



Greater Washington Society of CPAs and GWSCPA Educational Foundation

1455 Pennsylvania Ave, NW, Suite 400, Washington, DC 20004
 202-204-8014 (v) 202-204-8015 (f) www.gwscpa.org info@gwscpa.org

June 25, 2008

Wendy Payne, Executive Director
 Federal Accounting Standards Advisory Board
 Mail Stop 6K17V
 441 G Street, NW – Suite 6814
 Washington, DC 20548

Dear Ms. Payne:

The Greater Washington Society of Certified Public Accountants (GWSCPA) Federal Issues and Standards Committee (FISC) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board's (FASAB) Exposure Draft, *Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information*.

FISC consists of 18 GWSCPA members who are active in accounting and auditing in the Federal sector. This comment letter represents the consensus comments of our members.

General

We congratulate the FASAB for its effort to existing concepts and look forward to this effort being continued with review and clarification of all existing standards.

Paragraph 16 does not address the Statement of Social Insurance. In addition, the Statement of Financing reference needs clarification as it is no longer a statement and the title has changed. (We suggest that this reconciliation become a current project for FASAB's technical agenda on the review of existing standards.)

Editorial

Page 10, paragraph 2, last sentence, consider replacing “their” with “its”
 Page 12, paragraph 8, 1st sentence, consider adding at the end of the sentence (“collectively auditors”) as this term is used at the end of this paragraph and elsewhere in the ED
 Page 12, paragraph 9-55A, 1st sentence, change “considered” to “categorized as”
 Page 12, paragraph 9-55A, 4th sentence, insert comma after OAI
 Page 14, 1st paragraph, 1st full sentence, “Required information” should be “Required Information”
 Page 14, header “Determining Basic versus RSI” needs indenting

Page 15, paragraph 73F, 3rd line, Page 20, paragraph A2, 4th line, Page 25, paragraph 73A, 2nd sentence, Page 26, paragraph 73B and 73C, 1st and 2nd sentence, “basic information” should be “Basic Information”

Page 15, OAI needs indenting

Page 15, paragraph 73F, 3rd sentence, change “support” to “supplement”

Page 15, paragraph 73F, 4th sentence, insert commas after “include” and “to”

Page 15, paragraph 73G, 1st sentence, strike “may at times” and change “encourage” to “encourages”

Page 17, paragraph 18, conform “suborganization” and “sub-organization”

Page 18, paragraph 21, 4th line, consider GASB as another standard setting body

Page 33, Appendix C, add abbreviations and define “OAI” and “GAAS”

Responses to Questions for Respondents

Q1. The Statement identifies a process and criteria to consider in deciding whether information should be considered basic information, required supplementary information or other accompanying information (See the section, Distinguishing Basic Information, RSI, and OAI, beginning on page 13 of the exposure draft).

- a. Do you agree with the process presented? If not, please explain your reasons.

Yes, however determining the difference between basic and required supplementary information rests solely with those parties that have the authority to establish GAAP and this should be more clearly and definitively detailed. Although listing the considerations used by the FASAB is informative, this presentation confuses the reader as to whose judgments are used in this analysis. These subjective factors should not be exposed to interpretation by anyone outside the authoritative structure of standard setting. In fact, the “Factors to Consider in Distinguishing Basic Information from RSI” in Table 1 are written in such a way as to allow someone to judge what the FASAB is thinking instead of clearly reserving the FASAB’s opinion related to these factors.

- b. Do you agree with the factors presented for distinguishing basic information from required supplementary information (See Table 1: Factors to Consider in Distinguishing Basic Information from RSI)?

Yes. Generally, the factors convey important thought processes that should be considered by any standard setting body. However, certain questions contain ambiguities that are difficult to understand and define. Understanding the level of importance a FASAB Board member attributes to any criterion cannot be analyzed.

- c. Are there additional factors that should be considered? If so, what are they, and how would you describe them?

No, however, a clear and definite tie-in for this information with Concept Statement Number 1 related to the objectives of Federal Financial

#7

Dan Kovlak

Non-Federal - Other

Reporting should be established and explained. This concept should clearly define the link to Concept Statement Number 1 such as how the information will assist in the understanding of budget integrity, operating performance, stewardship, and systems and control.

This comment letter was reviewed by the members of FISC and represents the consensus views of our members.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. Kovlak".

Daniel L. Kovlak
FISC Chair