CONTENTS

1. Volume 2 provides detailed implementation guidance, which includes activities that would be performed during other phases of the audit. Thus, the auditor may refer to the FAM sections in volume 2 early in the audit. For example, FAM 600 includes guidance to auditors on designing and performing oversight and other procedures when using the work of others. FAM 701, Determining Financial Management Systems’ Compliance with the Federal Financial Management Improvement Act (FFMIA) Section 803(a) Requirements, includes procedures that would be performed throughout the audit, not just during the internal control phase, although many of them would be performed then. Also, FAM 902, Intragovernmental Activity and Balances, has procedures that the auditor may decide to perform in the planning and internal control phases of the audit as well as during the testing phase.
2. The audit procedures presented in the examples in the FAM sections of volume 2 are examples of some of the audit steps typically performed in each area. They are used in conjunction with the appropriate FAM sections. In using these procedures, the auditor uses professional judgment to add additional procedures, delete irrelevant procedures, modify procedures, indicate the extent and timing of procedures, and change the terminology to that used by the entity to be audited. The auditor may integrate these steps with the audit plans for related line items. For example, tests of intragovernmental activity and balances in FAM 902 may be integrated with tests of accounts receivable and payable, and to improve effectiveness, the auditor may coordinate those tests with related nonintragovernmental activity and balances.

# 600 Using the Work of Others

610 Overview of Using the Work of Others

615 Evaluating the Objectivity and Competence of Other Auditors or Specialists

620 Using the Work of an Auditor’s Specialist

625 Using the Work of a Management’s Specialist

630 Audits of Group Financial Statements (and Using the Work of Component Auditors)

640 Entities Using a Service Organization

640 A Service Organization Type 2 Report Assessment Tool

645 Using the Work of an Internal Auditor

670 IG Oversight of Audits Performed by Contracted Independent Public Accounting (IPA) Firms

670 A Summary of Procedures and Documentation for Oversight of Audits Performed by Contracted IPA Firms

670 B Example Transmittal Letter When Providing Oversight of Audits Performed by Contracted IPA Firms

# 700 FFMIA Guidance and Agreed-Upon Procedures Guidance

701 Determining Financial Management Systems’ Compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA)

701 A Example Audit Procedures for Testing Systems for Compliance with FFMIA

701 B Summary Schedule of Instances of Financial Management Systems Noncompliance with FFMIA

710 Agreed-Upon Procedures

710 A Example Agreed-Upon Procedures Engagement Letter

710 B Example Representation Letter from Engaging Party on Agreed-Upon Procedures Engagement

710 C Example Representation Letter from Responsible Party on Agreed-Upon Procedures Engagement

710 D Example Agreed-Upon Procedures Report Where the Engaging Party Is Not the Responsible Party

710 E Agreed-Upon Procedures Engagement Completion Checklist

# 800 Compliance

802 General Compliance Checklist

803 Antideficiency Act (ADA), as Provided Primarily in 31 U.S.C. Chapters 13, 15

804 Federal Credit Reform Act of 1990 (FCRA), as Provided in 2 U.S.C. §§ 661-661f

805 Federal Debt Collection Authorities, as Provided in 31 U.S.C. Chapter 37

806 Prompt Payment Act (PPA), as Provided in 31 U.S.C. Chapter 39

807 Pay and Allowance System for Civilian Employees, as Provided Primarily in 5 U.S.C. Chapters 51-59

808 Civil Service Retirement Act (CSRA), as Provided in 5 U.S.C. Chapter 83

809 Federal Employees Health Benefits Act (FEHBA), as Provided in 5 U.S.C. Chapter 89

810 Federal Employees' Compensation Act (FECA), as Provided in 5 U.S.C. Chapter 81

811 Federal Employees’ Retirement System Act (FERSA), as Provided in 5 U.S.C. Chapter 84

# 900 Substantive Testing Implementation Guidance

902 Intragovernmental Activity and Balances

902 A Example Line Item Risk Analysis (LIRA) for Intragovernmental Accounts

902 B Example Specific Control Evaluation (SCE) for Intragovernmental Accounts

902 C Example Audit Procedures for Intragovernmental Activity and Balances

903 Auditing Cost Information

904 Disclosure Entities, Related Parties, and Public-Private Partnerships

905 Accounting Estimates

921 Auditing Fund Balance with Treasury (FBWT)

921 A Example Line Item Risk Analysis for Fund Balance with Treasury

921 B Example Specific Control Evaluation for Fund Balance with Treasury

921 C Example Audit Procedures for Fund Balance with Treasury

931 Auditing Heritage Assets and Stewardship Land

941 Auditing the Statement of Social Insurance and the Statement of Changes in Social Insurance Amounts

# 1000 Reporting Implementation Guidance

1001 Management Representations

1001 A Management Representation Letter Example

1002 Inquiries of Legal Counsel

1002 A Example Audit Procedures for Inquiries of Legal Counsel

1002 B Example Legal Letter Request

1002 C Example Legal Representation Letter

1002 D Example Management Schedule

1003 Financial Statement Audit Completion Checklist

1005 Subsequent Events Review