

United States Government Accountability Office Washington, DC 20548



LETTER OF COMMENT NO.

36

February 8, 2008

Ms. Teresa S. Polley Chief Operating Officer Financial Accounting Foundation 401 Merritt 7 Norwalk, CT-06856-5116

Dear Ms. Polley:

Subject: Proposed Changes to Oversight, Structure, and Operations of the FAF, FASB, and GASB

This letter provides the U.S. Government Accountability Office's (GAO) comments on the Financial Accounting Foundation (FAF) request for comments on Proposed Changes to Oversight, Structure, and Operations of the FAF, FASB, and GASB.

GAO supports the FAF's proposal to secure a stable mandatory funding source for the GASB. Such funding is critical to ensuring that GASB is able to effectively and efficiently carry out its mission. While we do not prefer a specific method for obtaining such funding, the method chosen should ensure an independent, sustainable standard-setting process.

Consistent with FAF, GAO supports convergence to a single set of global accounting principles and, with the active involvement of affected stakeholders, the development of a thorough, well designed United States "blueprint" or strategy and supporting plans for effectively implementing such global standards. However, we have concerns that making changes to the structure and operations of the FAF and FASB before the development of such a strategy could be counterproductive.

Sincerely yours,

David M. Walker Comptroller General of the United States