

Changes to U.S. Standard Setting

As covered in the November issue of *The FASB Report*, “FASB Chairman Addresses FEI’s Current Financial Reporting Issues Conference,” the Board is working to produce greater consistency in the establishment of financial reporting standards. In the past, there have been multiple organizations developing accounting standards, which, many believe, have contributed to the confusion and complexity of existing accounting guidance.

AcSEC

To help address those concerns, the FASB recently reached an agreement with the Accounting Standards Executive Committee (AcSEC) of the AICPA that will give the Board more direct control in setting standards. Following a transition period of approximately one year, during which time AcSEC will complete its work on certain projects in process, AcSEC will cease issuing Statements of Position. It is expected that AcSEC will continue to issue accounting and audit guides as it has in the past. The FASB plans to continue to review draft guides, or changes to guides, to ensure that accounting guidance is consistent with FASB standards. The FASB is currently evaluating those projects that AcSEC will not pursue further to determine how such projects will be addressed by the Board in the future.

EITF

Beginning in January, the FASB will increase its participation in the Emerging Issues Task Force’s (EITF) process to improve the consistency of EITF guidance with FASB standards and improve coordination of agendas between the FASB and the EITF. It will accomplish this by assigning two of its seven Board members to the Task Force’s Agenda Committee so that priorities—as well as potential inconsistencies—can be identified immediately and acted on as part of a coordinated effort. Katherine Schipper and Ed Trott have agreed to represent the Board on the EITF’s Agenda Committee.

In January, all EITF consensus decisions will be subject to ratification by the FASB. It is anticipated that an FASB review of EITF decisions will take place two weeks after the EITF meeting.

Additionally, the FASB is in the process of identifying potential new members of the EITF from the user community to provide the user perspective which, heretofore, has not been formally represented on the Task Force. Jack Ciesielski of the *Analyst’s Accounting Observer* will join the Task Force in January. The FASB is interested in identifying affiliated user representatives.