

**From:** Cairns, Donald [REDACTED]  
**Sent:** Thursday, June 22, 2017 10:03 AM  
**To:** Yellow Book Comments  
**Subject:** Yellow Book Comments from DOI OIG - Office of Audits, Inpections and Evaluations

## Here's our consolidated comments

2.02 - .06 are in a box as requirements, but don't appear to be requirements and only explain how to use exact terminology to determine what are the different requirements and what are not.

Some requirements have the word "may" in it, are these presumptively mandatory requirements too (e.g. 2.10..."auditors may cite")?

Some language says "required" or "required" so are there requirements or not because they don't say "must".

The organization is confusing. Chapters have intros before requirements (e.g. 2.01, 3.01, 3.02, 3.27, etc.) which are not requirements nor are guidance and 1.24 does not explain this.

4.10 – There should a role of team lead or senior auditor. It may be helpful to include the "team lead" role in Paragraph 4.10. Team leads are usually the staff in between the entry level and supervisory auditors. What level of proficiency is recommended for team leads?

4.10 - It is unclear what is meant by "work situations"

4.10b – The Supervisor role does not describe the role of a supervisor but more of a mid-level auditor. Supervision entails a high level of complexity, reviewing for quality and compliance, and does way more than direct engagements as defined. Also, the partners/directors role sounds somewhat like a supervisor.

GAO's use of the word "should" throughout the exposure draft, specifically when used inside the requirements box of each chapter is confusing. The word "should" connotes a suggestion rather than a requirement. It would be less confusing (and stronger) to replace the word "should" with "must", "shall", or "requires". For example:

- Paragraph 4.15 - Auditors who plan, direct, perform engagement procedures for, or report on an engagement conducted in accordance with GAGAS ~~should~~ shall complete the GAGAS Qualification requirements as part of developing and maintaining their professional competence.
- Paragraph 4.17 – To update their GAGAS Qualification, auditors ~~should~~ must complete at least 4 hours of CPE in GAGAS topics each time the Comptroller General issues a revision of GAGAS.

Paragraphs 4.15 through 4.18 - There is support for the increase of 4 CPE hours in GAGAS topics as long as the 4 hours count toward the existing 80 hours of CPE requirement (every 2-years) and is not an additional requirement on top of the 80 CPE hours.

4.16 – This requirement is too prescriptive because content and course descriptions for given by CPE providers sometime don't contain enough detail/specifics and it comes down to a matter of professional judgment as it relates to practitioners job in performing GAGAS engagements. This requirement should be centered on the language from 4.21 or deleted.

5.71 – In the aggregate is not defined in the guidance. Does this combine two units, just the scope of the review, organization as a whole, the system you are looking at, etc.?

8.52 – Since the Internal control deficiencies are evaluated for significance to BOTH the audited entity's objectives and the auditors' audit objectives (8.55)....."to the audit objectives" should be deleted from the requirement.

8.53 and 8.55– These are not consistent. 8.53 says "to the audit objectives" and the other says evaluated for significance to BOTH the audited entity's objectives and the auditors' audit objectives". 8.53 might be redundant.

8.55 – In the aggregate is not defined. Can it be based on all controls in an entity, on all deficiencies identified, does it include consideration of compensating controls, controls from unrelated areas (payroll vs billing), etc.

Paragraph 8.95 - This paragraph comes off a bit contradictory to suggest written representation be obtained from management then to tack on that it's not required for performance audits. Since the first sentence reads that "auditors may request," it already implies that it's not a firm requirement, so the second sentence ("this step is not a requirement for GAGAS performance audits") seems repetitive and not necessary. Suggest the second sentence be removed.

9.12 – in the aggregate is not defined. Is this one section, the whole audit, one step/procedure?

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