



Memorandum

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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. 100, January Through March 2026*

To alert you to changes in professional standards, we periodically issue *Professional Standards Updates* (PSU).¹ These updates highlight the effective dates of recently issued standards and guidance related to engagements conducted in accordance with *Government Auditing Standards*.² 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 December 31, 2025;
 - attestation reports dated after December 31, 2025; and
 - accounting for reporting periods beginning after October 15, 2024.
- Section II identifies select standards and guidance that were issued from January 2026 through March 2026.

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

²GAO, *Government Auditing Standards: 2024 Revision*, [GAO-24-106786](#) (Washington, D.C.: February 2024).

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Professional Standards Update No. 100

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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	<i>Government Auditing Standards</i> and other guidance	Effective upon issuance: Government Auditing Standards: Frequently Asked Questions: Establishing and Maintaining a System of Quality Management (issued December 2025) Effective for fiscal year 2026 and related Federal Managers' Financial Integrity Act of 1982 reports: Standards for Internal Control in the Federal Government
American Institute of Certified Public Accountants (AICPA)	Statements on Auditing Standards (SAS), Statements on Standards for Attestation Engagements (SSAE), and other guidance	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 SSAE No. 23, Amendments to the Attestation Standards for Consistency With the Issuance of AICPA Standards on Quality Management 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)
Federal Accounting Standards Advisory Board (FASAB)	Statements of Federal Financial Accounting Standards (SFFAS), interpretations, technical bulletins, technical releases, and other guidance	Effective upon issuance: Technical Bulletin 2025-1, Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land (issued September 2025) Effective for reporting periods beginning after September 30, 2025: SFFAS 64, Management's Discussion and Analysis: Rescinding and Replacing SFFAS 15
Governmental Accounting Standards Board (GASB)	Accounting statements, technical bulletins, and implementation guides	Effective upon issuance: Implementation Guide No. 2025-1, Implementation Guidance Update—2025 (question 4.16 only) (issued June 2025) Effective for fiscal years beginning after June 15, 2025: GASB Statement No. 103, Financial Reporting Model Improvements GASB Statement No. 104, Disclosure of Certain Capital Assets Implementation Guide No. 2025-1, Implementation Guidance Update—2025 (except for question 4.16) Effective for fiscal years beginning after June 15, 2026: GASB Statement No. 105, Subsequent Events

Source: GAO analysis of standards setters' effective dates.

A. AUDITING AND ATTESTATION STANDARDS AND GUIDANCE

Government Accountability Office

Other Guidance

Effective upon issuance:

- [Government Auditing Standards: Frequently Asked Questions: Establishing and Maintaining a System of Quality Management](#) (December 2025). As a companion to GAO's 2024 revision of *Government Auditing Standards*, this practice aid is intended to help an audit organization understand and meet the new quality management requirements as it deliberates on the design, implementation, and operation of its system of quality management for engagements conducted in accordance with *Government Auditing Standards*. This practice aid is considered GAGAS interpretive guidance in accordance with paragraph 2.06 of *Government Auditing Standards*.

Effective for fiscal year 2026 and Federal Managers' Financial Integrity Act of 1982 reports covering that year:

- [**Standards for Internal Control in the Federal Government**](#) (May 2025). Known as the “Green Book,” GAO issues these standards to provide the overall framework for establishing and maintaining an effective internal control system. The Federal Managers' Financial Integrity Act of 1982 requires federal executive branch entities to establish internal control in accordance with these standards. This revision helps management design and strengthen an entity's internal control systems to address risks, including risks related to fraud, improper payments, and information security, and the entity's implementation of new or substantially changed programs, including emergency assistance programs. Updates include an emphasis on prioritizing preventive control activities and highlighting management's responsibility for internal control at all levels within the entity's organizational structure. There are new documentation requirements for risk assessments and a change assessment process for identifying, analyzing, and responding to risk for significant changes. Early implementation is permitted.

American Institute of Certified Public Accountants (AICPA)

Statements on Auditing Standards (SAS)

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 Recodification*, 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. These standards relating to quality management are designed to improve the audit 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 AU-C sections relevant 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 Statements on Quality Management Standards. 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, *Concepts Common to All Attestation Engagements*; SSAE No. 19, AT-C section 215, *Agreed-Upon Procedures Engagements*, as amended; SSAE No. 21, AT-C section 205, *Assertion-Based Examination Engagements*; and SSAE No. 22, AT-C section 210, *Review Engagements*.

B. ACCOUNTING STANDARDS AND GUIDANCE

Federal Accounting Standards Advisory Board (FASAB)

Standards, Interpretations, Technical Bulletins, and Technical Releases

Effective upon issuance:

- [Technical Bulletin 2025-1](#), *Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land* (September 2025). This technical bulletin clarifies existing standards for the accounting and reporting of government land in accordance with SFFAS 59, *Accounting and Reporting of Government Land*. Guidance is needed to clarify the existing accounting and reporting requirements regarding the unique characteristics of government land holdings that have arisen during the fiscal years 2022–2024 required supplementary information transition period. This technical bulletin facilitates consistent accounting and reporting of government land in accordance with generally accepted accounting principles while also reducing preparer burden and improving user benefits.

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.

Governmental Accounting Standards Board (GASB)

Statements, Technical Bulletins, and Implementation Guides

Effective upon issuance:

- [GASB Implementation Guide No. 2025-1](#), *Implementation Guidance Update—2025* (June 2025). New question and answer (question 4.16) relates to the following topic:
 - GASB Statement No. 103, *Financial Reporting Model Improvements*

Effective for fiscal years 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.
- [GASB Statement No. 104](#), *Disclosure of Certain Capital Assets* (October 2024). This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. It also establishes requirements, including additional disclosures, for capital assets held for sale. Earlier application is encouraged.
- [GASB Implementation Guide No. 2025-1](#), *Implementation Guidance Update—2025* (June 2025).

New questions and answers cover the following topics:

- Cash Flows Reporting
- Basic Financial Statements and Management's Discussion and Analysis
- Leases
- GASB Statement No. 91, *Conduit Debt Obligations*
- GASB Statement No. 100, *Accounting Changes and Error Corrections*
- GASB Statement No. 101, *Compensated Absences*

Amended questions and answers (questions 5.1–5.2) of previously issued Implementation Guide(s) relate to the following topics:

- Basic Financial Statements and Management's Discussion and Analysis
- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*

This update also supersedes Implementation Guide 2015-1 question 2.18.2. Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented.

Effective for fiscal years beginning after June 15, 2026:

- [GASB Statement No. 105](#), *Subsequent Events* (December 2025). This statement improves the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. Earlier application is encouraged.

Section II: Select Standards and Guidance Issued January 2026 Through March 2026

This section includes select standards and related guidance issued during the period covered by this *Professional Standards Update* (PSU) to the extent that such materials were publicly available as of March 31, 2026. The section also identifies the standard setters whose publications and updates we review to prepare PSUs. 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.

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.

Proposed Statements on Standards for Attestation Engagements

- **Exposure Draft:** [Proposed Statement on Standards for Attestation Engagements, Common Concepts, Examination Engagements, Review Engagements, and Engagements to Report on Sustainability Information](#) (February 26, 2026). The AICPA Auditing Standards Board (ASB) is proposing revisions to AT-C sections 105, *Concepts Common to All Attestation Engagements*; 205, *Assertion-Based Examination Engagements*; and 210, *Review Engagements*. The proposed revisions are intended to maintain the attestation standards as a suite of self-contained performance and reporting requirements by enhancing or clarifying AT-C sections 105, 205, and 210 for high-priority topics and other changes to support the role of subject-matter AT-C sections in a variety of emerging attest engagements (for example, sustainability information, digital assets, governance, and related controls). When adopted as final, the proposed SSAE would also establish two new subject-matter AT-C sections, sections 325, *Reporting on an Examination of Sustainability Information*, and 330, *Reporting on a Review of Sustainability Information*. The proposed SSAE would become effective for engagements beginning on or after June 15, 2029, with early implementation permitted. Comments on the exposure draft are due June 30, 2026.
- **Exposure Draft:** [Proposed Statement on Standards for Attestation Engagements, Amendments to SSAEs 18-19, 21 to Reflect Proposed SSAE Common Concepts, Examination Engagements, Review Engagements, and Engagements to Report on Sustainability Information](#) (March 27, 2026). As a complement to the proposed SSAE exposure draft listed above, the ASB is proposing this exposure draft, which will amend AT-C sections 206, *Direct Examination Engagements*, as amended; 215, *Agreed-Upon Procedures Engagements*, as amended; 305, *Prospective Financial Information*; 310, *Reporting on Pro Forma Financial Information*; 315, *Compliance Attestation*; and 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting*. The proposed SSAE would become effective for engagements beginning on or after June 15, 2029, with early implementation permitted only if the practitioner also implements

revised AT-C section 105, and any other proposed revised AT-C sections that are applicable to the engagement, early. Comments on the exposure draft are due June 30, 2026.

Professional Standards³

Code of Professional Conduct [ET] – March 2026 Update

- This update revises paragraph .04 of ET section 0.600.030, adopting a temporary policy statement for category b of the definition of “public interest entity.”

Other Guidance⁴

- *AICPA Audit and Accounting Guide: Audit Data Analytics* (December 2025). The guide provides an introduction and overview of data analytic techniques to assist financial statement auditors in applying such techniques in performing their audit engagements. This resource guides auditors through practical applications of using audit data analytics in performing risk assessment procedures, substantive analytical procedures, tests of details, and procedures to assist in forming an overall conclusion about whether the financial statements are consistent with the auditor’s understanding of the entity. An appendix also provides considerations for assessing the reliability of data. The 2025 edition of this guide has been updated for recently issued audit guidance, including, but not limited to, SASs 142, 143, and 145.

B. ACCOUNTING STANDARDS AND GUIDANCE

Federal Accounting Standards Advisory Board (FASAB)

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

- There were no new standards, interpretations, technical bulletins, technical releases, or concepts issued during the period covered by this PSU.

Governmental Accounting Standards Board (GASB)

Statements, Technical Bulletins, Implementation Guides, and Concepts Statements

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

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

³The *AICPA Professional Standards* is an annual publication of the AICPA. It is the comprehensive source of professional standards and interpretations issued by the AICPA, such as auditing and attestation standards and interpretations, accounting and review services pronouncements, Statements of Position, and the AICPA Code of Professional Conduct. A digital subscription to AICPA professional literature is necessary to view timely updates to the professional standards covered by PSUs.

⁴Other guidance issued by the AICPA as professional literature includes audit and accounting guides, audit risk alerts, and technical questions and answers. The guides and other titles are AICPA available-for-purchase publications. A digital subscription to AICPA professional literature is necessary to view timely updates to the guidance covered by PSUs.

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

C. REGULATORY GUIDANCE

Office of Management and Budget (OMB)

Circulars

- [Circular No. A-123](#), *Management's Responsibility for Internal Control* (March 10, 2026). This circular provides guidance to federal agencies regarding establishing internal control over operations, reporting, and compliance. OMB issues Circular No. A-123 to support federal executive branch entity compliance with the Federal Managers' Financial Integrity Act of 1982, which requires agencies to establish and maintain internal control over the operation and execution of business processes and internal control systems in accordance with *Standards for Internal Control in the Federal Government*, and to assess and report on internal control annually. The revision of Circular No. A-123 is effective upon issuance and supersedes all previous versions. Appendices A, B, C, and D of this circular remain in effect.

Memoranda

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

Bulletins

- There were no relevant bulletins issued during the period covered by this PSU.

Department of the Treasury

Treasury Financial Manual (TFM)

- [TFM, Volume I, Part 4A, Chapter 6000](#), *Financial Integrity* (March 16, 2026). This chapter prescribes financial integrity requirements applicable to federal agencies designed to prevent fraud, waste, abuse, and improper payments in federal disbursements. It includes Do Not Pay tool requirements for all federal agencies and payment verification requirements for federal agencies whose payments are disbursed by the Bureau of the Fiscal Service.

TFM Bulletins

- [TFM, Bulletin No. 2026-02](#), *U.S. Standard General Ledger (USSGL) — A Treasury Financial Manual (TFM) Supplement* (January 30, 2026). This bulletin notifies agencies that Part 1 and Part 2 of the USSGL Supplement have been revised for fiscal years 2026 and 2027, respectively, and that all previous amendments are replaced. The revised requirements for fiscal year 2026 are effective immediately. The revised requirements for fiscal year 2027 are effective October 1, 2026.

D. INTERNATIONAL AUDITING STANDARDS AND GUIDANCE

International Auditing and Assurance Standards Board (IAASB)

The IAASB sets international standards for auditing, quality management, 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 (IPPF) is the conceptual framework that organizes authoritative guidance that the IIA promulgates regarding the practice of internal auditing. The IPPF includes the mandatory Global Internal Audit Standards and Topical Requirements and supplemental Global Guidance. To access the IPPF, [click here](#).