GAO U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Memorandum

Date: July 27, 2026

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. 101*, April Through June 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 March 31, 2026;
    - attestation reports dated after March 31, 2026; and
    - accounting for reporting periods beginning after January 15, 2025.
- Section II identifies select standards and guidance that were issued from April 2026 through June 2026.

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

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

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Professional Standards Update No. 101

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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	**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 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). Also known as the Green Book, these standards 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 highlights 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 Statement of Federal Financial Accounting Standards (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 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.

  Note: To support federal reporting entities, FASAB issued Staff Implementation Guidance 64.1, *Guidance for Implementing SFFAS 64: Management's Discussion and Analysis*, in June 2026. This guidance provides questions and answers related to implementing SFFAS 64.

Governmental Accounting Standards Board (GASB)

Statements, Technical Bulletins, and Implementation Guides

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 April 2026 Through June 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 June 30, 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.

Other Guidance

- ***Financial Audit Manual, Volume 1* and *Volume 2*** (June 2026). GAO and Council of the Inspectors General on Integrity and Efficiency's (CIGIE) *Financial Audit Manual* (FAM) presents a methodology for performing financial statement audits of federal entities in accordance with professional standards. The FAM consists of three volumes, each issued separately.[3] Volume 1, the audit methodology, was revised primarily to reflect changes in the 2025 revision to *Standards for Internal Control in the Federal Government*. This revision supersedes the June 2025 revision. Volume 2, detailed implementation guidance, was revised to include new guidance for auditing land and revised guidance related to the Federal Financial Management Improvement Act of 1996, agreed-upon procedures engagements, and oversight of audits performed by independent public accounting firms. This revision supersedes the June 2024 revision. Each volume is effective for fiscal year 2026 financial statement audits.
- ***Federal Information System Controls Audit Manual*** (June 2026). GAO and CIGIE's *Federal Information System Controls Audit Manual* (FISCAM) provides auditors a methodology and framework for assessing the design, implementation, and operating effectiveness of information system controls in accordance with generally accepted government auditing standards. The June 2026 revision replaces the 2024 version of FISCAM. This update reflects changes in (1) the 2025 revision to *Standards for Internal Control in the Federal Government* and (2) the *GAO/CIGIE Financial Audit Manual*, volumes 1 and 2, issued on June 29, 2026.

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.

[3] Volume 3, the Federal Financial Reporting Checklist, will be issued soon and will also be effective for fiscal year 2026 financial statement audits. Status of its issuance can be reviewed here.

Professional Standards[4]

U.S. Auditing Standards – AICPA (Clarified) [AU-C] – April 2026 Update

- This update revises AU-C sections 200, 210, 230, 260, 300, 315, 530, 540, 600, 600A, 610, 620, 935, and 940 and AU-C Appendix B for conforming changes due to the issuance of SAS No. 146, *Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards*; AU-C sections 200 and 220 to reflect changes to the 2024 revision of *Generally Accepted Government Auditing Standards*; and AU-C section 300 for conforming changes due to the issuance of SAS. No. 149, *Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors and Audits of Referred-to Auditors)*.

U.S. Attestation Standards — AICPA (Clarified) [AT-C] – April 2026 Update

- This update revises AT-C sections 206, 310, 315, and 320 for conforming changes due to the issuance of SSAE No. 23, *Amendments to the Attestation Standards for Consistency With the Issuance of AICPA Standards on Quality Management*.

U.S. Auditing Standards – AICPA (Clarified) [AU-C] – June 2026 Update

- This update revises AU-C sections 260 and 600 for conforming changes due to the issuance of SAS No. 149, *Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors and Audits of Referred-to Auditors)*.

Accounting and Review Services (Clarified) [AR-C] – June 2026 Update

- This update revises AR-C section 90 for conforming changes due to the issuance of Statement on Standards for Accounting and Review Services No. 25, *Materiality in a Review of Financial Statements and Adverse Conclusions*.

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.

Staff Implementation Guidance (SIG)

- **SIG 64.1**, *Guidance for Implementing SFFAS 64: Management's Discussion and Analysis* (June 26, 2026). Statement of Federal Financial Accounting Standards (SFFAS) 64 updates the guidance for management's discussion and analysis, providing a principle-based approach that merges and updates relevant content from Statement of Federal Financial Accounting Concepts 3, *Management's Discussion and Analysis*, and SFFAS 15, *Management's Discussions and Analysis*. SIG 64.1 provides questions and answers related to implementing SFFAS 64. It does not establish new requirements. The guidance is effective upon issuance.

[4]The *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.

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 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-136**, *Financial Reporting Requirements – Revised* (May 29, 2026). 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*. This circular is applicable to the financial statements issued for fiscal year 2026. It restores the two-year comparative presentation requirement for financial statements and notes for entities subject to it.

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 2, Chapter 4700**, *Federal Entity Reporting Requirements For The Financial Report Of The United States Government* (June 11, 2026). This chapter prescribes how federal entities provide data for the *Financial Report of the United States Government* (FR) using the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) along with additional details from the audited entity's financial statements. This chapter also includes a listing of the federal entities included in the FR, describes the Intra-governmental Transactions process, and includes requirements for submitting the pre-closing GTAS Adjusted Trial Balance.

- **TFM, Volume I, Part 4A, Chapter 5000**, *Prompt Payment Act (PPA) Guidance for Heads of Government Departments, Agencies, and Others Concerned* (June 12, 2026). This chapter provides guidance on the PPA to federal agencies.

TFM Bulletins

- **TFM, Bulletin No. 2026-03**, *Change to Bulletin No. 2026-02, U.S. Standard General Ledger (USSGL) — A Treasury Financial Manual (TFM) Supplement* (June 10, 2026), notifies agencies that Part 1 (*Fiscal Year 2026*) and Part 2 (*Fiscal Year 2027*) of the USSGL Supplement have been revised. Part 1 requirements are effective immediately, and Part 2 requirements are effective October 1, 2026.
- **TFM, Bulletin No. 2026-04**, *2026 Year-End Closing* (June 22, 2026), provides entities with guidance for preparing year-end closing reports and other financial reports, including required deadlines for federal entities to submit fiscal year 2026 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 (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.

F. MISCELLANEOUS

Committee of Sponsoring Organizations (COSO)

- ***Achieving Effective Internal Control Over Generative AI*** (February 2026). This publication provides organizations a practical, COSO-aligned approach to managing the risks and opportunities introduced by rapidly advancing generative artificial intelligence (GenAI) technologies. This publication focuses on risks unique to or significantly amplified by GenAI and the controls required to manage them. Instead of creating a separate governance framework, it adapts the five components and 17 principles from COSO's 2013 Internal Control – Integrated Framework into GenAI-specific practices and organizes common uses into eight capability types spanning the data-to-decision lifecycle.
- ***From Guidance to Action: Exploring Practical Enterprise Risk Management*** (May 2026). This paper provides practical, experience-based guidance on how organizations can apply the COSO ERM Framework as a toolkit for embedding risk thinking into everyday decision-making. It includes real-world examples of ERM in action, a model for linking strategy and risk at key decision points, and a set of operating disciplines that help teams deliver timely, decision-ready insights. It is designed to help organizations strengthen the strategic relevance, decision making and real-world impact of their ERM programs. The paper is based on research examining how ERM is experienced in practice today, including where it delivers value, where it becomes overly abstract or compliance driven, and what differentiates risk programs that meaningfully support strategy and decision-making.