

August 31, 2021

Director of Research and Technical Activities
Project No. 32-1
director@gasb.org

RE: Accounting Changes and Error Corrections

Dear GASB:

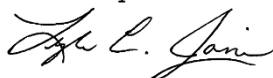
The views expressed herein are written on behalf of the Professional Standards Committee of the Texas Society of CPAs. The Professional Standards Committee (PSC) has been authorized by the Texas Society of CPAs' Board of Directors to submit comments on matters of interest to the membership. The views expressed in this document have not been approved by the Texas Society of CPAs' Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the Texas Society of CPAs. Please find our comments below on the above-referenced exposure draft.

The PSC has reviewed the exposure draft proposed by the Governmental Accounting Standards Board (GASB) on *Accounting Changes and Error Corrections*. In general, we agree with the provisions within the proposed statement. However, we think that additional clarifications with accompanying illustrations are necessary for certain proposed requirements. For example, in paragraph 36, the proposal states that "For prior reporting periods that are not presented in the basic financial statements but that are presented in required supplementary information (including MD&A) or supplementary information, information for those prior periods that is presented in required supplementary information or supplementary information should not be restated for changes in accounting principles but should be restated for error corrections." For certain information, such as OPEB information, restating all prior periods presented for an error correction would be onerous. It is unclear whether the cost and effort of such a restatement would be cost beneficial to the client.

We believe that additional examples and/or illustrations would be helpful in determining the intent of paragraph B35. It is unclear how far back restatements would be required. Additionally, the proposed standard does not address any differences in requirements, if any, for successor auditors who discover errors in prior periods.

We appreciate the opportunity to provide input on this exposure draft.

Sincerely,



Lyle C. Joiner, CPA
Chair, Professional Standards Committee
Texas Society of Certified Public Accountants