



Memorandum

Date: August 18, 2016

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. 65, April 2016 through June 2016

In order to alert you to changes in professional standards, we issue Professional Standards Updates (PSU). The purpose of these updates is to highlight the issuance and some key points of recent standards. PSUs do not contain a complete summary of the standards. Those affected by a new standard should refer to that standard for details.

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Professional Standards Update Number 65

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Auditing and Attestation Standards and Guidance

American Institute of Certified Public Accountants (AICPA)

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

AICPA did not issue standards or other relevant material in the period covered by this PSU.

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

Reporting on Audits Conducted in Accordance With Auditing Standards Generally Accepted in the United States of America and International Standards on Auditing, of AU-C section 700, *Forming an Opinion and Reporting on Financial Statements* (April 2016)

AU-C section 700, *Forming an Opinion and Reporting on Financial Statements* (AICPA, *Professional Standards*), requires the auditor's report to state that the audit was conducted in accordance with generally accepted auditing standards (GAAS) and identifies the United States as the country of origin of those standards. The standards also state that an auditor may indicate that the audit was also conducted in accordance with another set of auditing standards (for example, International Standards on Auditing (ISA), the standards of the Public Company Accounting Oversight Board, or *Government Auditing Standards*). When the auditor has conducted an audit in accordance with both GAAS and the new and revised ISAs in their entirety, the auditor may refer to both sets of standards in the auditor's report, provided the auditor complies with the requirements of those standards.

Audit Risk Alerts ([Click here for link](#))

AICPA did not issue standards or other relevant material in the period covered by this PSU.

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

AICPA did not issue standards or other relevant material in the period covered by this PSU.

Statement on Standards for Attestation Engagements Issued after March 31, 2016 ([Click here for link](#))

AICPA did not issue standards or other relevant material in the period covered by this PSU.

Regulatory Requirements

Office of Management and Budget (OMB)

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

OMB did not issue standards or other relevant material in the period covered by this PSU.

Department of the Treasury (Treasury)

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

TFM Volume II, Part 5, Chapter 2000, CASH TRACK Transmittals (May 2016)

This chapter provides procedures for Federal Reserve Banks and their branches to follow when preparing and sending CASH TRACK transmittals to the CASH TRACK system.

TFM Volume I, Part 2, Chapter 4700: Agency Reporting Requirements for the Financial Report of the United States Government (May 2016)

This chapter describes how agencies provide data for the *Financial Report of the United States Government* using the Governmentwide Financial Report System and Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS). It also includes the Bureau of the Fiscal Service (Fiscal Service) Closing Package methodology, the Federal Intragovernmental Transactions process, and requirements for submitting preclosing GTAS adjusted trial balances.

The chapter does not include all reporting requirements for GTAS. Additional information can be found on the GTAS website.

TFM Volume I, Part 2, Chapter 4200: Agency Year-end Reporting on Unexpended Balances of Appropriation Accounts (June 2016)

This chapter provides guidance for reporting year-end unexpended balances of appropriations to Fiscal Service through GTAS. GTAS and the Year-end Transaction Module replace the legacy Federal Agencies Centralized Trial-Balance System II (FACTS II): Year-end Closing Statement.

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

Treasury Bulletin No. 2016-04, *Reporting Suspense Account Activity Using F3875 and F3885 and Using Default Accounts F3500 and F3502 as a Central Accounting Reporting System (CARS) Reporter* (April 2016)

This bulletin outlines the options and guidance now available for federal program agencies to report transactions that they are unable to classify to the proper Treasury Account Symbol at the point of origin. Amounts in clearing/suspense accounts should not be used to make outlays or payments. In addition, this bulletin provides reporting guidance for the Shared Accounting Module default clearing accounts: F3500 for proprietary payments and collections and F3502 for Intra-Governmental Payment and Collection.

Treasury Bulletin No. 2016-05, *U.S. Standard General Ledger (USSGL) - A Treasury Financial Manual (TFM) Supplement* (June 2016)

This bulletin explains that the USSGL supplement letter revises the USSGL and replaces all previous amendments.

Accounting Standards and Guidance

Federal Accounting Standards Advisory Board (FASAB)

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

Statement of Federal Financial Accounting Standards (SFFAS) No. 49, *Public-Private Partnerships: Disclosure Requirements* (April 2016)

This SFFAS establishes principles to ensure that disclosures about public-private partnerships (P3) are presented in the reporting entity's general purpose federal financial reports. The principles guide financial reporting by establishing a P3 definition and identifying risk-based characteristics that need to exist before the auditor considers the P3 arrangement or transaction for disclosure.

Technical Release ([Click here for link](#))

FASAB did not issue technical releases in the period covered by this PSU.

Financial Accounting Standards Board

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

Accounting Standards Update No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* (April 2016)

Accounting Standards Update No. 2016-11, *Revenue Recognition (Topic 605) and Derivatives and Hedging (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16 Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting (SEC Update)* (May 2016)

Accounting Standards Update No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* (May 2016)

Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (June 2016)

Government Accounting Standards Board

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

Implementation Guide No. 2016 1, *Implementation Guidance Update--2016* (March 2016)

The requirements of this implementation guide are effective for reporting periods beginning after June 15, 2016.

Risk Management Guidance

Institute of Internal Auditors (IAA)

Practice Guides ([Click here for link](#))

The IIA did not issue standards or other relevant material in the period covered by this PSU.