

March 2007

# Audit Committee News

## ***Principal Representatives:***

John. P. Higgins, Jr.  
IG/ED, Chairman

Harold Damelin  
IG/Treasury

Phyllis Fong  
IG/USDA

Gregory Friedman  
IG/DOE

Thomas Gimble  
Acting IG/DOD

Gordon Heddell  
IG/DOL

Edward Kelley  
IG/FHFB

Patrick O'Carroll  
IG/SSA (ad hoc)

Jon Rymer  
IG/FDIC

## ***ECIE Representative:***

Jane Altenhofen  
IG/NLRB

Sheldon Bernstein  
IG/NEH

## ***FAEC Council Representative:***

Helen Lew, AIGA/ED

## ***Highlights:***

- GAO Re-exposes Standards on Quality Control and Peer Review
- Introductory Audit Training
- GAO/PCIE Financial Audit Manual
- PCIE/GAO Financial Statement Roundtable
- Updating Best Practice Guide

**Next Meeting:** Tuesday, March 20, 2007 at 2 pm,  
Potomac Center Plaza 550 12<sup>th</sup> Street, SW, Room 8070

## **GAO Re-exposes Standards on Quality Control and Peer Review**

REMINDER! Comments on the Government Accountability Office's (GAO) re-exposure of the proposed standards on quality control and peer review requirements are due March 30. The redrafted sections include:

- Expanding the description of the objectives and elements of an audit organization's system of quality control;
- Adding flexibility for audit organizations to have a peer review cycle up to 5 years for performance audits; and
- Increasing transparency by requiring that external peer review reports be made public.

Copies of the exposure draft are available on the web at [www.gao.gov/govaud/ybk01.htm](http://www.gao.gov/govaud/ybk01.htm). Comments should be sent electronically to [yellowbook@gao.gov](mailto:yellowbook@gao.gov).

## **Introductory Audit Training**

Thank you for responding to our training survey last month! From this survey, we determined that there is currently enough demand for two introductory audit training classes. The first session will be held April 9-20 at 400 Army Navy Drive, Arlington, VA, which is conveniently located near three metro stops as well as the Ronald Reagan Washington National Airport. The committee plans to have the second training session in May or June. Anyone interested in attending these classes should contact Judy Padgett at [judith.padgett@dodig.mil](mailto:judith.padgett@dodig.mil).

## **GAO/PCIE Financial Audit Manual**

GAO and the Federal Audit Executive Council (FAEC) are working to update the GAO/PCIE Financial Audit Manual (FAM) for recent changes to the auditing standards. First drafts of manual chapters 100, 200, 600, 700, and 800 have been issued for comment and more draft sections are expected shortly. The working group hopes to issue the final document by the end of June 2007. If you have any questions, please contact Alex Biggs at (202) 693-5258.

## **PCIE/GAO Financial Statement Audit Roundtable**

On February 28, 2007, the PCIE and GAO hosted the annual Financial Statement Audit Roundtable at the National Aeronautics and Space Administration (NASA) Auditorium. Speakers discussed a wide range of issues affecting financial statement audits and included representatives from the PCIE, GAO, the Office of Management and Budget (OMB), the Chief Financial Officers' Council (CFOC), the Federal Accounting Standards Advisory Board (FASAB), and independent public accountants. Participants earned 6.5 hours of continuing professional education.

## **Updating Best Practice Guide**

The PCIE and CFOC joint working group has begun its efforts to update the *Best Practice Guide: Coordinating the Preparation and Audit of Federal Financial Statements*. The financial community submitted ideas and comments for updating the guide last week. We will keep you informed as the project progresses.

*If you have any questions, please contact Kim Geier at (202) 245-7020.*