

**CHARTER OF THE  
ACCOUNTING AND AUDITING POLICY COMMITTEE**  
**Sponsored by the Federal Accounting Standards Advisory Board**  
**(As amended March 6, 2014)**

**Mission.** The Accounting and Audit Policy Committee (AAPC) is a permanent committee established by the Federal Accounting Standards Advisory Board (FASAB). The AAPC's mission is to assist the federal government in improving financial reporting by timely identifying, discussing, and recommending solutions to accounting issues within the framework of existing authoritative literature.

**Procedures.** The AAPC will work under the general oversight of the FASAB. Subject to the approval of the FASAB, the AAPC will issue *AAPC Operating Procedures* to govern its operations.

**Authoritative Guidance.** Section III. I (3) of FASAB's Rules of Procedure authorizes AAPC to issue technical releases related to existing federal accounting standards. Technical releases are intended to provide guidance on the specific application of Statements of Federal Financial Accounting Standards (SFFASs), Interpretations of SFFASs, and Technical Bulletins. AAPC's technical releases are in the third category of authoritative guidance in the Federal GAAP hierarchy as stated in *Statement of Federal Financial Accounting Standards 34: The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. AAPC may not amend existing standards or promulgate new standards.

AAPC will refer audit issues to OMB in connection with its responsibility for the Audit Bulletin and to GAO (Government Accountability Office) in connection with its responsibility for GAGAS as appropriate. AAPC may include in the referral its

observations on audit issues and take additional steps to facilitate resolution of the issues as it deems appropriate.

**Issuance of Guidance.** AAPC will submit all proposed technical releases to the FASAB for a 45 day review period. The review period usually will begin when FASAB receives the proposed technical release. However, if a FASAB member requests that a proposed technical release be considered at a Board meeting, the review period will begin the day following the Board meeting. FASAB may also affirmatively approve guidance before the expiration of the 45-day review period.

If a majority of the FASAB or a member representing a FASAB sponsor objects to the proposed technical release during the review period, then it shall be returned to the AAPC for further consideration. If neither a majority of FASAB nor a member representing a FASAB sponsor objects to the proposed technical release during the review period, then it shall become final. The Executive Director of the FASAB shall publish in the Federal Register a notice of the issuance of a final technical release and information on how it may be obtained.

**Membership.** The AAPC consists of eleven (11) members -- three from the Chief Financial Officers (CFO) community, three from the Inspectors General (IG) community, one each from the FASAB sponsors (the Department of the Treasury, the Government Accountability Office (GAO), and OMB), an at-large member, and a non-voting member from the FASAB staff.

**Selections and appointments.** The CFO community members will be selected by the Chair of the CFO Council. The IG community members will be selected by the Chair of the Audit Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) [formally the President's Council on Integrity and Efficiency (PCIE)]. The OMB member will be selected by the Controller, Office of Federal Financial Management.

The GAO member will be selected by the Managing Director, Financial Management and Assurance Team. The Treasury Department member will be selected by the department's Chief Financial Officer. The at-large member will be selected by the FASAB Steering Committee. The FASAB staff member will be selected by the FASAB chairperson. The FASAB staff member will serve as the chair of the AAPC.

Appointments to membership on the AAPC will be limited to senior members of the organizations represented. Members should have demonstrated experience in developing and issuing federal accounting policies, preparing agency financial statements, or directing and conducting federal agency financial statement audits.

**Tenure.** The CFO, IG, and at-large members will serve initial terms of three years with possible reappointment for up to one additional three-year term. To provide for continuity, some initial terms will be staggered in a manner to be agreed to by those selecting the members of the AAPC. The remaining members will serve at the discretion of the entities they represent.

CFO, IG, and at-large members who change employment during their term may retain their membership on AAPC only if the official(s) who initially appointed the individual determine(s) that the new position is consistent with the original appointment and that the individual should serve the remainder of the original term of appointment. Otherwise, CFO, IG, and at-large members who change employment during their term will cease to be AAPC members.

**Meetings.** The AAPC will generally meet quarterly but will meet more or less frequently as determined appropriate by the AAPC chair or as requested by the FASAB chair. The AAPC meetings will be announced in advance and be open to all interested parties.

**Staffing.** The AAPC members will be responsible for staffing the AAPC's work.

**Task forces.** The AAPC may establish task forces of its members and others as necessary to advise it on the range of issues that come before it.

**Review of Charter.** The AAPC will review the charter as needed and recommend to FASAB any changes it believes desirable.