



FASAB Update

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ASSISTANT DIRECTOR
FEDERAL ACCOUNTING STANDARDS
ADVISORY BOARD**

**CIGIE/GAO CONFERENCE
APRIL 18, 2018**

Disclaimer

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Views expressed are those of the speaker

Key Takeaways

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1. Standards recently issued
2. Standards proposed
3. Standards being developed
4. Staying abreast of Standards

Standards Recently Issued

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Project	Statement	Effective Date	Early Adoption Permitted
Risk Assumed Phase I	SFFAS 51	Periods beginning after September 30, 2018.	
Tax Expenditures	SFFAS 52	Periods beginning after September 30, 2017	Yes
Budget to Accrual Reconciliation	SFFAS 53	Periods beginning after September 30, 2018	Yes
Leases	SFFAS 54	Periods beginning after September 30, 2020.	No
Inter-Entity Costs	SFFAS 55	Periods beginning after September 30, 2018	Yes

Standards Proposed

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- Classified Activities
- Land

Classified Activities

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- Guidance to protect classified information
- Comment period on ED
 - Closed March 16, 2018
- Status
 - Analyzing responses

Land

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- Objective
 - Improve consistency and accountability
- Land reporting should be:
 - Consistent
 - Comparable
 - Useful

Land

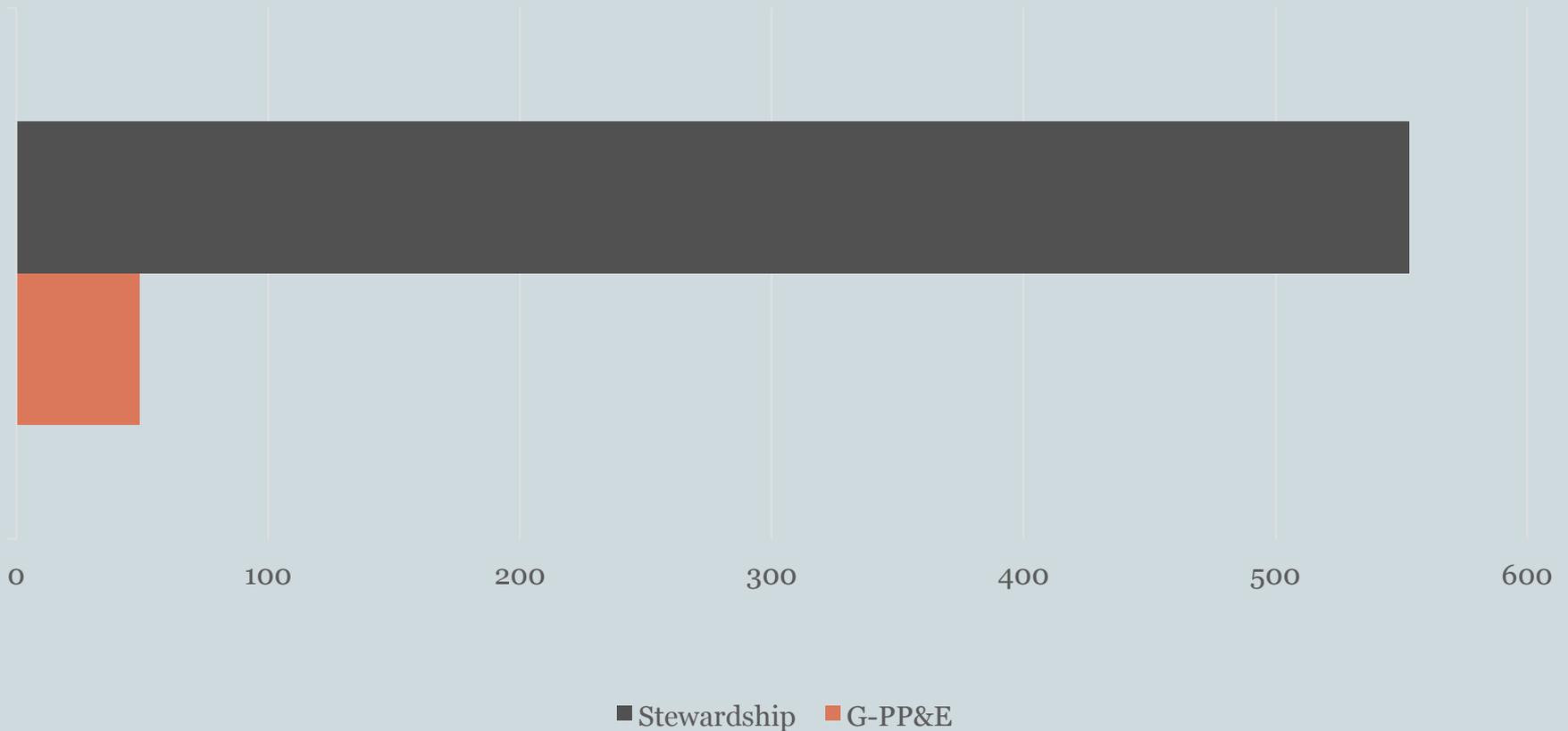
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- Current Requirements
 - SFFAS 6: General PP&E land and land rights
 - ✦ Capitalize
 - SFFAS 29: Stewardship land
 - ✦ Note disclosures
 - ✦ No asset dollar amount shown on balance sheet

Land

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Stewardship vs. GPP&E Federal Land by Acreage (in Millions)



Land

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- Proposals being considered
 - Reclassifying G-PP&E Land
 - Requiring Disclosures
 - Key amendments to SFFAS 6 & 29 would include:
 - ✦ clarifying the categorization and reporting of land use,
 - ✦ broad acreage disclosure of acreage held-for-disposal
- Status
 - Plan to issue a proposal this year

Standards Being Developed

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- Materiality
- Disclosures
- Risk Assumed – Phase II
- Evaluating Existing Standards
- Reporting Model

Materiality

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- **Objective**
 - Refresh the definition considering the federal environment
- **Considerations**
 - Judgment based on qualitative and quantitative factors
 - Consider user needs in the context of governmental reports
 - Based on facts and circumstances of the reporting entity
 - Not feasible for FASAB to predetermine what is material
- **Status**
 - Board review in progress
 - Plan to issue exposure draft by year end

Disclosures

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- **Objective**
 - Improve the relevance, clarity, consistency, and comparability of note disclosures among the federal entities.
- **Concern**
 - Immaterial disclosures detract from the information value of reports
- **Approach:**
 - Phase I –Develop principles for the Board and preparers.
 - Phase II –Modify the existing note disclosure requirements to improve usefulness and effectiveness.
- **Status**
 - Research on-going, reviewing existing disclosures

Risk Assumed –Phase II

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- Objective
 - Provide concise, meaningful, and transparent information regarding the potential impact to the fiscal health of the federal government
- Approach
 - holistically review **significant risk events** other than adverse events covered by SFFAS 51, *Insurance Programs*



Risk Assumed –Phase II

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- Status
 - Exploring
 - ✦ Management's Discussion and Analysis forward looking information
 - ✦ General disclosures regarding risk
 - ✦ Measurement Uncertainty
 - May leverage Enterprise Risk Management efforts

Evaluating Existing Standards

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- Objective
 - Identify opportunities to clarify requirements
- Approach
 - Considering particular topics, such as
 - ✦ Imputed cost
 - ✦ Intragovernmental exchange transactions

Reporting Model

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- Objective
 - Improve presentation of cost, budget, and performance information
- Observations about users
 - Rely on electronic media (digital devices, complex networks, and interactivity)
 - Seek different levels of disaggregated data
 - Expect data analysis (especially executives and managers)

Reporting Model

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- **Near-term concerns**
 - Management's Discussion and Analysis
 - Voluminous
 - Presents preliminary performance information
 - Financial analysis could be improved
 - Required Supplementary Stewardship Information
 - Need to minimize potential user confusion
 - Different definitions used among analysts
 - Redundant sources of the information

Reporting Model

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- Approach
 - Research electronic reporting to improve
 - user understandability
 - user access to data
 - Research effective presentations
 - Integrated data
 - GAAP integrated with other information (unaudited)
 - Drill-down to disaggregated data
 - Explaining technical terms and concepts
 - Determine challenges
 - Would additional criteria be needed



Staying Abreast of Standards

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- Receive
 - Email updates
 - Newsletter
 - News releases
 - <http://fasab.gov/listserv-signup/>
- Resources on FASAB website
 - <http://fasab.gov/resources/>
- Linked in
- Twitter



Contact Information

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