

# Memorandum

## Accessible Version

**Date:** October 29, 2024

**To:** GAO's Financial Management and Assurance (FMA) Team  
Council of the Inspectors General on Integrity and Efficiency  
Financial Audit Community

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**Subject:** *Professional Standards Update No. 94*, July through September 2024

To alert you to changes in professional standards, we periodically issue *Professional Standards Updates* (PSU).<sup>1</sup> These updates highlight the effective dates of recently issued standards and guidance related to engagements conducted in accordance with *Government Auditing Standards*.<sup>2</sup> PSUs contain summary information only, and those affected by a change should refer to the respective standard or guidance for details.

This PSU has two sections:

- Section I identifies select standards and guidance with their respective effective dates. Section I contains standards effective for
  - audits of financial statements for periods ending after June 30, 2024;
  - attestation reports dated after June 30, 2024; and
  - accounting for reporting periods beginning after April 15, 2023.
- Section II identifies select standards and guidance that were issued from July 2024 through September 2024.

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<sup>1</sup>Previous PSUs can be found on the [Professional Standards Updates](#) web page.

<sup>2</sup>GAO, *Government Auditing Standards: 2018 Revision Technical Update April 2021*, [GAO-21-368G](#) (Washington, D.C.: April 2021).

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# ***Professional Standards Update No. 94***

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## Section I: Effective Dates for Select Standards and Guidance

This section identifies select standards and guidance with their respective effective dates. In general, the standard setters mentioned in this section are those with standards and guidance that relate to auditing government entities. Table 1 is an overview. Detailed information follows the table. Those affected should refer to the respective standard or guidance for more information.

**Table 1: Effective Dates for Select Standards and Guidance**

Standard setter	Standard or guidance	Standards and guidance issued and effective dates
Government Accountability Office	Government Auditing Standards and other guidance	<p><b>Effective for financial audits, attestation engagements, and reviews of financial statements for periods beginning on or after December 15, 2025, and for performance audits beginning on or after December 15, 2025:</b>  <a href="#">Government Auditing Standards 2024 Revision</a></p> <p><b>Effective upon issuance:</b>  <a href="#">Financial Audit Guidance: FY 2024 and FY 2025 Audit Procedures for Government Land</a></p>
American Institute of Certified Public Accountants (AICPA)	Statements on Auditing Standards (SAS), Statements on Standards for Attestation Engagements (SSAE), and other guidance	<p><b>Effective for audits of financial statements for periods ending on or after December 15, 2023:</b>  <a href="#">SAS No. 143</a>, <i>Auditing Accounting Estimates and Related Disclosures</i>  <a href="#">SAS No. 144</a>, <i>Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained From External Information Sources</i>  <a href="#">SAS No. 145</a>, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i>  <a href="#">SAS No. 148</a>, <i>Amendment to AU-C Section 935</i> (amendments not arising from SAS No. 142)</p> <p><b>Effective for audits of financial statements for periods beginning on or after June 30, 2023:</b>  <a href="#">SAS No. 147</a>, <i>Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations</i></p> <p><b>Effective for engagements for periods beginning on or after December 15, 2025:</b>  <a href="#">SAS No. 146</a>, <i>Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards</i>  <a href="#">SSAE No. 23</a>, <i>Amendments to the Attestation Standards for Consistency With the Issuance of AICPA Standards on Quality Management</i></p> <p><b>Effective for engagements for periods ending on or after December 15, 2026:</b>  <a href="#">SAS No. 149</a>, <i>Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors and Audits of Referred-to Auditors)</i></p>
Federal Accounting Standards Advisory Board (FASAB)	Statements of Federal Financial Accounting Standards (SFFAS), interpretations, technical bulletins, technical releases, and other guidance	<p><a href="#">SFFAS 59</a>,<sup>a</sup> <i>Accounting and Reporting of Government Land</i></p> <p><b>Effective upon issuance:</b>  <a href="#">SFFAS 63</a>, <i>Omnibus Amendments 2024-1: Amending Statements of Federal Financial Accounting Standards 38, 49, and Technical Bulletin 2011-1</i>  <a href="#">Technical Bulletin 2024-1</a>, <i>Seized and Forfeited Digital Assets</i></p> <p><b>Effective for reporting periods beginning after September 30, 2023:</b>  <a href="#">SFFAS 54</a>, <i>Leases</i>  <a href="#">SFFAS 57</a>, <i>Omnibus Amendments 2019</i> (paras. 3–6, 11, and 12)  <a href="#">SFFAS 60</a>, <i>Omnibus Amendments 2021: Leases-Related Topics</i>  <a href="#">Federal Financial Accounting Technical Release 20</a>, <i>Implementation Guidance for Leases</i>  <a href="#">Federal Financial Accounting Technical Release 22</a>, <i>Leases Implementation Guidance Updates</i>  <a href="#">Technical Bulletin 2023-1</a>, <i>Intragovernmental Leasehold Reimbursable Work Agreements</i>  <a href="#">SFFAS 61</a>, <i>Omnibus Amendments 2023: Leases-Related Topics II</i>  <a href="#">SFFAS 62</a>, <i>Transitional Amendment to SFFAS 54</i>  <a href="#">Federal Financial Accounting Technical Release 23</a>, <i>Omnibus Technical Release Amendments 2024: Conforming Amendments to Technical Releases 10, 16, 20, and 21</i></p> <p><b>Effective for reporting periods beginning after September 30, 2025:</b>  <a href="#">SFFAS 64</a>, <i>Management’s Discussion and Analysis: Rescinding and Replacing SFFAS 15</i></p>
Financial Accounting Standards Board (FASB)	Accounting Standards Updates (ASU)	To view the details and effective dates of recent ASUs, <a href="#">click here</a> .

Standard setter	Standard or guidance	Standards and guidance issued and effective dates
Governmental Accounting Standards Board (GASB)	Accounting statements, technical bulletins, and implementation guides	<p><b>Effective for fiscal years or reporting periods beginning after June 15, 2023:</b>  <a href="#">GASB Statement No. 99</a>, <i>Omnibus 2022</i> (paras. 4–10)  <a href="#">GASB Statement No. 100</a>, <i>Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62</i>  <a href="#">GASB Implementation Guide No. 2021-1</a>, <i>Implementation Guidance Update—2021</i> (question 5.1)  <a href="#">GASB Implementation Guide No. 2023-1</a>, <i>Implementation Guidance Update—2023</i></p> <p><b>Effective for fiscal years or reporting periods beginning after December 15, 2023:</b>  <a href="#">GASB Statement No. 101</a>, <i>Compensated Absences</i></p> <p><b>Effective for fiscal years or reporting periods beginning after June 15, 2024:</b>  <a href="#">GASB Statement No. 102</a>, <i>Certain Risk Disclosures</i></p> <p><b>Effective for fiscal years or reporting periods beginning after June 15, 2025:</b>  <a href="#">GASB Statement No. 103</a>, <i>Financial Reporting Model Improvements</i></p>

Source: GAO analysis of standards setters’ effective dates.

<sup>a</sup>SFFAS 59 requires certain information to be presented as required supplementary information (RSI) for fiscal year 2022 through fiscal year 2025. In fiscal year 2026, the statement requires such RSI to transition to note disclosures.

## A. AUDITING AND ATTESTATION STANDARDS AND GUIDANCE

### Government Accountability Office

#### Government Auditing Standards

**Effective for financial audits, attestation engagements, and reviews of financial statements for periods beginning on or after December 15, 2025, and for performance audits beginning on or after December 15, 2025:**

- [Government Auditing Standards 2024 Revision](#) (February 2024). The 2024 revision contains major changes from, and supersedes, *Government Auditing Standards 2018 Revision Technical Update April 2021*. Specifically, chapter 5, “Quality Management, Engagement Quality Reviews, and Peer Review,” in the 2024 revision replaces chapter 5, “Quality Control and Peer Review,” in the 2018 revision. In addition, this revision adds application guidance to chapter 6, “Standards for Financial Audits.” The 2024 revision requires an audit organization to design and implement its system of quality management by December 15, 2025. An evaluation of the audit organization’s system of quality management is required by December 15, 2026. Early implementation is permitted.

#### Other Guidance

##### **Effective upon issuance:**

- [Financial Audit Guidance: FY 2024 and FY 2025 Audit Procedures for Government Land](#) (November 2023). This audit guidance provides procedures for auditors to apply to the reporting of government land when performing audits of federal entities’ financial statements relating to Statement of Federal Financial Accounting Standards (SFFAS) 59, *Accounting and Reporting of Government Land*. These audit procedures are designed to obtain additional information for fiscal years 2024 and 2025 to (1) better understand the extent to which measurement and presentation of land information is consistent with SFFAS 59 and (2) identify any preparation and audit challenges related to reporting government land. The Federal Accounting Standards Advisory Board plans to consider preparation and audit challenges that preparers and auditors have identified during the transition and, as appropriate, take actions to address them before the information transitions to the note disclosures.

### American Institute of Certified Public Accountants (AICPA)

#### Statements on Auditing Standards (SAS)

**Effective for audits of financial statements for periods ending on or after December 15, 2023:**

- [SAS No. 143](#), *Auditing Accounting Estimates and Related Disclosures* (July 2020). This statement addresses the auditor’s responsibilities relating to accounting estimates, including fair value accounting

estimates and related disclosures, in an audit of financial statements. It also includes requirements and guidance related to evaluating misstatements of accounting estimates and related disclosures and indicators of possible management bias.

- **SAS No. 144**, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained From External Information Sources* (June 2021). This statement amended these sections by incorporating related Public Company Accounting Oversight Board (PCAOB) guidance as follows:
  - AU-C section 501, *Audit Evidence — Special Considerations for Selected Items*. This amendment adds application material from appendix A, “Using the Work of a Company’s Specialist as Audit Evidence,” of PCAOB Auditing Standard (AS) 1105, *Audit Evidence*, to enhance the quality of audits of nonissuers’ financial statements.
  - AU-C section 540, *Auditing Accounting Estimates and Related Disclosures*. This amendment to AU-C section 540 adds a new appendix, “Use of Pricing Information From Third Parties as Audit Evidence,” that provides guidance on using pricing information obtained from external information sources as audit evidence for estimates related to the fair value of financial instruments. This appendix takes into account PCAOB AS 2501, *Auditing Accounting Estimates, Including Fair Value Measurements*, appendix A, “Special Topics, Identifying and Assessing Risks of Material Misstatement Related to the Fair Value of Financial Instruments.”
  - AU-C section 620, *Using the Work of an Auditor’s Specialist*. This amendment adds material from PCAOB Release No. 2018-006, *Amendments to Auditing Standards for Auditor’s Use of the Work of Specialists*, to various application paragraphs to enhance the quality of audits of nonissuers’ financial statements.
- **SAS No. 145**, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* (October 2021). This statement supersedes SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended, section 315, Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement, and amends various AU-C sections in AICPA Professional Standards. This statement enhances
  - requirements and guidance on identifying and assessing the risks of material misstatement, particularly in the areas of obtaining an understanding the entity’s system of internal control and assessing control risk, and
  - guidance that addresses the economic, technological, and regulatory aspects of the markets and environment in which entities and audit firms operate.
- **SAS No. 148**, *Amendment to AU-C Section 935* (August 2022), amendments not arising from SAS No. 142. SAS No. 148 amends AU-C section 935, *Compliance Audits*, to conform AU-C section 935 to reflect the issuance of SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*. This statement also corrects an inconsistency in extant AU-C 935, updates the appendix to AU-C 935, and makes certain other editorial revisions for clarity or consistency with other AU-C sections. Early implementation of SAS No. 148 is permitted in conjunction with early implementation of SAS No. 145.

**Effective for audits of financial statements for periods beginning on or after June 30, 2023:**

- **SAS No. 147**, *Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations* (June 2022). This statement supersedes SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended, section 210, Terms of Engagement. This statement requires an auditor, once management authorizes the predecessor auditor to respond to inquiries from the auditor, to inquire of the predecessor auditor regarding identified or suspected fraud or noncompliance with laws or regulations.

**Effective for engagements for periods beginning on or after December 15, 2025:**

- [SAS No. 146](#), *Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards* (June 2022). This statement supersedes SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended, section 220, *Quality Control for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards*. It also amends various AU-C sections in AICPA Professional Standards. This statement addresses the specific responsibilities of the auditor regarding quality management at the engagement level for an audit of financial statements, and for other engagements conducted in accordance with generally accepted auditing standards, and the related responsibilities of the engagement partner. SAS No. 146 is part of the AICPA's new standards relating to quality management. The quality management standards are designed to improve the auditor organization's risk assessment and audit quality. Find more information on AICPA quality management resources [here](#).

**Effective for engagements for periods ending on or after December 15, 2026:**

- [SAS No. 149](#), *Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors and Audits of Referred-to Auditors)* (March 2023). This statement supersedes SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, as amended, section 600, *Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors)*. It also amends various AU-C sections in AICPA Professional Standards. This statement addresses special considerations that apply to a group audit, including when component auditors are involved or when the group auditor refers to the audit of a referred-to auditor. The requirements and guidance in this statement refer to, or expand on, the application of other relevant AU-C sections to a group audit.

Statements on Standards for Attestation Engagements (SSAE)

**Effective for engagements beginning on or after December 15, 2025:**

- [SSAE No. 23](#), *Amendments to the Attestation Standards for Consistency With the Issuance of AICPA Standards on Quality Management* (June 10, 2024). This statement amends four SSAEs to align certain concepts with the AICPA standards on quality management issued in June 2022. This statement also amends the concept of *other practitioners* by introducing two new terms, *participating practitioner* and *referred-to practitioner*, to replace the term *other practitioner*. The revised standards are SSAE No. 18, AT-C section 105; SSAE No. 19, AT-C section 215; SSAE No. 21, AT-C section 205; and SSAE No. 22 AT-C, section 210.

**B. ACCOUNTING STANDARDS AND GUIDANCE**

**Federal Accounting Standards Advisory Board (FASAB)**

Standards, Interpretations, Technical Bulletins, and Technical Releases

- [Statement of Federal Financial Accounting Standards \(SFFAS\) 59](#), *Accounting and Reporting of Government Land* (paras. 4–14: Basic Presentation) (July 2021). This statement
  - requires reclassifying general property, plant, and equipment (G-PP&E) land as a noncapitalized asset for periods beginning after September 30, 2025;
  - requires acreage reporting of G-PP&E land and stewardship land using these predominant use subcategories: conservation and preservation land, operational land, and commercial use land;
  - clarifies the definition for the stewardship land category; and
  - requires consistent and comparable disclosures of information for land.

This statement requires a phase-in approach for reporting on government land. Requirements for the initial phase became effective for reporting periods beginning after September 30, 2021. Acreage information by predominant use is reported in required supplementary information for fiscal year 2022 through fiscal year 2025. This information will transition to basic information within note disclosures in fiscal year 2026, when the asset dollar amounts for G-PP&E land and permanent land rights are removed from the balance sheet. Early adoption is not permitted.

**Effective upon issuance:**



- [SFFAS 63](#), *Omnibus Amendments 2024-1: Amending Statements of Federal Financial Accounting Standards 38, 49, and Technical Bulletin 2011-1* (April 2024). This statement retains the requirement to report oil, gas, and other natural resource information as required supplementary information by rescinding (1) paragraphs 6 and 31 of SFFAS 38, *Accounting for Federal Oil and Gas Resources*, and (2) paragraphs 5 and 31 of Technical Bulletin 2011-1, *Accounting for Federal Natural Resources Other Than Oil and Gas*. This statement also removes the “where available” exception and provides flexibility for developing estimates in accordance with paragraph 24.b of SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*.
- [Technical Bulletin 2024-1](#), *Seized and Forfeited Digital Assets* (June 2024). This technical bulletin clarifies existing reporting and disclosure requirements for seized and forfeited digital assets related to their unique characteristics, which were not considered in developing SFFAS 3, *Accounting for Inventory and Related Property*. The technical bulletin further clarifies a difference in treatment between central bank digital currencies and all other digital assets. This technical bulletin also provides clarifying guidance for measuring market value.

**Effective for reporting periods beginning after September 30, 2023:**

- [SFFAS 54](#), *Leases* (April 2018). This statement revises the financial reporting standards for federal lease accounting. It provides a comprehensive set of lease accounting standards to recognize federal lease activities in the reporting entity’s general purpose federal financial reports and includes appropriate disclosures. Early adoption is not permitted.
- [SFFAS 57](#), *Omnibus Amendments 2019*, paragraphs 3–6, 11, and 12 (September 2019). This statement addresses consistency issues and other improvements identified during implementation and application of certain federal accounting standards. Early adoption is not permitted.
- [SFFAS 60](#), *Omnibus Amendments 2021: Leases-Related Topics* (November 2021). This statement amends paragraphs in SFFAS 54, *Leases*; SFFAS 57, *Omnibus Amendments 2019*; SFFAS 5, *Accounting for Liabilities of the Federal Government*; and SFFAS 6, *Accounting for Property, Plant, and Equipment*. These changes are necessary technical corrections and clarifications and other omnibus changes to address areas of concern with implementing these statements’ standards.
- [Federal Financial Accounting Technical Release 20](#), *Implementation Guidance for Leases* (November 2021). This technical release assists reporting entities in implementing SFFAS 54, *Leases*.
- [Federal Financial Accounting Technical Release 22](#), *Leases Implementation Guidance Updates* (October 2023). This technical release amends Technical Release 20, *Implementation Guidance for Leases*, by incorporating conforming amendments related to SFFAS 61, *Omnibus Amendments 2023*; inserting new implementation guidance questions and answers within the related topic areas; and providing clarifying amendments and technical corrections on existing questions and answers under Technical Release 20.
- [Technical Bulletin 2023-1](#), *Intragovernmental Leasehold Reimbursable Work Agreements* (March 2023). This technical bulletin provides accounting and reporting requirements for intragovernmental leasehold reimbursable work agreements (often referred to in practice as reimbursable work authorizations). Early adoption is not permitted.
- [SFFAS 61](#), *Omnibus Amendments 2023: Leases-Related Topics II* (April 2023). This statement amends certain paragraphs in SFFAS 54, *Leases*, and SFFAS 60, *Omnibus Amendments 2023*. The changes provide technical clarifications and address areas of concern with implementation of the standards in these statements, including by clarifying (1) the treatment of purchase options and defaults on payments and (2) the discounting of lease liabilities and receivables. Early adoption is not permitted.
- [SFFAS 62](#), *Transitional Amendment to SFFAS 54* (November 2023). This statement amends the implementation section of SFFAS 54, *Leases*, by providing transitional accommodations to reporting entities implementing SFFAS 54 for embedded leases. Under these amendments, reporting entities

may elect not to assess whether contracts or agreements that meet the eligibility criteria for embedded leases are or contain lease component(s) through the end of the statement's accommodation period.

- **[Federal Financial Accounting Technical Release 23](#)**, *Omnibus Technical Release Amendments 2024: Conforming Amendments to Technical Releases 10, 16, 20, and 21* (July 2024). This technical release (1) aligns footnote 5A of Technical Release 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*, with guidance from SFFAS 6, *Accounting for Property, Plant, and Equipment*, and (2) restores portions of prior guidance for perpetual software licenses based on requirements under SFFAS 10, *Accounting for Internal Use Software*, to Technical Release 16, *Implementation Guidance for Internal Use Software*.

**Effective for reporting periods beginning after September 30, 2025:**

- **[SFFAS 64](#)**, *Management's Discussion and Analysis: Rescinding and Replacing SFFAS 15* (September 2024). This statement updates the guidance for management's discussion and analysis (MD&A) by rescinding and replacing SFFAS 15, *Management's Discussions and Analysis*. This statement improves MD&A guidance by
  - merging and updating relevant content from Statement of Federal Financial Accounting Concepts (SFFAC) 3, *Management's Discussion and Analysis*, and SFFAS 15, for FASAB's budgetary integrity, operating performance, stewardship, and systems and controls reporting objectives;
  - providing a concise set of principle-based standards that will guide management in preparing a discussion and analysis of the reporting entity's financial position and condition;
  - encouraging flexibility for management to prepare MD&A content efficiently and effectively; and
  - guiding management in the preparation of a balanced, concise, integrated, and understandable MD&A that is useful for all users, including those who are not experts in federal government financial matters.

Early implementation is permitted.

**Financial Accounting Standards Board (FASB)**

Accounting Standards Updates (ASU)

- The FASB Accounting Standards Codification® (FASB Codification) is the sole source of authoritative generally accepted accounting principles other than Securities and Exchange Commission (SEC)–issued rules and regulations that apply only to SEC registrants. FASB issues ASUs to communicate changes to the FASB Codification, including changes to nonauthoritative SEC content. ASUs are not authoritative standards. To view details and the effective dates of recent ASUs, [click here](#).

**Governmental Accounting Standards Board (GASB)**

Statements, Technical Bulletins, and Implementation Guides

**Effective for fiscal years or reporting periods beginning after June 15, 2023:**

- **[GASB Statement No. 99](#)**, *Omnibus 2022*, paragraphs 4–10 (April 2022). This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature. Specifically, it addresses practice issues identified during implementation and application of certain other statements. These paragraphs cover the following topics:
  - Financial Guarantees
  - Derivative Instruments

Earlier application is encouraged and is permitted by individual topic to the extent that all requirements associated with a topic are implemented simultaneously.

- **[GASB Statement No. 100](#)**, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* (June 2022). This statement enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable,

relevant, consistent, and comparable information for making decisions or assessing accountability. Earlier application is encouraged.

- [GASB Implementation Guide No. 2021-1](#), *Implementation Guidance Update—2021* (May 2021). Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented.

The revised question and answer (question 5.1) from Implementation Guide 2015-1 relates to Basic Financial Statements and Management’s Discussion and Analysis.

- [GASB Implementation Guide No. 2023-1](#), *Implementation Guidance Update—2023* (June 2023). For questions 4.1-4.9 and 5.1, earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented. For question 4.10, earlier application depends on simultaneous or previous application of GASB Statement No. 100.

New questions and answers (questions 4.1–4.10) relate to GASB Statement No. 87, *Leases*; GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*; and GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Revised question and answer (question 5.1) from Implementation Guide 2019-3 relates to Leases.

**Effective for fiscal years or reporting periods beginning after December 15, 2023:**

- [GASB Statement No. 101](#), *Compensated Absences* (June 2022). This statement updates the recognition and measurement guidance for compensated absences. Earlier application is encouraged.

**Effective for fiscal years or reporting periods beginning after June 15, 2024:**

- [GASB Statement No. 102](#), *Certain Risk Disclosures* (December 2023). This statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. It amends National Council on Governmental Accounting Interpretation 6, *Notes to the Financial Statements Disclosure*, paragraph 5. Earlier application is encouraged.

**Effective for fiscal years or reporting periods beginning after June 15, 2025:**

- [GASB Statement No. 103](#), *Financial Reporting Model Improvements* (April 2024). This statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government’s accountability. This statement also addresses certain application issues. Topics include management’s discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; major component unit information; and budgetary comparison information. Earlier application is encouraged.

## Section II: Select Standards and Guidance Issued July 2024 through September 2024

This section includes select standards and related guidance issued during the period covered by this *Professional Standards Update* (PSU)—July 2024 through September 2024—to the extent that such materials were publicly available as of September 30, 2024. The section also identifies the standard setters whose publications and updates we review to prepare PSUs. These updates highlight the recent issuance and key points of standards and related guidance. This PSU only summarizes the standards or guidance. Those affected by these changes should refer to the respective standard or guidance for details.

### A. AUDITING AND ATTESTATION STANDARDS AND GUIDANCE

#### Government Accountability Office (GAO)

##### Government Auditing Standards

- Government Auditing Standards were not updated during the period covered by this PSU.

##### Other Guidance

- **Financial Audit Manual: [Volume 3](#)** (July 2024). The 2024 revisions to FAM Volume 3, the Federal Financial Reporting Checklist, replaces the June 2023 version. This checklist is designed to assist users in determining whether the financial statements are prepared in accordance with generally accepted accounting principles. This checklist incorporates accounting standards issued by the Federal Accounting Standards Advisory Board (FASAB) effective for the fiscal year ending September 30, 2024, and the Office of Budget and Management (OMB) Circular No. A-136, *Financial Reporting Requirements – Revised*, issued on May 30, 2024.
- **Standards for Internal Control in the Federal Government: [2024 Exposure Draft](#)** (June 2024). GAO proposed a 2024 revision of the Green Book. This proposed revision provides additional requirements, guidance, and resources for addressing risks related to fraud, improper payments, information security, and the implementation of new or substantially changed programs, such as emergency assistance programs, when designing, implementing, and operating an effective internal control system. Extant principles and documentation requirements are clarified, and additional documentation requirements are proposed in the exposure draft. Other updates include an emphasis on prioritizing preventive control activities and highlighting management's responsibility for internal control at all levels and within all functions in the entity's organizational structure, such as program and financial managers. GAO is reviewing the comments received during the comment period.

#### American Institute of Certified Public Accountants (AICPA)

##### Statements on Auditing Standards (SAS)

- There were no new SASs issued during the period covered by this PSU.

##### Statements on Standards for Attestation Engagements (SSAE)

- There were no new SSAEs issued during the period covered by this PSU.

##### Other Guidance

- **AICPA Audit and Accounting Guide: Reporting on an Entity's Cybersecurity Risk Management Program and Controls** (July 2024). The 2024 edition of this guide assists auditors engaged to examine and report on an entity's cybersecurity risk management program. It also contains information that can assist management in understanding its responsibilities with respect to the engagement. This edition of the guide includes updates from SSAE No. 20, *Amendments to the Description of the Concept of Materiality*, and SSAE No. 21, *Direct Examination Engagements*.
- **AICPA Audit Guide: Government Auditing Standards and Single Audits** (August 2024). The 2024 edition of the guide addresses the auditor's responsibilities when conducting an audit of financial statements in accordance with *Government Auditing Standards*. It also provides guidance on the auditor's responsibilities when conducting a single audit or program-specific audit in accordance with the Single Audit Act and the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. This edition of the guide has been updated for SAS No. 145,

*Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*, and SAS No. 148, *Amendment to AU-C Section 935*, among other matters.

## **B. ACCOUNTING STANDARDS AND GUIDANCE**

### **Federal Accounting Standards Advisory Board (FASAB)**

Standards, Interpretations, Technical Bulletins, Technical Releases, and Concepts

- [Statement of Federal Financial Accounting Concepts \(SFFAC\) 10](#), *Omnibus Concepts Amendments 2024: Amending SFFAC 2 with Note Disclosures and MD&A Concepts and Rescinding SFFAC 3* (September 2024). This statement expands upon concepts in SFFAC 2, *Entity and Display*, to include the types of information that may be presented in note disclosures and the role of note disclosures as an integral part of the basic financial statements. This statement also amends management's discussion and analysis (MD&A) concepts in SFFAC 2 by rescinding paragraph 68 in its entirety and replacing it with a set of principles for FASAB to use to reduce repetition and improve relevance, clarity, comparability, and consistency for note disclosures. This statement also rescinds SFFAC 2 paragraph 69 and the entirety of SFFAC 3, *Management's Discussion and Analysis*, to consolidate MD&A guidance for FASAB in a new SFFAC 2 paragraph 69.

The following items, discussed in Section I, were issued during the period covered by this PSU:

- [Federal Financial Accounting Technical Release 23](#), *Omnibus Technical Release Amendments 2024: Conforming Amendments to Technical Releases 10, 16, 20, and 21* (July 2024).
- [Statement of Federal Financial Accounting Standards \(SFFAS\) 64](#), *Management's Discussion and Analysis: Rescinding and Replacing SFFAS 15* (September 2024).

### **Financial Accounting Standards Board (FASB)**

Accounting Standards Updates (ASU)

- FASB issues ASUs to communicate changes to the FASB Codification, including changes to nonauthoritative SEC content. To view details and the effective dates of ASUs, [click here](#).

### **Governmental Accounting Standards Board (GASB)**

Statements, Technical Bulletins, Implementation Guides, and Concepts Statements

- There were no relevant new or updated concepts, statements, technical bulletins, interpretations, or implementation guides issued during the period covered by this PSU.

## **C. REGULATORY GUIDANCE**

### **Office of Management and Budget (OMB)**

Circulars

- [Circular No. A-129](#), *Policies for Federal Credit Programs and Non-Tax Receivables* (September 2024). This circular prescribes policies and procedures for justifying, designing, and managing federal credit programs and for collecting non-tax receivables. It sets principles for designing credit programs, including: the preparing and reviewing legislation and regulations; budgeting for the subsidy costs and administrative expenses of credit programs, and minimizing unintended costs to the government; and improving the efficiency and effectiveness of federal credit programs. It also sets standards for extending credit, managing lenders participating in government guaranteed loan programs, servicing credit and nontax receivables, and collecting delinquent debt. This circular replaces the version dated January 2013 and is effective immediately.

Memoranda

- There were no relevant new or updated memoranda issued during the period covered by this PSU.

Bulletins

- [Bulletin No. 24-02](#), *Audit Requirements for Federal Financial Statements* (July 31, 2024). This bulletin implements the audit provisions of the Chief Financial Officers Act of 1990, as amended; the Government Management Reform Act of 1994, as amended; and the Federal Financial Management Improvement Act of 1996, as amended. The bulletin's provisions apply to audits of financial statements

of executive branch departments and agencies, and certain components thereof, and government corporations. These provisions supersede the provisions in OMB Bulletin 24-01, *Audit Requirements for Federal Financial Statements*. The bulletin's provisions are effective immediately for audits of financial statements, unless otherwise stipulated.

## **Department of the Treasury**

### **Treasury Financial Manual (TFM) Chapters**

- **TFM, Volume I, Part 5, Chapter 7500**, *Credit Gateway, Fedwire, FedNow, and Automated Clearing House (ACH) Credit Deposits to The Account Of The Bureau Of The Fiscal Service* (September 26, 2024). This chapter prescribes procedures for nontax Fedwire funds transfers, FedNow, and ACH credit deposits to the account of the Bureau of the Fiscal Service made through the Credit Gateway.

### **TFM Bulletins**

- **TFM, Volume I, Bulletin No. 2024-05**, *2024 Year-End Closing* (October 8, 2024), provides entities with guidance for preparing year-end closing reports and other financial reports, including required deadlines for federal entities to submit fiscal year 2024 financial data to the Department of the Treasury's Bureau of the Fiscal Service for timely certification and reporting.
- **TFM, Volume I, Bulletin No. 2024-06**, *Change to Bulletin No. 2024-04, U.S. Standard General Ledger (USSGL) — A Treasury Financial Manual (TFM) Supplement* (September 12, 2024), notifies agencies that part 1 and part 2 of the USSGL Supplement have been revised for fiscal years 2024 and 2025. Part 1 requirements for fiscal year 2024 are effective immediately, and part 2 requirements for fiscal year 2025 are effective October 1, 2024.

## **D. INTERNATIONAL AUDITING STANDARDS AND GUIDANCE**

### **International Auditing and Assurance Standards Board (IAASB)**

The IAASB sets international standards for auditing, quality control, review, other assurance, and related services and facilitates the convergence of international and national standards. To review recently issued IAASB pronouncements, [click here](#).

## **E. INTERNAL AUDIT GUIDANCE**

### **Institute of Internal Auditors (IIA)**

The International Professional Practices Framework is the conceptual framework that organizes authoritative guidance that the IIA promulgates. Guidance includes mandatory guidance and recommended guidance. Mandatory guidance includes the *International Standards for the Professional Practice of Internal Auditing*, released in 2017, and the IIA's Code of Ethics. Recommended guidance includes implementation guidance and supplemental guidance. IIA implementation guidance assists internal auditors in applying the standards. IIA supplemental guidance provides detailed processes and procedures for internal audit practitioners. To review IIA mandatory guidance, [click here](#), and to review recommended guidance, [click here](#).

IIA released the new *Global Internal Audit Standards*, which will become effective in January 2025 and may be adopted early. The previous version, *International Standards for the Professional Practice of Internal Auditing*, released in 2017, remains approved for use during a 1-year transition period. To access *Global Internal Audit Standards*, [click here](#), and for more information on the revision, [click here](#).