

Ms. Wendy M. Payne

June 25, 2013

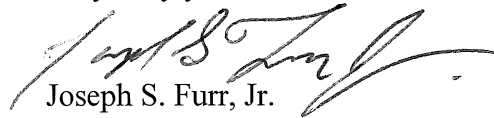
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SIPC Response: Disagree. Consolidation of a non-governmental private sector entity's financial statements into an agency's financial statements would be difficult when (1) the non-governmental entity's financial statements are issued on a calendar year basis and not on the government's fiscal year; and (2) the non-governmental entity's financial statements are subject to an independent audit in accordance with private sector GAAP. For example, Congress expressly granted to SIPC the power to establish its fiscal year, which, by SIPC bylaw, is the calendar year in accordance with private-sector GAAP. SIPA § 78ccc(b)(9). SIPC's standalone financial statements are audited in accordance with private sector GAAP by an independent auditor. The SEC is not involved in the day-to-day operation of SIPC. Thus, it would create a high burden on the SEC and its auditor to include SIPC's financial statements within its own. Among other things, the SEC would have to reconcile any issues arising from the SIPC fiscal year difference. As the SEC points out in its comments, it is unlikely that the Commission's auditor (the General Accountability Office) would be willing to rely on the work of SIPC's independent auditor, adding work for its auditor and subjecting SIPC to another layer of audit.

We welcome the opportunity to provide FASAB with any additional information that it requires. Please feel free to contact SIPC President Stephen P. Harbeck, myself, or Assistant General Counsel Lauren Attard. Each of us can be reached at 202-371-8300.

Thank you for your consideration.

Very truly yours,



Joseph S. Furr, Jr.
Vice President - Finance

JF/kew

cc: Stephen P. Harbeck, President, SIPC
Lauren T. Attard, Esq.
Kenneth A. Johnson, Chief Financial Officer, SEC (by e-mail)
Caryn Kauffmann, Deputy Chief Financial Officer, SEC (by e-mail)