

Memorandum

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To: GAO's Financial Management and Assurance Team (FMA)
Council of the Inspectors General on Integrity and Efficiency
Financial Audit Community

From: James R. Dalkin, Director, FMA
Phyllis Anderson, Assistant Director, FMA; Michael Bingham, Auditor-in-Charge, FMA; and
Matthew Gardner, Senior Auditor, FMA

Subject: *Professional Standards Update No. 86*, July through September 2022

To alert you to changes in professional standards, we periodically issue *Professional Standards Updates* (PSU).¹ These updates highlight the effective dates and issuance of recent 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 June 30, 2022;
 - attestation reports dated after June 30, 2022; and
 - accounting for reporting periods beginning after April 15, 2021.
- Section II identifies select standards and guidance that were issued from July 2022 through September 2022.

¹Previous PSUs can be found in the Related Publications section of <https://www.gao.gov/yellowbook>.

²GAO, *Government Auditing Standards: 2018 Revision Technical Update April 2021*, [GAO-21-368G](#) (Washington, D.C.: April 2021).

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Professional Standards Update No. 86

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Section I: Effective Dates for Select Standards and Guidance

This section identifies select standards and guidance that are effective for (1) audits of financial statements for periods ending after June 30, 2022; (2) attestation reports dated after June 30, 2022; and (3) accounting for reporting periods beginning after April 15, 2021. 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
American Institute of Certified Public Accountants (AICPA)	Statements on Auditing Standards (SAS), Statements on Standards for Attestation Engagements (SSAE), and other guidance	<p>Effective for audits of financial statements for periods ending on or after December 15, 2021: SAS No. 134, <i>Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements</i> SAS No. 135, <i>Omnibus Statement on Auditing Standards—2019</i> SAS No. 136, <i>Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA</i> SAS No. 137, <i>The Auditor’s Responsibilities Relating to Other Information Included in Annual Reports</i> SAS No. 138, <i>Amendments to the Description of the Concept of Materiality</i> SAS No. 139, <i>Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes from SAS No. 134</i> SAS No. 140, <i>Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes From SAS Nos. 134 and 137</i></p> <p>Effective for audits of financial statements for periods ending on or after December 15, 2022: SAS No. 142, <i>Audit Evidence</i> SAS No. 148, <i>Amendment to AU-C Section 935 (amendment arising from SAS No. 142 only)</i></p> <p>Effective for audits of financial statements for periods ending on or after December 15, 2023: SAS No. 143, <i>Auditing Accounting Estimates and Related Disclosures</i> SAS No. 144, <i>Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained From External Information Sources</i> SAS No. 145, <i>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</i> SAS No. 148, <i>Amendment to AU-C Section 935 (amendments not arising from SAS No. 142)</i></p> <p>Effective for audits of financial statements for periods beginning on or after June 30, 2023: SAS No. 147, <i>Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance with Laws and Regulations</i></p> <p>Effective for engagements for periods beginning on or after December 15, 2025: SAS No. 146, <i>Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards</i></p>
Federal Accounting Standards Advisory Board (FASAB)	Statements of Federal Financial Accounting Concepts (SFFAC), Statements of Federal Financial Accounting Standards (SFFAS), and other guidance	<p>Effective upon issuance: Interpretation 11, <i>Debt Cancellation: An Interpretation of SFFAS 7, Paragraph 313</i> Federal Financial Accounting Technical Release (Technical Release) 21, <i>Omnibus Technical Release Amendments 2022: Conforming Amendments</i></p> <p>Effective for reporting periods beginning after September 30, 2021: SFFAS 59,^a <i>Accounting and Reporting of Government Land</i></p> <p>Effective for reporting periods beginning after September 30, 2023: SFFAS 54, <i>Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment</i> SFFAS 57, <i>Omnibus Amendments 2019 (paras. 3–8, 11, and 12)</i> SFFAS 60, <i>Omnibus Amendments 2021: Leases-Related Topics</i> Technical Release 20, <i>Implementation Guidance for Leases</i></p>

Standard setter	Standard or guidance	Standards and guidance issued
Financial Accounting Standards Board (FASB)	Accounting Standards Updates (ASU)	A number of ASUs came into effect. To view the details and effective dates of ASUs, click here .
Governmental Accounting Standards Board (GASB)	Accounting standards and implementation guides	<p>Effective upon issuance: GASB Statement No. 99, <i>Omnibus 2022</i> (paras. 26–32) GASB Concepts Statement No. 7, <i>Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to Financial Statements</i></p> <p>Effective for fiscal years or reporting periods ending after December 15, 2021: GASB Statement No. 98, <i>The Annual Comprehensive Financial Report</i></p> <p>Effective for fiscal years or reporting periods ending after December 31, 2021: GASB Statement No. 93, <i>Replacement of Interbank Offered Rates</i> (para. 11b)</p> <p>Effective for fiscal years or reporting periods beginning after June 15, 2021: GASB Statement No. 87, <i>Leases</i> GASB Statement No. 92, <i>Omnibus 2020</i> (paras. 6–10 and 12) GASB Statement No. 93, <i>Replacement of Interbank Offered Rates</i> (paras. 13–14) GASB Statement No. 97, <i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i> (all paragraphs other than paras. 4–5) GASB Implementation Guide No. 2019-3, <i>Leases</i> GASB Implementation Guide No. 2020-1, <i>Implementation Guidance Update—2020</i> (questions 4.1–4.5, 4.18, and 5.1–5.5) GASB Implementation Guide No. 2021-1, <i>Implementation Guidance Update—2021</i> (question 4.22)</p> <p>Effective for fiscal years or reporting periods beginning after December 15, 2021: GASB Statement No. 91, <i>Conduit Debt Obligations</i> GASB Implementation Guide No. 2020-1, <i>Implementation Guidance Update—2020</i> (questions 4.6–4.17 and 4.19–4.21)</p> <p>Effective for fiscal years or reporting periods beginning after June 15, 2022: GASB Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i> GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i> GASB Statement No. 99, <i>Omnibus 2022</i> (paras. 11–25) GASB Implementation Guide No. 2021-1, <i>Implementation Guidance Update—2021</i> (questions 4.1–4.21, 4.23, and 5.2–5.4)</p> <p>Effective for fiscal years or reporting periods beginning after June 15, 2023: GASB Statement No. 99, <i>Omnibus 2022</i> (paras. 4–10) GASB Statement No. 100, <i>Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62</i> GASB Implementation Guide No. 2021-1, <i>Implementation Guidance Update—2021</i> (question 5.1)</p> <p>Effective for fiscal years or reporting periods beginning after December 15, 2023: GASB Statement No. 101, <i>Compensated Absences</i></p>

Source: GAO analysis of standards setters' effective dates.

^aSFFAS 59 requires certain paragraphs to be presented as required supplementary information (RSI) for fiscal years 2022 through 2025. In fiscal year 2026, the statement requires such RSI to transition to note disclosures.

A. AUDITING AND ATTESTATION STANDARDS AND GUIDANCE

American Institute of Certified Public Accountants

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

Effective for audits of financial statements for periods ending on or after December 15, 2021:

- **SAS No. 134**, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements* (May 2019). Provisions of this statement (1) supersede and amend sections of SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended, and (2) amend SAS No. 132, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern*. Early adoption is permitted.

- **SAS No. 135**, *Omnibus Statement on Auditing Standards—2019* (May 2019). Provisions of this statement amend sections of (1) SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended, and (2) SAS No. 130, *An Audit of Internal Control Over Financial Reporting That Is Integrated With an Audit of Financial Statements*. Early adoption is permitted.
- **SAS No. 136**, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA* (July 2019). This statement addresses the auditor's responsibility to form an opinion on the financial statements of employee benefit plans subject to the Employee Retirement Income Security Act of 1974 (ERISA). It also addresses the form and content of the auditor's report issued based on the ERISA plan financial statements. Early adoption is permitted.
- **SAS No. 137**, *The Auditor's Responsibilities Relating to Other Information Included in Annual Reports* (July 2019). This statement addresses the auditor's responsibilities relating to other information, whether financial or nonfinancial (other than financial statements and the related auditor's report), included in an entity's annual report. Early adoption is permitted.
- **SAS No. 138**, *Amendments to the Description of the Concept of Materiality* (December 2019). Provisions of this statement amend sections of (1) SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended; (2) SAS No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*, as amended; and (3) SAS No. 136, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA*. Early adoption is permitted.
- **SAS No. 139**, *Amendments to AU-C Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes from SAS No. 134* (March 2020). Provisions of this statement amend sections of SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended. Early adoption is permitted.
- **SAS No. 140**, *Amendments to AU-C Sections 725, 730, 930, 935, and 940 to Incorporate Auditor Reporting Changes From SAS Nos. 134 and 137* (April 2020). SAS No. 140 conforms the reporting provisions of SAS No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*, and other SASs to generally accepted auditing standards. In addition, AU-C section 935, *Compliance Audits*, was amended to be consistent with current governmental requirements. Early adoption is permitted.

SAS Nos. 134 and 136 through 140 are interrelated because the Auditing Standards Board (ASB) amended the auditor reporting model adopted in SAS No. 134 by issuing SAS Nos. 136 through 140. Accordingly, ASB recommends that all of these statements be implemented concurrently.

Effective for audits of financial statements for periods ending on or after December 15, 2022:

- **SAS No. 142**, *Audit Evidence* (July 2020). This statement provides guidance on what constitutes audit evidence in an audit of financial statements and sets out attributes of information that the auditor takes into account when evaluating information to be used as audit evidence. Taking these attributes into account assists the auditor in maintaining professional skepticism.
- **SAS No. 148**, *Amendment to AU-C Section 935* (August 2022), amendment arising from SAS No. 142 only. AU-C section 935, *Compliance Audits*, addresses the application of generally accepted auditing standards (GAAS) to a compliance audit. Certain AU-C sections, or portions thereof, are not applicable to a compliance audit. These AU-C sections, or specified requirements thereof, are identified in the appendix to AU-C section 935. SAS No. 148 amends AU-C section 935 to update the appendix to reflect that an amendment to AU-C section 501, *Audit Evidence — Specific Considerations for Selected Items*, arising from the issuance of SAS No. 142, *Audit Evidence*, applies to compliance audits. Early implementation of this portion of SAS No. 148 is permitted in conjunction with early implementation of SAS No. 142.

Effective for audits of financial statements for periods ending on or after December 15, 2023:

- **SAS No. 143**, *Auditing Accounting Estimates and Related Disclosures* (July 2020). This statement addresses the auditor’s responsibilities relating to accounting estimates, including fair value accounting estimates and related disclosures, in an audit of financial statements. It also includes requirements and guidance related to evaluating misstatements of accounting estimates and related disclosures and indicators of possible management bias.
- **SAS No. 144**, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained From External Information Sources* (June 2021). This statement amended these sections by incorporating related Public Company Accounting Oversight Board (PCAOB) guidance as follows:
 - AU-C section 501, *Audit Evidence — Special Considerations for Selected Items*. This amendment adds application material from appendix A, “Using the Work of a Company’s Specialist as Audit Evidence,” of PCAOB Auditing Standard (AS) 1105, *Audit Evidence*, to enhance the quality of audits of nonissuers’ financial statements.
 - AU-C section 540, *Auditing Accounting Estimates and Related Disclosures*. This amendment to AU-C section 540 adds a new appendix, “Use of Pricing Information From Third Parties as Audit Evidence,” that provides guidance on using pricing information obtained from external information sources as audit evidence for estimates related to the fair value of financial instruments. This appendix takes into account PCAOB AS 2501, *Auditing Accounting Estimates, Including Fair Value Measurements*, appendix A, “Special Topics, Identifying and Assessing Risks of Material Misstatement Related to the Fair Value of Financial Instruments.”
 - AU-C section 620, *Using the Work of an Auditor’s Specialist*. This amendment adds material from PCAOB Release No. 2018-006, *Amendments to Auditing Standards for Auditor’s Use of the Work of Specialists*, to various application paragraphs to enhance the quality of audits of nonissuers’ financial statements.
- **SAS No. 145**, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* (October 2021). This statement supersedes SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended, section 315, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*, and amends various AU-C sections in AICPA Professional Standards. This statement enhances
 - requirements and guidance on identifying and assessing the risks of material misstatement, particularly in the areas of obtaining an understanding the entity’s system of internal control and assessing control risk, and
 - guidance that addresses the economic, technological, and regulatory aspects of the markets and environment in which entities and audit firms operate.
- **SAS No. 148**, *Amendment to AU-C Section 935* (August 2022), amendments not arising from SAS No. 142. SAS No. 148 amends AU-C section 935, *Compliance Audits*, to conform AU-C section 935 to reflect the issuance of SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*. This statement also corrects an inconsistency in extant AU-C 935, updates the appendix to AU-C 935, and makes certain other editorial revisions for clarity or consistency with other AU-C sections. Early implementation of SAS No. 148 is permitted in conjunction with early implementation of SAS No. 145.

Effective for audits of financial statements for periods beginning on or after June 30, 2023:

- **SAS No. 147**, *Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations* (June 2022). This statement supersedes SAS No. 122, *Statements on Auditing Standards: Clarification and Reconciliation*, as amended, section 210, *Terms of Engagement*. This

statement requires an auditor, once management authorizes the predecessor auditor to respond to inquiries from the auditor, to inquire of the predecessor auditor regarding identified or suspected fraud or noncompliance with laws or regulations.

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 Reconciliation*, as amended, section 220, *Quality Control for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards*, and 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 GAAS, and the related responsibilities of the engagement partner.

B. ACCOUNTING STANDARDS AND GUIDANCE

Federal Accounting Standards Advisory Board

Concepts, Statements, Technical Bulletins, Interpretations, and Technical Releases ([Click here for link](#))

Effective upon Issuance

- **Interpretation of Federal Financial Accounting Standards 11**, *Debt Cancellation: An Interpretation of SFFAS 7, Paragraph 313* (November 2021). This interpretation clarifies that the standards provide that debt cancellation is a nonexchange activity that should be reported on the Statement of Changes in Net Position (SCNP). Interpretation 11 also clarifies that paragraph 313 of SFFAS 7 should not be interpreted to require that a particular line item “gain” or “loss” be displayed on the SCNP.
- **Federal Financial Accounting Technical Release (Technical Release) 21**, *Omnibus Technical Release Amendments 2022: Conforming Amendments* (September 2022). This technical release provides conforming amendments to Technical Release 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*; Technical Release 11, *Implementation Guidance on Cleanup Costs Associated with Equipment*; Technical Release 14, *Implementation Guidance on the Accounting for the Disposal of General Property, Plant & Equipment*; and Technical Release 20, *Implementation Guidance for Leases*.

Effective for reporting periods beginning after September 30, 2021:

- **SFFAS 59**, *Accounting and Reporting of Government Land* (July 2021). This statement
 - requires reclassifying general property, plant, and equipment (G-PP&E) land as a non-capitalized asset for periods beginning after September 30, 2025;
 - clarifies the definition for the stewardship land category;
 - requires the reporting of acreage of G-PP&E land and stewardship land using three predominant use subcategories: conservation and preservation land, operational land, and commercial use land; and
 - requires consistent and comparable disclosures of information for land.

SFFAS 59 has a 4-year implementation period. Acreage information by predominant use will be reported in required supplementary information for fiscal years 2022 through 2025. This information will transition to basic information within note disclosures in fiscal year 2026, when the asset dollar amounts for G-PP&E land and permanent land rights are removed from the balance sheet. Early adoption is not permitted.

Effective for reporting periods beginning after September 30, 2023:

- **SFFAS 54**, *Leases: An Amendment of Statement of Federal Financial Accounting Standards (SFFAS) 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment* (April 2018). This statement revises the financial reporting standards for federal lease accounting. It provides a comprehensive set of lease accounting standards to recognize federal lease activities in the reporting entity's general purpose federal financial reports and includes appropriate disclosures. Early adoption is not permitted.
- **SFFAS 57**, *Omnibus Amendments 2019*, paragraphs 3–8, 11, and 12 (September 2019). This statement addresses consistency issues and other improvements identified during implementation and application of certain federal accounting standards. Early adoption is not permitted.
- **SFFAS 60**, *Omnibus Amendments 2021: Leases-Related Topics* (November 2021). This statement amends paragraphs in SFFAS 54, *Leases*; SFFAS 57, *Omnibus Amendments 2019*; SFFAS 5, *Accounting for Liabilities of the Federal Government*; and SFFAS 6, *Accounting for Property, Plant, and Equipment*. These changes are necessary technical corrections and clarifications and other omnibus changes to address areas of concern with implementing these statements' standards.
- **Technical Release 20**, *Implementation Guidance for Leases* (November 2021). This technical release assists reporting entities in implementing SFFAS 54, *Leases*.

Financial Accounting Standards Board

Accounting Standards Updates (ASU)

- The Financial Accounting Standards Board (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. ASUs are not authoritative standards. To view details and the effective dates of ASUs, [click here](#).

Governmental Accounting Standards Board

Statements and Implementation Guides ([Click here for link](#))

Effective upon Issuance

- **GASB Statement No. 99**, *Omnibus 2022*, paragraphs 26–32 (April 2022). This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature. Specifically, it addresses practice issues identified during implementation and application of certain other statements. These paragraphs cover the following topics:
 - Replacement of London Interbank Offered Rate
 - Supplemental Nutrition Assistance Program
 - Disclosure of Nonmonetary Transactions
 - Pledges of Future Revenues When Resources Are Not Received by the Pledging Government
 - Focus of the Government-Wide Financial Statements
 - Terminology Updates
- **GASB Concepts Statement No. 7**, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to Financial Statements, an amendment of GASB Concepts Statement No. 3* (June 2022). This Concepts Statement provides a framework of interrelated objectives and fundamental principles that can be used to establish consistent accounting and financial reporting standards for notes included in basic financial statements. It describes the

purpose of notes to financial statements and the users of those notes. It also defines criteria for disclosing information items in notes to financial statements and provides characteristics of essential information the notes to financial statements should possess. This Concepts Statement supersedes paragraphs 35–39 of Concepts Statement No. 3, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements*, which address the communication method of disclosure in notes to financial statements.

Effective for fiscal years or reporting periods ending after December 15, 2021:

- **GASB Statement No. 98**, *The Annual Comprehensive Financial Report* (October 2021). This statement establishes the term *annual comprehensive financial report* and its acronym, *ACFR*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Earlier application is encouraged.

Effective for fiscal years or reporting periods ending after December 31, 2021:

- **GASB Statement No. 93**, *Replacement of Interbank Offered Rates*, paragraph 11b (March 2020). This statement addresses accounting and financial reporting implications that result from replacing an interbank offered rate (IBOR) as the basis for variable payment agreements. Paragraph 11b removes the London Interbank Offered Rate as an appropriate benchmark interest rate for a derivative instrument. Earlier application is encouraged.

Effective for fiscal years or reporting periods beginning after June 15, 2021:

- **GASB Statement No. 87**, *Leases* (June 2017). The objective of this statement is to improve governments' accounting and financial reporting for leases to better meet the information needs of financial statement users. Earlier application is encouraged.
- **GASB Statement No. 92**, *Omnibus 2020*, paragraphs 6–10 and 12 (January 2020). This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature. Specifically, it addresses practice issues identified during implementation and application of certain other statements. Earlier application is encouraged. These paragraphs cover intra-entity transfer of assets, reporting assets accumulated for defined benefit arrangements, acquisition value in a government acquisition, and nonrecurring fair value measurements.
- **GASB Statement No. 93**, *Replacement of Interbank Offered Rates*, paragraphs 13–14 (March 2020). This statement addresses accounting and financial reporting implications that result from replacing an IBOR as the basis for variable payment agreements. Paragraphs 13 and 14 redefine what is considered a lease modification such that an amendment of a lease contract solely to replace the IBOR as the basis for variable payment agreements is not considered a lease modification. Earlier application is encouraged.
- **GASB Statement No. 97**, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, all paragraphs except paragraphs 4 and 5 (June 2020). These portions of this statement enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the pension plan definition and for benefits provided through those plans. Earlier application is encouraged.
- **GASB Implementation Guide No. 2019-3**, *Leases* (August 2019). This guide clarifies, explains, and elaborates on the requirements of GASB Statement No. 87. Earlier application is encouraged if GASB Statement No. 87 has been implemented.

- **GASB Implementation Guide No. 2020-1, *Implementation Guidance Update—2020*** (April 2020). Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented.

New questions and answers (questions 4.1–4.5 and 4.18) relate to The Financial Reporting Entity; Accounting and Financial Reporting for Certain Investments and for External Investment Pools; Fiduciary Activities; and GASB Statement No. 83, *Certain Asset Retirement Obligations*.

Revised questions and answers (questions 5.1–5.5) relate to Pensions—Plan and Employer Accounting and Reporting; Accounting and Financial Reporting for Certain Investments and for External Investment Pools; and Postemployment Benefits Other Than Pensions—Plan and Employer Accounting and Reporting.

- **GASB Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*** (May 2021). Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented. The new question and answer (question 4.22) coming into effect for the referenced time period relate to Effective Date and Transition of GASB No. Statement 87, *Leases*.

Effective for fiscal years or reporting periods beginning after December 15, 2021:

- **GASB Statement No. 91, *Conduit Debt Obligations*** (May 2019). This statement has two objectives: (1) to provide a single method by which issuers report conduit debt obligations and (2) to eliminate diversity in practice associated with (a) commitments that issuers extended, (b) arrangements associated with conduit debt obligations, and (c) related note disclosures. Earlier application is encouraged.
- **GASB Implementation Guide No. 2020-1, *Implementation Guidance Update—2020*** (April 2020). Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented. New questions and answers (questions 4.6–4.17 and 4.19–4.21) coming into effect for the referenced time period relate to Leases and GASB Statement No. 91, *Conduit Debt Obligations*.

Effective for fiscal years or reporting periods beginning after June 15, 2022:

- **GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*** (March 2020). This statement addresses issues related to public-private and public-public partnership arrangements. This statement provides accounting and financial reporting requirements for such partnership arrangements that
 - do not meet the definition of a lease as defined in GASB Statement No. 87, *Leases*, as amended and clarified by this statement, and
 - do not meet the definition of a service concession arrangement.

This statement also provides guidance for accounting and financial reporting for availability payment arrangements. Earlier application is encouraged.

- **GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*** (May 2020). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users. This statement
 - defines an SBITA;
 - establishes that an SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability;
 - provides the capitalization criteria for outlays other than subscription payments, including implementation costs of an SBITA; and
 - requires note disclosures regarding a SBITA.

To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. Earlier application is encouraged.

- **GASB Statement No. 99**, *Omnibus 2022*, paragraphs 11–25 (April 2022). This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature. Specifically, it addresses practice issues identified during implementation and application of certain other statements. These paragraphs cover the following topics:
 - Leases
 - Public-Private and Public-Public Partnerships
 - SBITAs

Earlier application is encouraged and is permitted by individual topic to the extent that all requirements associated with an individual topic are implemented simultaneously.

- **GASB Implementation Guide No. 2021-1**, *Implementation Guidance Update—2021* (May 2021). Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented.

New questions and answers (questions 4.1–4.21 and 4.23) relate to Accounting and Financial Reporting for Derivative Instruments; Fiduciary Activities; Leases; and GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Revised questions and answers (questions 5.2–5.4) from Implementation Guide 2015-1 relate to (1) Basic Financial Statements and Management’s Discussion and Analysis and (2) GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.

Effective for fiscal years or reporting periods beginning after June 15, 2023:

- **GASB Statement No. 99**, *Omnibus 2022*, paragraphs 4–10 (April 2022). This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature. Specifically, it addresses practice issues identified during implementation and application of certain other statements. These paragraphs cover the following topics:
 - Financial Guarantees
 - Derivative Instruments

Earlier application is encouraged and is permitted by individual topic to the extent that all requirements associated with an individual topic are implemented simultaneously.

- **GASB Statement No. 100**, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* (June 2022). This statement enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Earlier application is encouraged.
- **GASB Implementation Guide No. 2021-1**, *Implementation Guidance Update—2021* (May 2021). Earlier application is encouraged if the pronouncement addressed by the question and answer has been implemented.

Revised question and answer (question 5.1) coming into effect for the referenced time period relates to Implementation Guide 2015-1: Basic Financial Statements and Management’s Discussion and Analysis.

Effective for fiscal years or reporting periods beginning after December 15, 2023:

- **GASB Statement No. 101**, *Compensated Absences* (June 2022). This statement updates the recognition and measurement guidance for compensated absences. Earlier application is encouraged.

Section II: Select Standards and Guidance Issued July 2022 through September 2022

This section includes select standards and related guidance issued during the period covered by this *Professional Standards Update (PSU)*—July 2022 through September 2022—to the extent that such materials were publicly available as of September 30, 2022. The section also identifies the standard setters whose publications and updates we review to prepare PSUs. These updates highlight the recent issuance and key points of standards and related guidance. 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

Government Auditing Standards ([Click here for link](#))

- Government Auditing Standards were not updated during the period covered by this PSU.

American Institute of Certified Public Accountants

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

- [SAS No. 148](#), *Amendment to AU-C Section 935* (August 2022). AU-C section 935, *Compliance Audits*, addresses the application of generally accepted auditing standards (GAAS) to a compliance audit. SAS No. 148 amends AU-C section 935, *Compliance Audits*, to update the appendix and conform AU-C section 935 to reflect the issuance of SAS No. 142, *Audit Evidence*, and SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*. This statement also corrects an inconsistency in extant AU-C 935 and makes certain other editorial revisions for clarity or consistency with other AU-C sections.

The portion of this statement amending the appendix to AU-C 935 with regard to AU-C section 501, *Audit Evidence — Specific Considerations for Selected Items*, arising from SAS No. 142 is effective for compliance audits of fiscal periods ending on or after December 15, 2022, consistent with the effective date of SAS No. 142. All other portions of this statement are effective for compliance audits for fiscal periods ending on or after December 15, 2023, consistent with the effective date of SAS No. 145. Early implementation of SAS No. 148 is permitted, though should occur in conjunction with early implementation of SAS No. 142 or SAS No. 145, as applicable.

Professional Standards ([Click here for link](#))

U.S. Attestation Standards – ACIPA (Clarified) [AT-C] (August 2022)

This update revises Interpretation No. 1, “Reporting on Attestation Engagements Performed in Accordance With *Government Auditing Standards*,” of AT-C section 9205, *Examination Engagements: Attestation Interpretations of Section 205*, for conforming changes necessary because of the issuance of the 2018 revision of *Government Auditing Standards*.

Code of Professional Conduct [ET] (August 2022)

This update revises the following interpretations:

- “Conceptual Framework for Members in Public Practice” (ET sec. 1.000.010)
- “Offering or Accepting Gifts or Entertainment” (ET sec. 1.120.010)
- “Offering or Accepting Gifts or Entertainment” (ET sec. 1.285.010)

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

- *Government Auditing Standards and Single Audits* (July 2022). The 2022 edition of the guide addresses the auditor's responsibilities when conducting an audit of financial statements in accordance with Government Auditing Standards and provides guidance on the auditor's responsibilities when conducting a single audit or program-specific audit in accordance with the Single Audit Act and the Uniform Guidance. The edition also includes a new Disclaimer of Opinion on Compliance report. Additionally, "COVID-19 Considerations" boxes have been placed throughout the chapters to emphasize pandemic-related considerations.
- *State and Local Governments* (September 2022). The 2022 edition of this guide provides coverage of audit and accounting considerations critical for both preparers and auditors. Topics covered include financial reporting and the reporting entity, revenue and expense recognition, capital asset accounting, elements of net position, accounting for fair value, municipal securities offerings, and tax abatements. This edition of the guide includes a new chapter that addresses accounting and financial reporting standards for leases for both lessees and lessors and auditing considerations for lessees. The guide has also been updated for recent Governmental Accounting Standards Board (GASB) statements.

B. ACCOUNTING STANDARDS AND GUIDANCE

Federal Accounting Standards Advisory Board

Concepts, Statements, Technical Bulletins, Interpretations, and Technical Releases ([Click here for link](#))

- **Federal Financial Accounting Technical Release (Technical Release) 21, *Omnibus Technical Release Amendments 2022: Conforming Amendments*** (September 2022). This technical release provides conforming amendments to Technical Release 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*; Technical Release 11, *Implementation Guidance on Cleanup Costs Associated with Equipment*; Technical Release 14, *Implementation Guidance on the Accounting for the Disposal of General Property, Plant & Equipment*; and Technical Release 20, *Implementation Guidance for Leases*.

Financial Accounting Standards Board

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

- **[ASU No. 2022-04](#), *Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*** (September 2022)

Governmental Accounting Standards Board

Statements, Concepts, Technical Bulletins, Interpretations, and Implementation Guides ([Click here for link](#))

- **GASB Concepts Statement No. 7, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to Financial Statements***, an amendment of GASB Concepts Statement No. 3 (June 2022). This Concepts Statement provides a framework of interrelated objectives and fundamental principles that can be used to establish consistent accounting and financial reporting standards for notes included in basic financial statements. It describes the purpose of notes to financial statements and the users of those notes. It also defines criteria for disclosing information items in notes to financial statements and provides characteristics of essential information the notes to financial statements should possess. This Concepts Statement supersedes paragraphs 35–39 of Concepts Statement No. 3, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements*, which address the communication method of disclosure in notes to financial statements.

C. REGULATORY GUIDANCE

Office of Management and Budget

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

- [Circular No. A-11](#), *Preparation, Submission, and Execution of the Budget* (August 15, 2022). The circular provides Office of Management and Budget (OMB) guidance on preparing the fiscal year 2024 budget and instructions on budget execution.

Memoranda (listed only) ([Click here for link](#))

- There were no relevant new or updated memoranda issued during the period covered by this PSU.

Other Information (listed only) ([Click here for link](#))

- [Bulletin No. 22-01](#), *Audit Requirements for Federal Financial Statements* (August 26, 2022). This bulletin implements the audit provisions of the Chief Financial Officers Act of 1990, as amended; the Government Management Reform Act of 1994; and the Federal Financial Management Improvement Act of 1996. The bulletin's provisions apply to audits of financial statements of executive branch departments and agencies and certain components thereof, and government corporations. These provisions supersede the provisions in OMB Bulletin 21-04, *Audit Requirements for Federal Financial Statements*. The bulletin's provisions are effective immediately for audits of financial statements, unless otherwise stipulated.

Department of the Treasury

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

- There were no relevant new or updated TFM chapters issued during the period covered by this PSU.

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

- [TFM, Volume I, Bulletin No. 2022-16](#), *U.S. Standard General Ledger (USSGL) — A Treasury Financial Manual (TFM) Supplement* (September 12, 2022), revises TFM Volume I, Bulletin No. 2022-12 — *A Treasury Financial Manual (TFM) Supplement*, which replaced all previous amendments. The USSGL includes two parts. Part 1, requirements for fiscal year 2022, and Part 2, requirements for fiscal year 2023, are effective immediately.

D. INTERNATIONAL AUDITING STANDARDS AND GUIDANCE

International Auditing and Assurance Standards Board

The International Auditing and Assurance Standards Board (IAASB) sets international standards for auditing, quality control, 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

The International Professional Practices Framework (IPPF) is the conceptual framework that organizes authoritative guidance that the Institute of Internal Auditors (IIA) promulgates. IIA implementation guides assist internal auditors in applying the IPPF and the IIA's Code of Ethics. They collectively address internal auditing's approach, methodologies, and consideration but do not detail processes or procedures. IIA supplemental guidance provides detailed guidance for conducting internal audit activities. To review recently issued IIA mandatory guidance, [click here](#), and recommended guidance, [click here](#).