

# Audit Committee News

June 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 Audit Committee**

**Meeting:** September 19, 2006  
at 2:00 pm

If you have any questions,  
please contact:  
Kim Geier at 202-245-7020

## **FASAB Seeks Comments on Financial Statement Elements**

The Federal Accounting Standards Advisory Board (FASAB) is seeking comments on an exposure draft (ED) on a proposed concept statement entitled *Definition and Recognition of Elements of Accrual-Basis Financial Statements*. The ED defines the five elements of accrual-basis financial statements, which will be the broad classes of items from which the statements are constructed. The elements defined are asset, liability, net position, revenue, and expense. Given the significance of the concept statement, we strongly encourage the Federal audit community to review and comment on the document. Comments are due by August 5, 2006 and should be sent directly to FASAB and a copy to Kim Geier at [kim.geier@ed.gov](mailto:kim.geier@ed.gov).

## **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 significant issues that you believe the IG community should comment on as a group through the PCIE Audit Committee, please provide Elliot Lewis, Chair, FAEC Audit Committee, with these issues no later than July 21, 2006.

## **Intragovernmental Trading Partner Data**

OMB and the Department of the Treasury have requested the OIG's help reevaluating the agreed-upon procedures on intragovernmental transactions. The FAEC has provided OMB a short paper on the actions it believes needs to occur to resolve the out of balance condition between intragovernmental partners. Specifically, the paper discusses the need for a reconciliation and resolution process to occur between intragovernmental partners before any audit involvement would add value.

## **National Single Audit Sampling Project**

The National Single Audit Sampling Project, a joint effort by the OIGs and independent auditors to review the quality of audits performed under the Single Audit Act, is progressing satisfactorily. All of the Quality Control Reviews (QCRs) have been completed and 206 audits have been submitted to the project manager for review. We expect to issue the final report by the end of the calendar year.

## **FAEC Annual Conference**

FAEC will hold its annual conference in Charlottesville, VA, on July 24 and 25. Speakers include Danny Werfel, Controller, OMB, on the Financial Management Line of Business; Dr. Ron Ross, NIST, describing FISMA implementation; Dave Richards, President, Institute of Internal Audit, discussing recent internal audit activities; and Marcia Buchanan, Assistant Director, GAO, talking about the proposed changes to the *Government Auditing Standards*. 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).

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