

Dick Haas

P.O. Box 781, Pontiac, IL 61764

815-419-6185

dick@dickhaasmail.com

April 30, 2013

The FAF, GASB, FASB, and their constituents need to take care to not inadvertently undercut public understandings of the essential role of accounting, auditing, and reporting concepts, standards, principles, requirements, and practices in ensuring inclusive informed public insistence on (1) ongoing real public interest institutional transparency and accountability and (2) sound institutional organizational performance.

Most of us have forgotten, if we ever knew, that audited annual financial statements were for decades the primary means by which we ensured these conditions for state and local government, voluntary health and welfare organizations, colleges and universities, hospitals, and other organizations created for reasons other than making money.

When audited financial statements were generally re-directed from these larger purposes to narrower general purposes, it exacerbated already rampant tendencies to deregulate not only for-profit business enterprises, but also private not-for-profit organizations and even our system of government. The consequences are everywhere increasingly apparent.

It was hoped that the overall FAF/FASB/GASB structure and efforts would synergistically lead to professional accounting standards for all types of organizations satisfying the legitimate public interest needs of all stakeholders. This hope and related expectations were important factors underlying support for the creation of the GASB.

Perhaps most importantly, we need to avoid aggravating already nationally and internationally widespread confusion over the respective roles of, and relationship between, legal requirements and professional standards. Misunderstandings in this regard were the perennial number one challenge to the effectiveness of the efforts of the GASB's predecessor professional standards setters to help ensure sound government.

I appreciate this opportunity to comment. I will be happy to provide more information or to respond to questions anyone has.

To provide some perspective and context, I should perhaps introduce myself, as I have not previously commented formally on a FAF proposal. I am a mostly-retired self-employed auditor/administrator/controller/writer/instructor/consultant with more than 30 years of unusually technical experience as a CPA in Federal, State, and local government; our for-profit and not-for-profit private sectors; academe; and independently.

I was a founding GASB staff member and the project manager for the Board's initial pension disclosure statement. As Director of Technical Services for the Government (then Municipal) Finance Officers Association (GFOA), I provided technical staff support to the GASB's professional standards setting predecessor, the National Council on Governmental Accounting. I wrote the 1980 GAAFR and overhauled and administered the GFOA's Certificate of Achievement for Excellence in Financial Reporting Program.

I designed and taught for three semesters the finance-related courses in the master's degree in public administration program of the Illinois Institute of Technology.

I served as the Quality Assurance Officer in the Inspector General's Office of the U.S. Railroad Retirement Board.

I spent eight years in the practice of public accounting planning, conducting, supervising, and providing technical quality assurance for independent audits of local governments and private not-for-profit organizations. I served for many years on the Illinois CPA Society's ethics and technical governmental accounting and auditing membership committees. I helped the American Institute of CPAs over a three period ensure the technical soundness of the governmental accounting and auditing questions in the accounting practice sections of the uniform national CPA exam.

I have focused increasingly in recent decades on trying to bridge the expanding expectation gap between perspectives of institutional decision makers and our urgent need for reliable means of ensuring ongoing real public interest institutional transparency and accountability.