

**ACCOUNTING AND AUDIT POLICY COMMITTEE MEETING
FINAL MINUTES
January 28, 2009**

The meeting was convened at 10:00 AM in room 7C13 of the GAO Building, 441 G St., NW, Washington, DC.

ADMINISTRATIVE MATTERS

• **Attendance**

Present: Ms. Payne (chairperson), Ms. Hug, Messrs. Bragg and Brewer. Ms. Carey, Ms. Chadwick, Ms. Gilmore, Messrs. Rippey and Synowiec all attended the meeting via teleconference.

FASAB/AAPC project director, Ms. Valentine also attended the meeting via teleconference and general counsel, Mr. Dymond, was present at the meeting.

Absent: Messrs. Fletcher and Sturgill.

• **Minutes**

The minutes of September 18, 2008 were previously approved as final, having been circulated by E-mail to members.

• **Administrative**

Ms. Payne announced the retirement of Mr. George Rippey (Deputy Assistant Inspector General for Audit, Office of Inspector General, U.S. Department of Education) from federal service. Mr. Rippey noted that his retirement would be effective February 3, 2009. He also noted that the PCIE has begun the process to replace him on the AAPC. Ms. Payne and the other members of the Committee congratulated Mr. Rippey on his federal service and his brief participation on the AAPC.

PROJECT MATTERS

• **Project Agenda Status**

General PP&E

Ms. Valentine noted that the general PP&E (G-PP&E) task force was very active in its work and was progressing towards providing implementation guidance on several G-PP&E issues. She also noted that the draft issue paper that was distributed to the Committee for the meeting, "Identification and Recognition of Equipment Disposal Cleanup", was prepared by the Disposal subgroup of the AAPC G-PP&E task force. The sub group is lead by Alaleh Amiri (DoD). Ms. Amiri and two members (Sharon Dubrow and Patricia Huheey) of the subgroup were in attendance via teleconference and were going to give a brief overview of the issue paper and answer any questions that the Committee may have on the document. Ms. Valentine noted that the subgroup has done the research on the issue, discussed the

issue among the subgroup, and has received additional comments on the paper from the full G-PP&E task force. Ms. Valentine also noted that the subgroup was very diligent in assuring that those federal entities most affected by the proposed guidance were involved in the process.

Ms. Payne then turned the discussion over to Ms. Gilmore for any remarks on the task force.

Ms. Gilmore, co-chair of the G-PP&E task force first thanked Ms. Amiri and the other members of the Disposal subgroup for their dedication and hard work towards the progress of useful implementation guidance in the area of disposal of G-PP&E. She also noted that it took an added effort on the part of the Disposal subgroup to get the issue paper to the Committee for today's meeting, primarily because of several last minute comments on the paper from other task force members. Ms. Gilmore stated that the original plan was to have two Disposal subgroup issue papers available for the meeting, but the "Asbestos" issue paper was delayed even more due to the volume of task force member comments received in the last week. She then turned the discussion over to Ms. Amiri.

Ms. Amiri noted that equipment disposal cleanup is just one of the topics on the agenda of the Disposal subgroup. The purpose of the issue paper is to provide implementation guidance on the disposal cleanup of equipment and when to apply SFFAS 5 vs. SFFAS 6 cleanup cost recognition. The proposed guidance includes examples and a flowchart. Ms. Amiri mentioned that many comments were received on the paper and that the subgroup had developed a spreadsheet to track all comments received and how each comment was resolved.

Ms. Hug asked Ms. Amiri if the subgroup reached out to both the functional PP&E experts as well as the accountants. Ms. Amiri assured the Committee that both functional PP&E experts and accountants from several different federal entities were involved. Mr. Synowiec asked Ms. Amiri if the paper could make clearer the distinction between when to apply SFFAS 5 vs. SFFAS 6. Ms. Amiri agreed to clarify the distinction. Ms. Payne asked if a column could be added to Table 1 of Appendix A that would explain the accounting treatment at each of the waste stream processes noted. Ms. Amiri suggested possibly adding a paragraph below the table to explain the accounting treatment at each process. Ms. Chadwick noted a few typos and offered editorial suggestions.

Ms. Hug asked that within the example in Appendix A, that the example not only demonstrate when only the expense is recognized, but also when the liability is recognized. Ms. Amiri agreed to add the additional information to the example. Mr. Brewer asked if it would be possible to add an additional example to the paper for a nuclear ship to show the distinction between the disposal of hazardous waste materials during the normal operations of the ship and the disposal of hazardous waste materials at the point of decommissioning the ship. Mr. Dymond asked if the box at the bottom left of the flowchart should reference SFFAS 5 instead of SFFAS 6. Ms. Amiri explained that the language in SFFAS 6 par. 93 actually references the guidance in SFFAS 5, so referencing SFFAS 5 may be clearer. Mr. Dymond asked if the language used in the document be used consistently when the intent is the same and that certain unfamiliar terms be defined in the paper.

Ms. Payne asked Ms. Amiri if the task force envisioned releasing the issue paper as a standalone technical release or was the thought to combine the issue paper with the asbestos paper that the subgroup is still working on. Ms. Amiri suggested that the two papers be combined into one technical release.

Ms. Amiri asked about the process going forward as far as resolving comments from the Committee, the task force, and the subgroup. Ms. Payne suggested that the Disposal subgroup work with the task force to provide a final submission of the paper to the Committee for approval. She also suggested reminding the task force members that if they disagree with any principles of the paper that they will have another opportunity to comment on it when it is released for public comment.

- **Agenda Committee Report**

No Report

- **New Business**

None

The meeting adjourned at 10:55 am.