



Standards Watch

by David Mosso, CPA

By way of introduction to this series of columns, I will present some background facts about the FASAB. Subsequent columns will provide detail on current projects and issues.

The Federal Accounting Standards Advisory Board (FASAB) was created under the terms of the Federal Advisory Committee Act (5 U.S.C. app.) and is sponsored by the Comptroller General of the United States, the Director of the Office of Management and Budget (OMB) and the Secretary of the Treasury of the United States. The mission of the FASAB is to promulgate federal accounting standards after considering the financial and budgetary information needs of citizens, congressional oversight groups, executive agencies and the needs of other users of federal financial information. The board meets formally six to seven times per year and is composed of 10 members—one member each from the Government Accountability Office, OMB, Treasury and the Congressional Budget Office; and six nonfederal members selected from the general financial community, the accounting and auditing community and academia. The sponsors select one of the nonfederal members as chairperson. A core group of 10 qualified technical and administrative staff supports the board in carrying out its duties and functions.

In October 1999, the American Institute of Certified Public Accountants recognized FASAB as the board that promulgates generally accepted accounting principles (GAAP) for federal entities. FASAB accomplishes this through the issuance of Statements of Federal Financial Accounting Concepts (SFFAC) and Statements of Federal Financial Accounting Standards (SFFAS). FASAB also issues interpretations, technical releases, technical bulletins and staff guidance. Before being finalized, all publications follow an open and thorough due process, including a majority vote by the members of the board, to ensure the credibility and quality of the standards that it produces. A crucial part of the due process is the solicitation and receipt of comments on draft documents from the audit and preparer community. The members of the board consider each and every response received and encourage increased participation from interested parties. The board was pleased to receive 21 responses to the recent exposure draft, *Inter-Entity Cost Implementation: Amending SFFAS 4 Managerial Cost Accounting Concepts and Standards*, and would like to see a

Editor's Note: AGA has invited the chairmen of the Federal Accounting Standards Advisory Board (FASAB) and the Governmental Accounting Standards Board (GASB) to provide regular updates of Board activities for this new feature.

continued interest in board deliberations. Current exposure drafts are located at www.fasab.gov under the link to "Exposure Drafts and Documents for Comment."

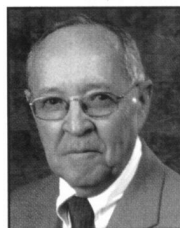
When the material under consideration is particularly controversial or a significant number of comments are received, the board will schedule a public hearing to give respondents an opportunity to publicly voice concerns to the board. While participation in the public hearings is voluntary, these hearings give the respondents an opportunity to provide testimony in support of their views and field questions from the board members. Past public hearings have proven very helpful in highlighting areas for improvement and clarification in proposed standards that sometimes do not come across as strongly in written comments.

All board meeting times are announced in the *Federal Register* and are open to the public for observation. In addition, a copy of the meeting materials is placed on the FASAB website at least one week prior to each meeting. A list of calendar year 2005 meeting dates as well as the agendas, meeting minutes and materials are located at www.fasab.gov under the link to "Meetings." The next board meeting is scheduled for March 2-3, 2005, in room 7C13 of the Government Accountability Office building at 441 G St., NW, Washington, D.C.

The projects currently under consideration by the board, in varying stages of completion, relate to the concepts on objectives of federal financial reporting; financial statement element definitions; social insurance liability recognition and measurement; research into the application of the liability definition; reporting of heritage assets and stewardship land; accounting for natural resources, particularly oil and gas; accounting for fiduciary activities; accounting and reporting of earmarked funds; inter-entity costing; research on leases; and stewardship investments. The history and current status of each project can be found on www.fasab.gov under the link to "FASAB News." An agenda-setting session to prioritize additional projects for board consideration is planned in conjunction with the March board meeting.

The Accounting and Auditing Policy Committee (AAPC) is a permanent committee established by FASAB to assist the federal government in improving financial reporting through the timely identification, discussion and recommendation of

solutions to accounting and auditing issues within the framework of existing authoritative literature. The committee consists of 11 members—three from the chief financial officers community, three from the inspectors general community, one each from the FASAB principals (Treasury, GAO and OMB), an at-large member and a nonvoting member from the FASAB staff.



David Mosso, CPA, is the chairman of the Federal Accounting Standards Advisory Board. Prior to joining FASAB in 1997, Mosso served for 10 years on the Financial Accounting Standards Board and was fiscal assistant secretary at the U.S. Department of the Treasury. Mosso has lectured and written on a variety of financial accounting issues.

The FASAB website (www.fasab.gov) provides additional information on FASAB as well as access to all publications issued by FASAB including exposure drafts, the volumes presenting original pronouncements and current text, newsletters, minutes and meeting agendas. Interested individuals can also sign up on the website listserv to receive the online newsletter as well as notification of document issuances, meetings and requests for comment. Requests for technical assistance or questions about existing standards can be submitted to FASAB staff on a technical inquiry form at www.fasab.gov/form.php.

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