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June 14, 2004

Jeffrey C. Steinhoff
Managing Director, Financial Management and Assurance
U.S. General Accounting Office (GAO)
441 G Street NW
Washington, DC 20548

and

The Honorable Everett L. Mosely
Chair, President's Council on Integrity
And Efficiency Audit Committee (PCIE)
Washington, DC 20523

Dear Messrs. Steinhoff and Mosley:

The Association of Government Accountants (AGA) Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments on the exposure draft (ED) updating the GAO/PCIE Financial Audit Manual (FAM). The FMSB, comprising 21 members with accounting and auditing backgrounds in federal, state and local government, academia and public accounting, reviews and responds to proposed standards and regulations of interest to AGA members.

The ED updates the FAM primarily to incorporate provisions of Statement on Auditing Standards No. 99, *Consideration of Fraud in a Financial Statement Audit*; make changes to conform to the 2003 Yellow Book (Government Auditing Standards: 2003 Revision); and for certain other miscellaneous changes. Keeping the FAM current is crucial to providing the best guidance possible for conducting financial audits throughout the federal government. The ED is an important component in the process of providing guidance that has undergone due process and has wide acceptance in the government auditing and accounting community. Controls to prevent fraud are crucial in ensuring confidence in the integrity and transparency of federal government financial management, and it is vital to make sure the guidance on these is up-to-date. We applaud the GAO and the PCIE for developing this much-needed update to the Financial Audit Manual.

The FMSB appreciates the opportunity to comment on the ED. We had no FMSB members who objected to the issuance of this letter. If you wish to discuss this letter, you can contact me at MurrayC@michigan.gov



or (517) 334-8050 or Anna Miller, CPA, AGA Technical Manager and facilitator for this project, at amiller@agacgfm.org or (703) 684-6931, ext. 203.

Sincerely,

A handwritten signature in blue ink that reads "Craig M Murray". The signature is written in a cursive style with a large, looping "M".

Craig Murray, CPA, Chair,
AGA Financial Management Standards Board

cc. Jullin Renthrope, CGFM, CPA
AGA National President