and reporting standards for the U.S. However, sustainability reporting is a fundamentally different subject matter than financial reporting within historical financial statements and thus we view it as outside the scope of authority of the FASB and the GASB.



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Sincerely,

A handwritten signature in black ink, appearing to read 'Scott DeViney', is written over a light blue horizontal line.

Scott DeViney, CPA
Chair, Financial Management Standards Board

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

AGA
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 purpose of the FMSB is to advocate for the improvement of accounting and financial reporting standards at all levels of government and thus advance government accountability. The views of the FMSB do not necessarily represent those of AGA. Local AGA chapters and individual members are also encouraged to comment separately.

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