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January 13, 2023

Federal Accounting Standards Advisory Board
441 G Street NW, Suite 1155
Washington, DC 20548

RE: Comments on FASAB *Annual Report and Three-Year Plan for Fiscal Years 2023-2025*

The Financial Management Standards Board (FMSB) of the AGA appreciates the opportunity to provide comments to the Federal Accounting Standards Advisory Board (FASAB) on its three-year plan for its technical agenda.

General Comments

We continue to appreciate the Board's ongoing educational and outreach activities. We especially want to applaud the Board for holding its first virtual annual update, and then publishing the update on the Board's YouTube channel. We encourage the Board to continue this practice as a means of making this important training event more accessible to a remote workforce, and as a key resource that is available throughout the year.

As the Board considers its communication channels, we would suggest the AGA's "Accountability Talks" podcast as an avenue for communication of significant new standards or updates, if the FASAB determines that it would be not be sustainable to continue its own Bits and Bytes podcast.

A. Accounting and Reporting of Government Land

We agree that providing implementation guidance will be necessary to support this important change in standards.

B. Climate-Related Financial Reporting

Environmental, Social and Governance (ESG) reporting is a far-reaching topic, of which climate-related risks that may be reportable in the financial statements is just one small piece.

We affirm the importance of this topic and the need for clear standards to help with consistency of agency reporting. We also affirm the methodical approach taken by the Board and encourage the Board to consider work conducted by other standard setters on this topic as they develop a framework.



C. Intangible Assets

We support this project, as we observe that Software as a Service (SaaS) is not only a dominant trend in software development and procurement, and can be a significant expenditure for some agencies, but it was also specifically mentioned in Executive Order 14028, “Improving the Nation’s Cybersecurity.”

We expect the Board will consider the Governmental Accounting Standards Board’s (GASB’s) recently issued standard on this topic and strive for convergence to the extent appropriate for the federal environment.

D. Leases

We appreciate the omnibus amendments and further planned guidance, as they should provide support for preparers to properly implement this important change in standards.

E. Public-Private Partnerships

We support this project and expect the Board will consider the Governmental Accounting Standards Board’s (GASB’s) recently issued standard on this topic and strive for convergence to the extent appropriate for the federal environment.

F. Re-examination of Existing Standards

We support this project and look forward to the coming Invitation to Comment.

We would encourage the Board to also include within the scope of this project an evaluation of inconsistencies between the standards, OMB Circular A-136, and the Treasury Financial Manual. We also encourage FASAB to prioritize a transition to a codification-and-update model such as the one used by the Financial Accounting Standards Board (FASB). We believe such a model will help to avoid apparent or actual inconsistencies, duplication, or technical errors in standard setting. Moreover, such a model would make amendments easier to communicate and administer. Finally, it would allow for the organization of standards in a logical, topical order rather than by evolution which would make standards far more accessible to a new generation of learners.

G. Budgetary Information

Since federal budgeting and the related reporting has been under the purview of Office of Management and Budget (OMB), we continue to expect that the role of the FASAB would be limited to considering whether, or how, the existing budgetary reporting might be more clearly integrated within the overall financial reporting



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framework. As such, we affirm the Board's decision to put this project on hold pending other efforts being considered by OMB and GAO.

H, L. Concepts Omnibus and MD&A

We thank the Board for its consideration of our previous comment letters on these topics and look forward to issuance of final standards.

J, K, L. Technical Clarifications to Existing Standards

We appreciate the Board's work to provide for technical clarifications and updates to standards. We especially appreciate the FASAB's collaborative approach and ongoing efforts to resolve matters specific to the Department of Defense.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott DeViney', with a large, sweeping flourish at the end.

Scott DeViney, CPA
Chair, Financial Management Standards Board



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AGA
Financial Management Standards Board

The FMSB is comprised of the following twenty-two 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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