

# Audit Committee News

July 2006

## Principal Representatives:

John P. Higgins, Jr., IG/ED,  
Chairman  
Greg Friedman, IG/DOE  
Phyllis Fong, IG/USDA  
Gordon Heddell, IG/Labor  
Patrick O'Carroll, IG/SSA  
Harold Damelin, IG/Treasury  
Thomas Gimble,  
Acting IG/DOD

## ECIE Representatives:

Jane Altenhofen, IG/NLRB  
Ken Konz, IG/CPB

## FAEC Council:

Helen Lew, AIGA/ED

## Highlights

### **Next Meeting:**

Tuesday, September 19, 2006  
2:00 pm  
Potomac Center Plaza  
Room 8070

If you have any questions, please  
contact:

Kim Geier at 202-245-7020

## **Government Auditing Standards**

The Advisory Council on Government Auditing Standards is seeking comments on a draft of its proposed revisions to the *Government Auditing Standards*. The proposed changes address audit quality assurance, non-audit services, internal control deficiencies, financial statement restatements, audit documentation, appropriateness and sufficiency of evidence in a performance audit, and professional requirements. Each IG office should respond directly to GAO no later than August 15, 2006. However, if there are any issues that you believe the IG community should comment on as a group through the PCIE Audit Committee, please provide them to Elliot Lewis, Chair, FAEC Audit Committee, no later than July 21.

## **Audit Requirements for Federal Financial Statements**

On June 27, 2006, OMB issued draft revisions to OMB Bulletin 01-02, Audit Requirements for Federal Financial Statements. Significant revisions to the bulletin include: 1) Redefined reportable condition/significant deficiency and material weakness to parallel the changes in the AICPA SAS 112 (Section 2); 2) Added narrative on restatements of financial statements (Section 7.3); 3) Added narrative on re-issuances of audited financial statements (Section 7.3); 4) Added discussion on the assessment performed by management on the internal control over financial reporting (Section 7.3); 5) Required a management representation on the consistency of budgetary data used to produce the Statement of Budgetary Resources and the SF 133 (Section 8.4); 6) Streamlined the appendices. Please review the document and provide any comments that you may have to Debbie Cureton, Chair, FAEC Financial Issues Committee ([DCureton@nsf.gov](mailto:DCureton@nsf.gov)), no later than July 12, 2006.

## **FAEC Annual Conference**

The Federal Audit Executive Council (FAEC) will hold its annual conference in Charlottesville, VA, on July 24 and 25. Speakers throughout the Federal Government will discuss a wide range of topics affecting the IG community including Hurricane Katrina, information security, cyber crimes, emerging human resource issues, generally accepted government auditing standards, congressional initiatives, legal matters, the IG Institute, and pay for performance. 75 participants have already registered. The conference is open to GS-15s and above. For additional information, please contact John Koch at (703) 604-8940 or [john.koch@dodig.mil](mailto:john.koch@dodig.mil).

## **FECA Protocol**

The Departments of Commerce and Labor's *Protocol for OIG Audits, Inspections, Evaluations, and Investigations of the Federal Employees' Compensation Act Programs* is now final. The protocol, which is intended to promote better collaboration between Federal Employees' Compensation Act (FECA) audits, inspections, evaluations, and investigations, is available in its entirety at <http://www.dol.gov/fecasymposium.htm>.

## **IG Institute**

Responding to a higher than normal demand for introductory auditor training, the Inspector General Institute (IGI) will offer three more introductory classes this year. Information on class schedules can be obtained at <http://www.igati.gov>.