

**ACCOUNTING AND AUDIT POLICY COMMITTEE MEETING
FINAL MINUTES
July 29, 2004**

The meeting was convened at 2:05 PM in room 6N30 of the GAO Building, 441 G St., NW, Washington, DC.

ADMINISTRATIVE MATTERS

• **Attendance**

Present: Ms. Comes, Ms. Geier, Ms. Krell, Messrs. James, Sturgill, Maharay, and Dingbaum.

Absent: Messrs. McFadden, Moraglio, Ritchie and, Taylor

• **Minutes**

The minutes of March 10, 2004 were previously approved as final, having been circulated by E-mail to members.

• **Project Agenda Status**

RECP/EEOCIP Issue

Ms. Comes began the discussion with an update on the Department of Justice's Radiation Exposure Compensation Program (RECP) issue. She noted that at the March 10 meeting the Committee made recommendations to the Justice Department on the proper accounting and reporting for the RECP. Ms. Comes noted that she had recently received a letter from the Justice Department stating that as a result of the Committee's recommendations at the March AAPC meeting they intend to implement the recommended accounting and reporting for the RECP during the current fiscal year. Ms. Comes then recommended to the Committee that the issue be formally closed and removed from the AAPC agenda; no members objected to the closure of the issue.

Appropriated Debt

Ms. Comes then asked FASAB staff member, Ms. Valentine, to give a brief update of the appropriated debt issue before the discussion began. Ms. Valentine reminded the Committee that at the last AAPC meeting the Committee agreed with Staff's recommendations that Energy should continue recognizing a liability and that Interior should also recognize a receivable/advance at the time funds are transferred from the Reclamation Fund to the Western Area Power Administration (WAPA). At the March meeting the Committee also agreed to move forward with a draft Technical Release exposure draft outlining the Committee's recommendations. Ms. Valentine noted that since the March meeting the Interior Department made a request to the Comptroller General for a formal decision on the legal aspects of the issue. Staff decided to wait for the formal CG decision before sending the draft TR-ED to the AAPC

members. The CG decision was available on July 27, 2004; the Decision along with the draft TR-ED was sent to the Committee for discussion at today's meeting.

Ms. Comes opened the floor to the Committee for questions on either the draft TR-ED or the CG decision. Ms. Geier asked about the timing of the ED's comment period through the final issuance of the document. Ms. Comes noted that a ballot would be sent to each of the members during the following week asking for approval or disapproval of the release of the ED. Once approval is reached on the release of the ED, the ED would be placed on the FASAB website for a 30-day comment period. Staff would then schedule another AAPC meeting for the Committee to review the comment letters, make any necessary edits, and formally vote to recommend to the FASAB that the TR be released for final issuance. The FASAB would then have 45 days to object to the issuance of the TR before its final release. Ms. Comes noted that given the timing of the entire process the TR would likely be released as final in late November 2004.

Ms. Krell asked staff if some language could be added to the TR requiring appropriate disclosures related to the transactions between the two entities. Ms. Comes asked the members if they would also like to see those disclosures added to the document; there was no opposition to the additional requirement. Ms. Comes reminded the Committee that the TR could not require any new disclosures that are not currently included in the GAAP guidance. Staff agreed to work on the appropriate language. Ms. Geier asked if language could be added to the TR-ED to further strengthen the AAPC's conclusions based on SFFAS 1 and 5. Mr. Jacobson, FASAB's counsel, suggested repeating language found in the basis for conclusions. Ms. Comes noted that appropriate language would be added for the Committee to review. Ms. Comes also asked Ms. Valentine to add specific questions to the ED. Ms. Comes then asked for a "straw" poll of the members on the release of the TR-ED. There were no objections.

Ms. Comes stated that a ballot would be sent to the members next week along with the revised ED for approval.

- **Agenda Committee Report**

None

- **New Business**

None

- **Next Meeting**

The next meeting will be scheduled.

Adjournment

The meeting was adjourned at 2:30 PM.