

**From:** [REDACTED]  
**To:** [Yellow Book Comments](#)  
**Cc:** [REDACTED]  
**Subject:** 2017 YB Exposure Draft comments  
**Date:** Wednesday, July 05, 2017 4:45:16 PM

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Thank you for the opportunity to comment on the 2017 Government Auditing Standards Exposure Draft. Our comments follow.

1. The new GAGAS Qualification requires 4 hours of GAGAS CPEs whenever the GAGAS standards have been updated. We believe this requirement should be a minimum of 2 hours rather than 4 hours. We also strongly suggest that GAO develop an update training package for each new version in a format that can be provided to auditors conducting GAGAS audits. This will result in more easily accessible training, and well as training that is more uniform.
2. Chapter 3 is difficult to follow and could be better organized.
  - a. Safeguards are first mentioned in 3.21, and discussed throughout the paragraphs on independence and the conceptual framework. However, safeguards are not defined until paragraph 3.62. Logically, we believe the discussion on safeguards should follow threats to independence, as they were in the 2011 version.
  - b. Figure 1, displaying the Conceptual Framework chart seems out of place following a discussion of professional judgment. It should be placed in or near the discussion of the conceptual framework (3.27-3.39).
  - c. The section on routine activities (3.75) seems placed arbitrarily. It is not clear what the connection is between routine activities and threats to independence. Does it even belong in this chapter?
  - d. The discussion jumps from safeguards (3.62-3.66) to Nonaudit services (3.67-3.74) to routine activities (3.75), to safeguards (3.77), to Nonaudit services (3.78-3.101). Seems confusing.
3. At paragraph 3.37, the 2011 version itemized what the audited entity management needs for a Nonaudit service to be performed. The contents of 3.37 a, c, and d are missing in the exposure draft. Not clear why they are omitted as the relevance has not changed.
4. It is not clear why the contents of paragraph 3.39 in the 2011 version are not included in the exposure draft.
5. Paragraph 5.66 says that audit organizations have discretion in selecting and accepting their peer review teams. Is this true for OIGs?
6. Paragraph 8.74 says, "If a fraud that may have occurred is not significant within the context of the audit objectives, the auditors may perform additional audit work as a separate

engagement or refer the matter to other parties with oversight responsibility or jurisdiction.” Suggest for OIG auditors, referral to their respective Office of Investigation before continuing audit work should not be optional when any fraud is suspected (issue for OIGs is the use of the word “or.”)

Again, we appreciate the opportunity to comment and would be available to discuss our comments further.

Best,

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