

**ACCOUNTING AND AUDITING POLICY COMMITTEE MEETING
FINAL MINUTES
October 27, 2003**

The meeting was convened at 1:00 PM in room 6N30, of the GAO Building, 441 G St., NW, Washington, D.C.

ADMINISTRATIVE MATTERS

• **Attendance**

Present: Ms. Comes, Ms. Geier, Ms. Krell, Messrs. Dingbaum, James, Lund (for Sturgill), Maharay, McFadden and Taylor.

Absent: Messrs. Moraglio, Ritchie and Sturgill

• **Minutes**

The minutes of July 29, 2003 were previously approved as final, having been circulated by E-mail to members.

• **Project Agenda Status:**

Credit Reform

Ms. Comes, AAPC Chair, opened the meeting by confirming with Ms. Valentine, FASAB Assistant Director, that there were no administrative matters to discuss. Ms. Comes then asked Ms. Valentine and Ms. Dana James, AAPC Credit Reform Task Force representative and OMB Staff Accountant, to begin the discussion with the two credit reform technical releases. Ms. Valentine briefed the members on the meeting materials provided to them by email, as well as those provided at the table. The documents provided were (1) comments on the two credit reform Technical Release (TR) exposure drafts; (2) clean and redline versions of proposed Technical Release 3 (revised): *Auditing Estimates for Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act (Amendments to Technical Release 3: Preparing and Auditing Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act)*; (3) clean and redline versions of proposed Technical Release 6: *Preparing Estimates for Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act (Amendments to Technical Release 3: Preparing and Auditing Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act)* and (4) Agenda Committee Materials.

Ms. James began the discussion by reviewing all of the comments received by the respondents that were not accepted or only partially accepted by the task force as revisions to the proposed TR's. Ms. James noted that comments were received from OMB (Bob Kilpatrick), Tom Luter (Federal Contractor), and GAO (Marcia Carlsen). Ms. James noted that the task force accepted all of the comments received from OMB, which were primarily editorial comments to clarify the guidance. Ms. James noted that the task force accepted only some of Mr. Luter's comments, however some of those were only partially accepted. She also stated that all of the comments from GAO were accepted with the exception of one definition that was revised, but not to the exact wording suggested in the GAO comments.

The Committee reviewed the revisions recommended by the task force and agreed to several additional editorial changes. One change dealing with the timing of re-estimate calculations was not agreed upon at the meeting. Ms. Comes suggested that Ms. James work on the new wording in the two paragraphs and circulate to the members by email the revisions for approval. With the exception of that one revision, the AAPC approved to recommend the two proposed Technical Releases for final approval and release by the FASAB.

- **Agenda Committee Report**

Bill Maharay, AAPC Agenda Committee chair, introduced an issue brought to the AAPC by Linda Springer, OMB Controller on behalf of the Departments of Energy and Interior. The issue deals with the timing of a liability. Energy receives appropriations from the Interior Reclamation Fund and the funds are to be paid back by Energy to the Reclamation Fund as Energy collects fees from its customers. Mr. Maharay noted that in Ms. Springer's letter to the Committee she asked that the AAPC recommend guidance to the two agencies by April 2004. The AAPC membership agreed with the recommendation of its Agenda Committee to accept the issue. The Committee also agreed to research the history of related legislation and talk with representatives from Energy and Interior before its next meeting in January 2004. Mr. Maharay also recommended inviting representatives from Energy and Interior to the January 2004 meeting.

- **New Business**

None

- **Next Meeting**

The next meeting will be scheduled for early January 2004.

- **Adjournment**

The meeting was adjourned at 2:10 PM.