

## GAO Reports on CAS Board

Written by Nick Sanders  
Tuesday, 11 February 2020 00:00

---

It doesn't say much. Or at least it doesn't say much to people who are following CAS Board activities by (say) following a blog. Still, if you are out of the loop and want to learn more about what the CAS Board has been up to, then it may prove somewhat interesting.

We're talking about GAO Report [GAO-20-266](#), published in February. The Report was published because Congress directed GAO to evaluate how well the CAS Board has been doing at the Congressional direction to "conform CAS with GAAP." It's a 27 page-long report, but it doesn't really say much unless you know nothing about CAS or the CAS Board—in which case, it might be helpful.

Examples of sections that likely add little to your knowledge include:

-

The 1968 discussion of the need for uniform cost accounting standards

-

History of the CAS Board's activities, from August, 1970 through June 2018

-

Chart comparing Standards that apply only to Modified CAS-covered contractors versus Standards that apply to contractors subject to Full CAS coverage. (*Spoiler alert*: contractor subject to Full CAS coverage must comply with all Standards.)

And even that second bullet is problematic, because GAO saw fit to throw in the Section 809 Panel's activities. It even saw fit to throw a bit of a dig at the Section 809 Panel, stating that the Panel "largely reiterated the recommendations in the 1999 GAO-led panel report." *Okay*.

Finally on page 12 we get to the meat of the matter. GAO reported that "The CAS Board

## GAO Reports on CAS Board

Written by Nick Sanders

Tuesday, 11 February 2020 00:00

---

generally has complied or is in the process of complying with the administrative and reporting requirements prescribed by Section 820 of the National Defense Authorization Act for Fiscal Year 2017, including initial efforts to assess the extent to which CAS can be conformed with GAAP.”

GAO could have stopped right there, but of course that’s not how government auditors do things. They added this bit: “The Board’s initial efforts focus on the extent to which two of the 19 standards might be modified or eliminated; however, Board members indicated that these efforts may take several more years to complete.”

In other words, don’t hold your breath.

The only other interesting bit was a statement that “OMB recently submitted a legislative proposal to raise the [CAS] threshold from \$2 million to \$15 million.” We didn’t know that, but now we do!

Otherwise, nothing of substance was communicated from GAO to Congress. GAO fulfilled its role and submitted the required report; nothing in the statute required that report to be meaningful.