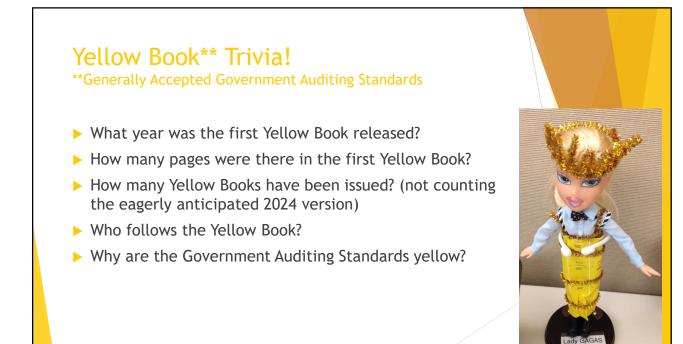
Upcoming Changes to the Yellow Book

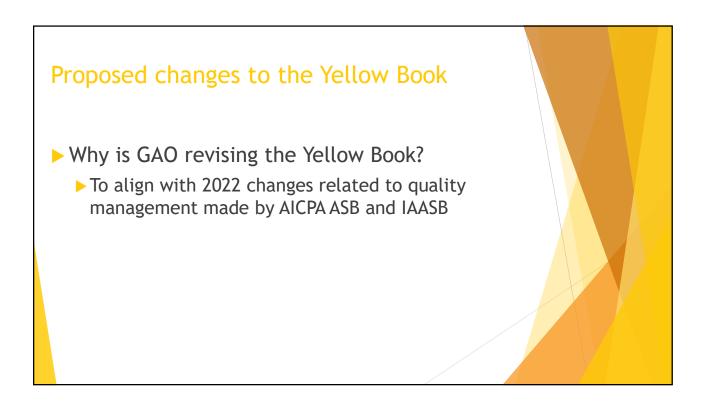
Corrie Stokes, CIA, CGAP, CFE Austin City Auditor

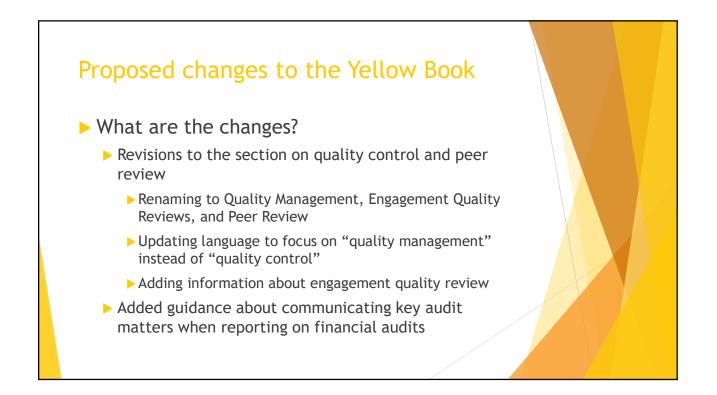
Yellow Book Overview

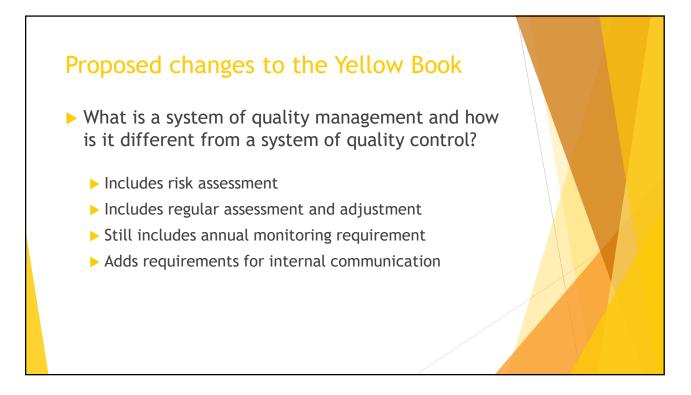
2018 Chapters:

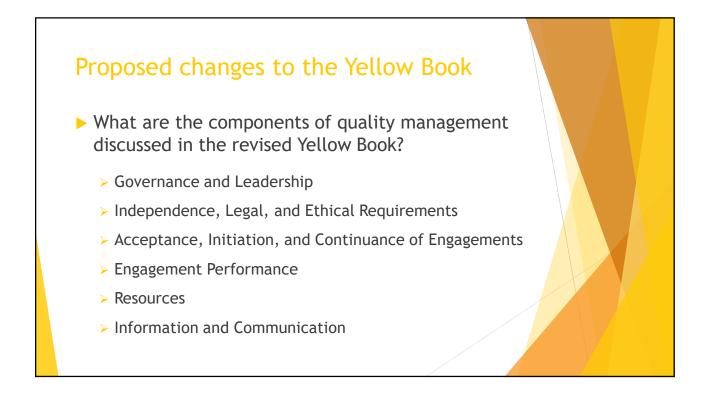
- Foundation and Principles
- ► General Requirements
- > Ethics, Independence, and Professional Judgment
- Competence and Continuing Professional Education
- Quality Control and Peer Review
- Standards for Financial Audits
- Standards for Attestation Engagements and Reviews of Financial Statements
- Fieldwork Standards for Performance Audits
- Reporting Standards for Performance Audits

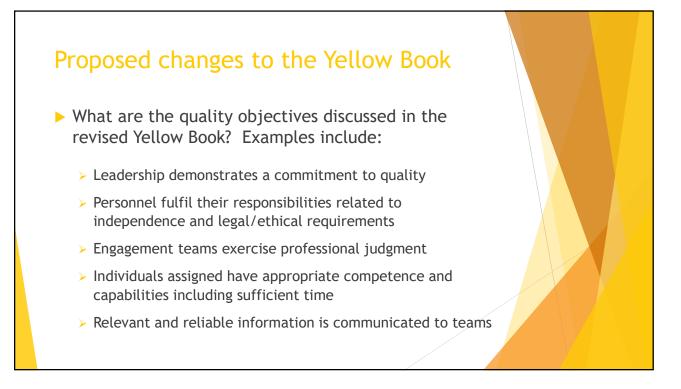


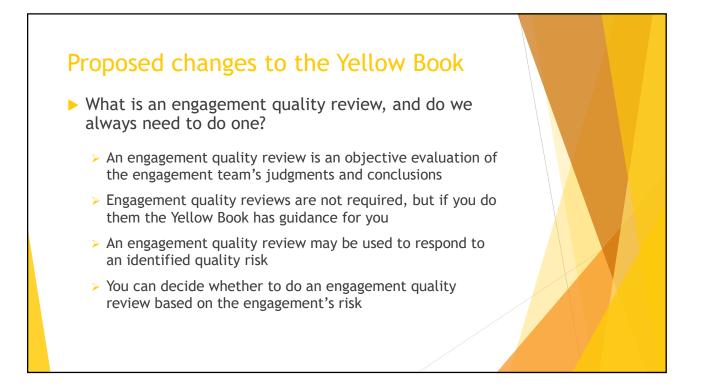


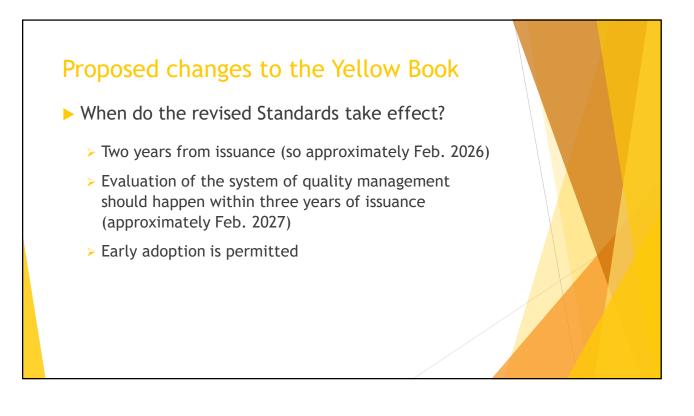












Process for changing the Yellow Book

- GAO decides it needs to be changed
- GAO drafts revisions
- GAO convenes the Advisory Council to discuss proposed changes
- GAO makes additional revisions
- GAO sends out an exposure draft
- Interested parties send in comments
- GAO reviews and addresses comments
- Advisory Council reviews comments and GAO revisions and provides feedback
- GAO makes additional revisions
- GAO sets release date and releases revised standards

2023 Yellow Book Exposure Draft Comments

- 43 entities provided comments
- Examples of comments:
 - > We appreciate the convergence with AICPA standards
 - Thanks for including flexibility
 - > What about PCAOB? Can we use their quality standards?
 - Add guidance on how small organizations can scale the system of quality management

https://www.gao.gov/2023-Yellow-Book-Exposure-Draft-and-Comments



- Role: Review proposed changes to standards to ensure they meet the needs of users
- Made up of representatives from:
 - National CPA firms (3)
 - Federal Offices of Inspector General (4)
 - State Auditors (2)
 - City and County Auditors (3)
 - College professors (1)
 - Not-for-profit entities (2)

Questions? <u>Contact Information:</u> Corrie Stokes City Auditor Austin, Texas (512) 974-2805 corrie.stokes@austintexas.gov austintexas.gov/auditor