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GASB Adds Project on Subsequent Events to Current Technical Agenda.

Norwalk, CT, September 7, 2023 — The Governmental Accounting Standards Board (GASB) recently added a project on accounting and financial reporting issues for subsequent events to the Board's current technical agenda.

The project will reexamine existing requirements in GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, and evaluate ways to improve the accounting and financial reporting for subsequent events.

The reexamination will address issues that were identified in pre-agenda research, including:

1. Confusion about and challenges associated with applying the existing standards for subsequent events,
2. Inconsistency in practice in the information provided about subsequent events, and
3. The usefulness of the information provided about subsequent events, with a focus on clarifying how subsequent events are defined and what information should be provided.

The project will also consider relationships with other existing GASB standards and projects as they relate to transactions or other events that occur subsequent to the date of the financial statements.

Pre-agenda research conducted by the GASB staff found that subsequent events are generally prevalent among governments and related issues are relevant to a broad number of governments. Research indicated the presence of inconsistencies and misreporting in practice in the accounting and financial reporting for subsequent events. Guidance on subsequent events in Statement 56 dates back to audit literature from 1972 and has not been fully evaluated for its effectiveness or consistency with the GASB's conceptual framework.

The Board decided to add a project to the agenda focusing on subsequent events after carefully evaluating the staff's research findings and taking into account the level of interest from the Governmental Accounting Standards Advisory Council, the GASB's advisory council, which ranked the project highly during its annual project prioritization.