

**ACCOUNTING AND AUDIT POLICY COMMITTEE MEETING
FINAL MINUTES
May 15, 2008**

The meeting was convened at 1:05 PM in room 7C13 of the GAO Building, 441 G St., NW, Washington, DC.

ADMINISTRATIVE MATTERS

• **Attendance**

Present: Ms. Payne (chairperson), Ms. Gilmore, Ms. Hug, Ms. Chadwick, Messrs. Brewer, Dingbaum, David Horn (substituting for Mr. Fletcher), Carlton Parker (substituting for Mr. Bragg), Sturgill, and Synowiec. FASAB/AAPC project director, Ms. Valentine, and general counsel, Mr. Dymond, were also present.

Absent: Messrs. Bragg and Fletcher

• **Minutes**

The minutes of January 17, 2008 were previously approved as final, having been circulated by E-mail to members.

• **Administrative**

Ms. Payne introduced the new CFOC representative, John Brewer (Associate Chief Financial Officer – Financial Operations for the Department of Agriculture), to the AAPC. Mr. Brewer replaces CFOC representative Ms. Pat Healy, who retired from federal service in January. Ms. Payne and the other members of the Committee welcomed Mr. Brewer to the AAPC. Ms. Payne also recognized Mr. Stephen Dingbaum who completed his maximum 6 years on the AAPC. Ms. Payne applauded Mr. Dingbaum for his dedication to the work of the Committee. The Committee expressed their well wishes to Mr. Dingbaum.

PROJECT MATTERS

• **Project Agenda Status**

General PP&E

Ms. Payne commented on the vast scope of issues being considered by the general PP&E (G-PP&E) task force. She also noted that there has been tremendous interest in the community on the topic of G-PP&E. She then turned the discussion over to Ms. Gilmore and Mr. Horn to give the task force updates.

Ms. Gilmore, co-chair of the G-PP&E task force provided an update on the current work of the group. She mentioned that the task force has met twice since the January AAPC meeting, once in March and again in early May; the March meeting had over forty participants. Ms. Gilmore noted that the task force is meeting monthly and has agreed to

separate into four sub-groups that are named for the group of issues to be addressed by each sub-group. The G-PP&E sub-groups are Acquisition, Use, Disposal, and Records Retention and are also meeting monthly separate from the full task meetings. She also informed the Committee that a page on the FASAB website has been set up for the task force under the AAPC task forces link. That web page includes specific information about the task force as a whole as well as each of the sub-groups, such as the list of members, list of potential issues to be addressed, and scope information for each group. Ms. Gilmore emphasized that although the task force has heavy participation by the Department of Defense there is a great need for government-wide participation because of the nature of the issues to be addressed by the task force and the widespread effect of the guidance on all federal entities. Mr. Horn noted that Mr. Fletcher has asked the CFOC members to be aware of the AAPC's G-PP&E project and to be sure that all affected federal entities were represented on the task force. He also mentioned that the Standardization and the Response Committees of the CFOC were being re-established to address the various FASAB and AAPC projects.

Ms. Payne asked the members if they had any comments or concerns about the task force as far as its list of potential issues or the participation on the task force. Mr. Sturgill noted that he did not realize that the task force was taking on the issue of environmental liabilities and cautioned the group on the vastness of that issue and that it could become overwhelming to try to resolve.

Ms. Payne then asked Ms. Valentine to give a brief update on the FASAB G-PP&E project. Ms. Valentine informed the Committee that the FASAB project was centered on a proposal to amend SFFAS 6 and 23 to provide guidance for estimating the original transaction data historical cost and accumulated depreciation of G-PP&E upon initial capitalization. The proposed amendments also provide guidance for estimating the historical cost of G-PP&E acquired before the reporting period if obtaining historical cost based on the original transaction data is not practical (i.e., not cost effective or supporting historical cost original transaction data documentation does not exist). Ms. Valentine noted that the proposal would be presented to the FASAB at its next meeting in June.

- **Agenda Committee Report**

Ms. Payne noted that the departure of Mr. Dingbaum from the AAPC left a vacancy on the agenda committee as well the chairpersonship of the agenda committee. Ms. Payne noted that Ms. Kristine Chadwick agreed to fill both vacancies on the agenda committee.

- **New Business**

None