



COMMONWEALTH of VIRGINIA

Auditor of Public Accounts

Martha S. Mavredes, CPA
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April 24, 2013

Financial Accounting Foundation
Board of Trustees
GASBScope@f-a-f.org

To Whom It May Concern:

We appreciate the opportunity to respond to the Financial Accounting Foundation Request for Comment, *GASB's Scope of Authority: Proposed Changes to Agenda-setting Process*. Overall, we agree with the changes set forth relating to the GASB's authority to issue financial reporting standards and guidance. However, we do have additional comments for consideration.

We acknowledge there are differing perspectives on which aspects of accountability are suited for assessment through financial reporting and agree that "there is no bright line for demarcating the limits of GASB's scope of authority." However, the level of clarity with which GASB's scope is defined will have a profound impact on the consistency of judgment applied in the agenda setting process. We believe the Foundation's Board of Trustees is moving in the right direction through its interpretation of the financial reporting spectrum and development of the seven categories arrayed on the continuum of information within the GASB's scope. However, as the Trustees perform their oversight review and begin making decisions over future Group 2 projects, we recommend that the Trustees develop an ongoing reevaluation process to refine its categorizations and assess the information that may more appropriately be recognized as Group 3.

While we support Group 2 project assessments early in the agenda-setting process as an effective measure of oversight, we also recognize there is the potential for multiple levels of review to include one or more requests for stakeholder feedback. When determining the appropriate level of oversight for the process it is important to ensure that oversight activities do not significantly hinder the mission of the GASB. Therefore, we recommend the Oversight Committee strive to make decisions concerning whether to proceed with a project prior to GASB spending significant resources on a project that the Oversight Committee ultimately determines is outside of their jurisdiction.

We appreciate the efforts of the Foundation's Board of Trustees and the opportunity to provide our comments. Should you have any questions or need additional information concerning our response, please contact me or Staci Henshaw at (804) 225-3350.

Sincerely,

A handwritten signature in cursive script that reads "Martha S. Mavredes".

Martha S. Mavredes
Auditor of Public Accounts