

Memorandum

Date: October 28, 2021

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

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Subject: *Professional Standards Update No. 82*, July through September 2021

To alert you to changes in professional standards, we periodically issue *Professional Standards Updates* (PSU).¹ These updates highlight the effective dates and issuance of recent 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.

PSU No. 82 has a revised format compared to previous editions. Standards with implementation dates that were subsequently deferred after final issuance are no longer presented in a separate section, but instead are incorporated into section I.

This PSU has two sections:

- Section I identifies select standards and guidance with current or future effective dates. Section I contains standards effective for
 - audits of financial statements for periods ending after June 30, 2021;
 - attestation reports dated after June 30, 2021; and
 - accounting for reporting periods beginning on or after April 15, 2020.
- Section II identifies select standards and guidance that were issued from July 2021 through September 2021.

¹Previous PSUs can be found in the Related Publications section of <https://www.gao.gov/yellowbook>.

²GAO, *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. 82

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Section I: Select Standards and Guidance with Current or Future Effective Dates

This section identifies select standards and guidance that are effective for (1) audits of financial statements for periods ending after June 30, 2021; (2) attestation reports dated after June 30, 2021; and (3) accounting for reporting periods beginning on or after April 15, 2020. In general, the standard setters mentioned in this section are those with relevant 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: Select Standards and Guidance for Financial Statement Audits

Standard setter	Standard or guidance	Standards and guidance
Government Accountability Office	Government Auditing Standards	Effective upon issuance: Government Auditing Standards : 2018 Revision Technical Update April 2021
American Institute of Certified Public Accountants	Statements on Auditing Standards (SAS), Statements on Standards for Attestation Engagements (SSAE), and other guidance	Effective for audits of financial statements for periods ending on or after December 15, 2021: SAS No. 134 , Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements SAS No. 135 , Omnibus Statement on Auditing Standards—2019 SAS No. 136 , Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA SAS No. 137 , The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports SAS No. 138 , Amendments to the Description of the Concept of Materiality SAS No. 139 , Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes from SAS No. 134 SAS No. 140 , Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes From SAS Nos. 134 and 137 Effective for audits of financial statements for periods ending on or after December 15, 2022: SAS No. 142 , Audit Evidence Effective for audits of financial statements for periods ending on or after December 15, 2023: SAS No. 143 , Auditing Accounting Estimates and Related Disclosures 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 Effective for attestation reports dated on or after July 15, 2021: SSAE No. 19 , Agreed-Upon Procedures Engagements Effective for attestation reports dated on or after June 15, 2022: SSAE No. 21 , Direct Examination Engagements SSAE No. 22 , Review Engagements
Federal Accounting Standards Advisory Board	Concepts, statements, and other guidance	Effective upon issuance: Statement of Federal Financial Accounting Standards (SFFAS) 58 , Deferral of the Effective Date of SFFAS 54, Leases Interpretation 10 , Clarification of Non-federal Non-entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31 Effective for reporting periods beginning after September 30, 2021: SFFAS 59 , Accounting and Reporting of Government Land Effective for reporting periods beginning after September 30, 2023: SFFAS 54 , Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment SFFAS 57 , Omnibus Amendments 2019 (paras. 3–8, 11, and 12)
Financial Accounting Standards Board	Accounting Standards Updates (ASU)	A number of ASUs came into effect. To view the details and effective dates of ASUs, click here .
Governmental Accounting Standards Board (GASB)	Accounting standards and implementation guides	Effective upon issuance: GASB Statement No. 95 , Postponement of the Effective Dates of Certain Authoritative Guidance Effective for reporting periods beginning after December 15, 2019: GASB Statement No. 84 , Fiduciary Activities

Standard setter	Standard or guidance	Standards and guidance
		<p>GASB Statement No. 90, <i>Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61</i> GASB Implementation Guide No. 2019-2, <i>Fiduciary Activities</i> Effective for reporting periods beginning after June 15, 2020: GASB Statement No. 93, <i>Replacement of Interbank Offered Rates</i> (all paragraphs except paras. 11b, and 13-14) GASB Implementation Guide No. 2019-1, <i>Implementation Guidance Update—2019</i> Effective for reporting periods beginning after December 15, 2020: GASB Statement No. 89, <i>Accounting for Interest Cost Incurred before the End of a Construction Period</i> Effective for reporting periods beginning after June 15, 2021: GASB Statement No. 87, <i>Leases</i> GASB Implementation Guide No. 2019-3, <i>Leases</i> GASB Statement No. 92, <i>Omnibus 2020</i> (paras. 6–10, 12) GASB Statement No. 93, <i>Replacement of Interbank Offered Rates</i> (paras. 13–14) GASB Statement No. 97, <i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i> (all paragraphs other than paras. 4–5) GASB Implementation Guide No. 2020-1, <i>Implementation Guidance Update—2020</i> (questions 4.1–4.5, 4.18, and 5.1–5.5) GASB Implementation Guide No. 2021-1, <i>Implementation Guidance Update—2021</i> (question 4.22) Effective for reporting periods ending after December 15, 2021: GASB Statement No. 91, <i>Conduit Debt Obligations</i> GASB Implementation Guide No. 2020-1, <i>Implementation Guidance Update—2020</i> (questions 4.6–4.17 and 4.19–4.21) Effective for reporting periods ending after December 31, 2021: GASB Statement No. 93, <i>Replacement of Interbank Offered Rates</i> (para. 11b) Effective for reporting periods ending after June 15 2022: GASB Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i> GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i> GASB Implementation Guide No. 2021-1, <i>Implementation Guidance Update—2021</i> (questions 4.1–4.21, 4.23, and 5.2–5.4) Effective for reporting periods ending after June 15 2023: GASB Implementation Guide No. 2021-1, <i>Implementation Guidance Update—2021</i> (question 5.1)</p>

Source: GAO analysis of standards setters' effective dates.

A. AUDITING AND ATTESTATION STANDARDS AND GUIDANCE

Government Accountability Office

Government Auditing Standards ([Click here for link](#))

- **Government Auditing Standards: 2018 Revision Technical Update April 2021** (April 2021). This update provides certain limited technical updates to the 2018 revision of Government Auditing Standards. These include restoring the concept of equity in chapter 1 and clarifying language in certain internal control paragraphs. A full list of updates can be found on pages i through ii of the April technical update.

American Institute of Certified Public Accountants

Statements on Auditing Standards (SAS) ([Click here for link](#))

Effective for audits of financial statements for periods ending on or after December 15, 2021:

- **SAS No. 134**, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements* (May 2019). Provisions of this statement (1) supersede and amend sections of SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended, and (2) amend SAS No. 132, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*. Early adoption is permitted.
- **SAS No. 135**, *Omnibus Statement on Auditing Standards—2019* (May 2019). Provisions of this statement amend sections of (1) SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended, and (2) SAS No. 130, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*. Early adoption is permitted.
- **SAS No. 136**, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA* (July 2019). This statement addresses the auditor's responsibility to form an opinion on the financial statements of employee benefit plans subject to the Employee Retirement Income Security Act of 1974 (ERISA). It also addresses the form and content of the auditor's report issued based on the ERISA plan financial statements. Early adoption is permitted.
- **SAS No. 137**, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports* (July 2019). This statement addresses the auditor's responsibilities relating to other information, whether financial or nonfinancial (other than financial statements and the related auditor's report), included in an entity's annual report. Early adoption is permitted.
- **SAS No. 138**, *Amendments to the Description of the Concept of Materiality* (December 2019). Provisions of this statement amend sections of (1) SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended; (2) SAS No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*, as amended; and (3) SAS No. 136, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA*. Early adoption is permitted.
- **SAS No. 139**, *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes from SAS No. 134* (March 2020). Provisions of this statement amend sections of SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended. Early adoption is permitted.
- **SAS No. 140**, *Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes From SAS Nos. 134 and 137* (April 2020). SAS No. 140 conforms the reporting provisions of SAS No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*, and other SASs to generally accepted auditing standards. In addition, AU-C section 935, *Compliance Audits*, was amended to be consistent with current governmental requirements. Early adoption is permitted.

SAS Nos. 134 and 136 through 140 are interrelated because the Auditing Standards Board (ASB) amended the auditor reporting model adopted in SAS No. 134 by issuing SAS Nos. 136 through 140. Accordingly, ASB recommends that all of these statements be implemented concurrently.

Effective for audits of financial statements for periods ending on or after December 15, 2022:

- **SAS No. 142**, *Audit Evidence* (July 2020). This statement provides guidance on what constitutes audit evidence in an audit of financial statements and sets out attributes of information that the auditor takes

into account when evaluating information to be used as audit evidence. Taking these attributes into account assists the auditor in maintaining professional skepticism.

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). The 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.

Statements on Standards for Attestation Engagements (SSAE) ([Click here for link](#))

Effective for reports dated on or after July 15, 2021:

- **SSAE No. 19**, *Agreed-Upon Procedures Engagements* (December 2019). This statement supersedes SSAE No. 18, *Attestation Standards: Clarification and Recodification*, AT-C section 215, *Agreed-Upon Procedures Engagements*, and amends SSAE No. 18, AT-C section 105, *Concepts Common to All Attestation Engagements*. This section contains performance and reporting requirements and application guidance for all agreed-upon procedures engagements. The requirements and guidance in this section supplement those in AT-C section 105, *Concepts Common to All Attestation Engagements*. Early adoption is permitted.

Effective for reports dated on or after June 15, 2022:

- **SSAE No. 21**, *Direct Examination Engagements* (September 2020). This statement adds AT-C section 206, *Direct Examination Engagements*, to the attestation standards and enables practitioners to perform an examination engagement in which the practitioner obtains reasonable assurance by measuring or evaluating underlying subject matter against criteria and expressing an opinion that conveys the results of that measurement or evaluation.

- **SSAE No. 22, *Review Engagements*** (December 2020). This statement:
 - revises AT-C section 210, *Review Engagements*, for consistency with AT-C section 205, *Assertion-Based Examination Engagements* (pursuant to SSAE No. 21, *Direct Examination Engagements*);
 - more clearly describes the types of procedures a practitioner may perform in a review engagement;
 - revises the reporting requirements for an attestation review for additional transparency; and
 - consistent with Statement on Standards for Accounting and Review Services No. 25, *Materiality in a Review of Financial Statements and Adverse Conclusions*, permits the expression of an adverse conclusion.

Early implementation is permitted only if a practitioner also implements early the amendments to AT-C section 105, *Concepts Common to All Attestation Engagements*, included in SSAE No. 21, *Direct Examination Engagements*.

B. ACCOUNTING STANDARDS AND GUIDANCE

Federal Accounting Standards Advisory Board

Concepts, Statements, Technical Bulletins, Interpretations, and Technical Releases ([Click here for link](#))

- **Statement of Federal Financial Accounting Standards (SFFAS) 58, *Deferral of the Effective Date of SFFAS 54, Leases*** (June 2020). This statement defers the effective date for SFFAS 54, *Leases: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment*, for 3 years. The requirements of SFFAS 54 are now effective for reporting periods beginning after September 30, 2023. This statement also amends SFFAS 57, *Omnibus Amendments 2019*, to defer the effective date of certain conforming amendments contained therein related to SFFAS 54.
- **Interpretation 10, *Clarification of Non-federal Non-entity FBWT Classification (SFFAS 1, Paragraph 31): An Interpretation of SFFAS 1 and SFFAS 31*** (May 2021). This interpretation clarifies the classification and presentation of non-federal non-entity Fund Balance with Treasury (FBWT) in paragraph 31 of SFFAS 1, *Accounting for Selected Assets and Liabilities*. This guidance provides that amounts received in deposit funds from non-federal sources in anticipation of an order (that is, an advance) should be classified as intragovernmental on component reporting entity financial statements.

Effective for fiscal years or reporting periods beginning after September 30, 2021:

- **SFFAS 59, *Accounting and Reporting of Government Land*** (July 2021). This statement:
 - requires reclassifying general property, plant, and equipment (G-PP&E) land as a non-capitalized asset for periods beginning after September 30, 2025;
 - clarifies the definition for the stewardship land category;
 - requires the reporting of acreage of G-PP&E land and stewardship land using three predominant use sub-categories: conservation and preservation land, operational land, and commercial use land; and
 - requires consistent and comparable disclosures of information for land.

The acreage information by predominant use initially will be reported in required supplementary information for periods beginning after September 30, 2021 through periods beginning after September 30, 2024.

Effective for fiscal years or reporting periods beginning after September 30, 2023:

- **SFFAS 54, *Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment*** (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 3–8, 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.

Financial Accounting Standards Board

Accounting Standards Updates (ASU)

- The Financial Accounting Standards Board (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 ASUs, [click here](#).

Governmental Accounting Standards Board

Statements and Implementation Guides ([Click here for link](#))

- **Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*** (May 2020). This statement primarily provides temporary relief to governments and other stakeholders in light of the Coronavirus Disease 2019 (COVID-19) pandemic by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or were scheduled to become effective for periods beginning after June 15, 2018.

Effective for fiscal years or reporting periods beginning after December 15, 2019:

- **GASB Statement No. 84, *Fiduciary Activities*** (January 2017). This statement establishes criteria for identifying fiduciary activities of all state and local governments. The criteria generally focus on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with which a fiduciary relationship exists. The statement includes separate criteria for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement also provides for recognizing a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.
- **GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*** (August 2018). This statement improves consistency and comparability in reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units.
- **GASB Implementation Guide No. 2019-2, *Fiduciary Activities*** (June 2019). The guide clarifies, explains, and elaborates on the requirements of GASB Statement No. 84, *Fiduciary Activities*. Earlier application is encouraged if statement 84 has been implemented. (Note: GASB Implementation Guide 2020-1 indefinitely deferred questions 4.3, 4.5, and 4.6.)

Effective for fiscal years or reporting periods beginning after June 15, 2020:

- **GASB Statement No. 93**, *Replacement of Interbank Offered Rates*, all paragraphs except for paragraphs 11b, 13, and 14 (March 2020). This statement addresses accounting and financial reporting implications that result from replacing an interbank offered rate as the basis for variable payment agreements. Early adoption is encouraged.
- **GASB Implementation Guide No. 2019-1**, *Implementation Guidance Update—2019* (April 2019). This guide clarifies, explains, or elaborates on various statements.

New questions and answers (questions 4.1–4.14) relate to the following topics:

- Postemployment Benefits—Plan and Employer Accounting and Reporting
- Accounting and Financial Reporting for Derivative Instruments
- GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*
- GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*
- GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*
- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*
- GASB Statement No. 77, *Tax Abatement Disclosures*
- GASB Statement No. 81, *Irrevocable Split-Interest Arrangements*

Revised questions and answers (questions 5.1–5.4) relate to the following topics in Implementation Guides 2015-1 and 2017-2:

- The Financial Reporting Entity
- Pensions—Plan and Employer Accounting and Reporting
- Postemployment Benefits Other Than Pensions—Plan and Employer Accounting and Reporting
- Accounting and Financial Reporting for Derivative Instruments

Effective for fiscal years or reporting periods beginning after December 15, 2020:

- **GASB Statement No. 89**, *Accounting for Interest Cost Incurred before the End of a Construction Period* (June 2018). The objectives of this statement are to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplify accounting for interest cost incurred before the end of a construction period. Early adoption is permitted.

Effective for fiscal years or reporting periods beginning after June 15, 2021:

- **GASB Statement No. 87**, *Leases* (June 2017). The objective of this statement is to improve governments' accounting and financial reporting for leases to better meet the information needs of financial statement users. Early adoption is encouraged.
- **GASB Implementation Guide No. 2019-3**, *Leases* (August 2019). This guide clarifies, explains, or elaborates on the requirements of GASB Statement No. 87, *Leases*. Early adoption is encouraged if GASB Statement No. 87 has been implemented.
- **GASB Statement No. 92**, *Omnibus 2020*, paragraphs 6–10 and 12 (January 2020). 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. Early adoption is encouraged.
- **GASB Statement No. 93**, *Replacement of Interbank Offered Rates*, paragraphs 13–14 (March 2020). This statement addresses accounting and financial reporting implications that result from replacing an interbank offered rate (IBOR) as the basis for variable payment agreements. Paragraphs 13 through

14 redefine what is considered a lease modification such that an amendment of a lease contract solely to replace the IBOR as the basis for variable payment agreements is not considered a lease modification. Early adoption is encouraged.

- **GASB Statement No. 97**, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, all paragraphs except paragraphs 4 and 5 (June 2020). These portions of this statement enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the pension plan definition and for benefits provided through those plans. Early adoption is encouraged.
- **GASB Implementation Guide No. 2020-1**, *Implementation Guidance Update—2020* (April 2020). Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented.

New questions and answers (questions 4.1–4.5 and 4.18) coming into effect for the referenced time period relate to the following topics:

- The Financial Reporting Entity
- Accounting and Financial Reporting for Certain Investments and for External Investment Pools
- Fiduciary Activities
- GASB Statement No. 83, *Certain Asset Retirement Obligations*

Revised questions and answers (questions 5.1–5.5) coming into effect for the referenced time period relate to the following topics:

- Pensions—Plan and Employer Accounting and Reporting
- Accounting and Financial Reporting for Certain Investments and for External Investment Pools
- Postemployment Benefits Other Than Pensions—Plan and Employer Accounting and Reporting

- **GASB Implementation Guide No. 2021-1**, *Implementation Guidance Update—2021* (May 2021).

New question and answer (question 4.22) coming into effect for the referenced time period relate to Effective Date and Transition of GASB Statement 87, *Leases*.

Effective for fiscal years or reporting periods ending after December 15, 2021:

- **GASB Statement No. 91**, *Conduit Debt Obligations* (May 2019). This statement has two objectives: (1) to provide a single method by which issuers report conduit debt obligations and (2) to eliminate diversity in practice associated with (a) commitments that issuers extended, (b) arrangements associated with conduit debt obligations, and (c) related note disclosures.
- **GASB Implementation Guide No. 2020-1**, *Implementation Guidance Update—2020* (April 2020). Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented.

New questions and answers (questions 4.6–4.17, 4.19–4.21) coming into effect for the referenced time period relate to the following topics:

- Leases
- GASB Statement No. 91, *Conduit Debt Obligations*

Effective for fiscal years or reporting periods ending after December 31, 2021:

- **GASB Statement No. 93**, *Replacement of Interbank Offered Rates*, paragraph 11b (March 2020). This statement addresses accounting and financial reporting implications that result from replacing an IBOR as the basis for variable payment agreements. Paragraph 11b removes the London Interbank

Offered Rate as an appropriate benchmark interest rate for a derivative instrument. Early adoption is encouraged.

Effective for fiscal years or reporting periods ending after June 15, 2022:

- **GASB Statement No. 94**, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (March 2020). This statement addresses issues related to public-private and public-public partnership arrangements. This statement provides accounting and financial reporting requirements for these partnership arrangements that do not meet the definition of a lease as defined in GASB Statement No. 87, *Leases*, as amended and clarified by this statement, and that also do not meet the definition of a service concession arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements. Early adoption is encouraged.
- **GASB Statement No. 96**, *Subscription-Based Information Technology Arrangements* (May 2020). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. This statement:
 - defines an SBITA;
 - establishes that an SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability;
 - provides the capitalization criteria for outlays other than subscription payments, including implementation costs of an SBITA; and
 - requires note disclosures regarding a SBITA.

To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. 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.

New questions and answers (questions 4.1–4.21 and 4.23) coming into effect for the referenced time period relate to the following topics:

- Accounting and Financial Reporting for Derivative Instruments
- Fiduciary Activities
- Leases
- GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*

Revised questions and answers (questions 5.2–5.4) coming into effect for the referenced time period relate to the following topics in Implementation Guide 2015-1:

- Basic Financial Statements and Management’s Discussion and Analysis Pensions—Plan and Employer Accounting and Reporting
- GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*

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

- **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.

Revised question and answer (question 5.1) coming into effect for the referenced time period relate to the following topic in Implementation Guide 2015-1: Basic Financial Statements and Management’s Discussion and Analysis Pensions—Plan and Employer Accounting and Reporting.

Section II: Select Standards and Guidance Issued July 2021 through September 2021

This section includes select standards and related guidance issued during the period covered by this *Professional Standards Update (PSU)*—July 2021 through September 2021—to the extent that such materials were publicly available as of September 30, 2021. 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

Government Auditing Standards ([Click here for link](#))

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

American Institute of Certified Public Accountants

Statements on Auditing Standards (SAS) ([Click here for link](#))

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

Statements on Standards for Attestation Engagements (SSAE) ([Click here for link](#))

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

Other Guidance ([Click here for link](#))

- *Prospective Financial Information* (August 2021). The 2021 edition of this guide assists with interpreting and applying the guidance related to prospective financial information, including SSAE. 19, *Agreed-Upon Procedures Engagements*, and Statement on Standards for Accounting and Review Services No. 25, *Materiality in a Review of Financial Statements and Adverse Conclusions*. This resource provides interpretive guidance and implementation strategies for preparation, compilation, examination, and agreed-upon procedures on prospective financial information.
- *Government Auditing Standards and Single Audits* (September 2021). The 2021 edition of this guide assists with understanding and applying the special considerations required in a single audit. This new edition was updated for the 2020 revision to the *Uniform Guidance* and the 2021 technical update to *Government Auditing Standards*. It provides up-to-date information and expert guidance on single audits and Uniform Guidance compliance audit requirements, including example auditor reports for the reporting required under both *Government Auditing Standards* and the *Uniform Guidance* compliance audit. This edition of the guide was also updated to reflect changes as a result of SAS Nos. 134 through 141.
- *Preparation, Compilation, and Review Engagements* (September 2021). The 2021 edition of this guide includes the latest Statement on Standards for Accounting Review Services (SSARS) No. 25, *Materiality in a Review of Financial Statements and Adverse Conclusions*, and how it will affect the SSARS engagements, especially the materiality and adverse conclusions. This guide includes an illustrative accountant's report addressing such situations.

B. ACCOUNTING STANDARDS AND GUIDANCE

Federal Accounting Standards Advisory Board

Concepts, Statements, Technical Bulletins, Interpretations, and Technical Releases ([Click here for link](#))

- **Statement of Federal Financial Accounting Standards 59, *Accounting and Reporting of Government Land*** (July 2021). This statement:
 - requires reclassifying general property, plant, and equipment (G-PP&E) land as a non-capitalized asset for periods beginning after September 30, 2025;
 - clarifies the definition for the stewardship land category;
 - requires the reporting of acreage of G-PP&E land and stewardship land using three predominant use sub-categories: conservation and preservation land, operational land, and commercial use land; and
 - requires consistent and comparable disclosures of information for land.

The acreage information by predominant use initially will be reported in required supplementary information for periods beginning after September 30, 2021 through periods beginning after September 30, 2024.

Financial Accounting Standards Board

Accounting Standards Updates (ASU) (listed only) ([Click here for link](#))

- [ASU No. 2021-05](#), Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments (July 2021)
- [ASU No. 2021-06](#), Presentation of Financial Statements (Topic 205), Financial Services—Depository and Lending (Topic 942), and Financial Services—Investment Companies (Topic 946): Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10786, *Amendments to Financial Disclosures about Acquired and Disposed Businesses*, and No. 33-10835, *Update of Statistical Disclosures for Bank and Savings and Loan Registrants* (August 2021)

Governmental Accounting Standards Board

Concepts, Statements, Technical Bulletins, Interpretations, and Implementation Guides ([Click here for link](#))

- There were no 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

Circulars ([Click here for link](#))

- **Circular No. A-11, *Preparing, Submitting, and Executing the Budget*** (August 6, 2021). The circular provides Office of Management and Budget (OMB) guidance on preparing the fiscal year 2023 budget and instructions on budget execution.
- **Circular No. A-136, *Financial Reporting Requirements – Revised*** (August 10, 2021). This circular provides OMB guidance for executive branch entities required to submit audited financial statements, interim financial statements, and performance and accountability reports or agency financial reports under the Chief Financial Officers Act of 1990, as amended; the Government Management Reform Act of 1994; and the Accountability of Tax Dollars Act of 2002. This circular also provides general

guidance to Government corporations required to submit annual management reports under chapter 91 of title 31, *United States Code*.

Memoranda (listed only) ([Click here for link](#))

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

Other Information (listed only) ([Click here for link](#))

- **2021 Compliance Supplement – 2 CFR Part 200 Appendix XI** (August 2021)

Department of the Treasury

Treasury Financial Manual (TFM) ([Click here for link](#))

- **TFM, Volume I, Part 2, Chapter 6000, Agency Reporting Requirements for USAspending.gov** (August 31, 2021), describes how agencies provide data to [USAspending.gov](#) using the Digital Accountability and Transparency Act Broker for both financial accounting data and financial assistance data.

Treasury Bulletins ([Click here for link](#))

- **TFM, Volume I, Bulletin No. 2021-20, Change to Bulletin No. 2021-17, U.S. Standard General Ledger (USSGL) — A Treasury Financial Manual (TFM) Supplement** (August 18, 2021), revises the USSGL and replaces all previous amendments. The USSGL includes two parts. Part 1 requirements apply to fiscal year 2021, and part 2 requirements apply to fiscal year 2022.
- **TFM, Volume I, Bulletin No. 2021-22, Year-End Closing** (August 31, 2021), provides entities with guidance for preparing year-end closing reports and other financial reports, including required deadlines for federal entities to submit fiscal year 2021 financial data to the Department of the Treasury's Bureau of the Fiscal Service for timely certification and reporting.

D. INTERNATIONAL AUDITING STANDARDS AND GUIDANCE

International Auditing and Assurance Standards Board

The International Auditing and Assurance Standards Board (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 guidance, [click here](#).

E. INTERNAL AUDIT GUIDANCE

Institute of Internal Auditors

The International Professional Practices Framework (IPPF) is the conceptual framework that organizes authoritative guidance promulgated by the Institute of Internal Auditors (IIA). The IIA provides internal audit professionals with authoritative guidance organized in the IPPF. IIA implementation guides assist internal auditors in applying the IPPF and IIA's Code of Ethics. They collectively address internal auditing's approach, methodologies, and consideration but do not detail processes or procedures. IIA supplemental guidance provides detailed guidance for conducting internal audit activities. To review recently issued IIA guidance, [click here](#).