

# Audit Committee News

March 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:**

### **Highlights**

- FECA Symposium
- Financial Statement Roundtable
- AICPA News
- External Peer Review Training
- Improper Payments

If you have any questions, please  
contact:

Kim Geier at 202-245-7020

## **Symposium on Federal Employees' Compensation Act (FECA)**

The Departments of Labor and Commerce OIGs are sponsoring a half-day symposium --Federal Employees' Compensation Act (FECA) Program: Building a Coordinated Approach to FECA-Related Work. It is scheduled for March 22 at 8:30am –12:00pm in the Department of Labor auditorium. The Symposium will propose to the OIG community a "protocol" for conducting FECA audits, evaluations, and investigations.

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

This year's PCIE / GAO Financial Statement Audit Roundtable will be held on March 29, 2006, from 8:30 a.m. to noon, in the Department of Education's main auditorium. Please see the notice from the Federal Audit Executive Council (FAEC) sent on March 7, 2006, for the draft agenda and information regarding registration, directions and security.

## **AICPA News**

The AICPA's Auditing Standards Board (ASB) has issued eight Statements of Auditing Standards (SASs) on assessing risk in a financial statement audit. The new statements, SAS No. 104 through SAS No. 111, will be effective for financial statements beginning on or after December 15, 2006. The SASs establish standards and provide guidance on assessing the risks of material misstatement (whether caused by error or fraud) in a financial statement audit. The SASs also establish standards and provide guidance on the nature of audit evidence, and evaluating whether the audit evidence obtained affords a reasonable basis for an opinion regarding the financial statements under audit. A summary of the new standards has been posted on the AICPA Web site.

The AICPA's ASB has issued two exposure drafts: *Reporting on an Entity's Internal Control Over Financial Reporting*, which addresses examinations of entities' internal control over financial reporting (replaces AT 501), and *The Auditor's Communication With Those Charged With Governance*, which provides guidance on matters to be communicated with those charged with governance (replaces SAS No. 61). Comments are due May 19 and 31, respectively.

## **External Peer Review Training**

On April 13 at the Department of Labor Auditorium, the FAEC's Audit Committee is offering training on the PCIE/ECIE *Guide for Conducting External Peer Reviews of the Audit Operations of Office of Inspector General*, dated April 2005. Participants will receive four hours of continuing professional education. For more details or to register online, please visit <http://www.oig.dol.gov/PeerReviewTrng.htm>.

## **Improper Payments**

OMB is updating its improper payments guidance to reflect new insights and practical lessons learned. The guidance will be incorporated into OMB Circular A-123, *Management's Responsibility for Internal Control*, Appendix C, and will supersede OMB Memoranda M-03-7, *Programs to Identify and Recover Erroneous Payments to Contractors*; M-03-12, *Allowability of Contingency Fee Contracts for Recovery Audits*; and M-03-13, *Improper Payments Information Act of 2002*. The Audit Committee, through the FAEC Audit Committee, coordinated comments on behalf of the Federal audit community and