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CASD 730.3.b.05

September 15, 2025
25-CASD-005(R)

MEMORANDUM FOR DIRECTORATE DIRECTORS, DCAA ASSISTANT DIRECTORS,
HQ, DCAA

SUBJECT: 2024 Generally Accepted Government Auditing Standards (GAGAS) Update

This memorandum summarizes the 2024 GAGAS revision and outlines DCAA's implementation plan.

Background

The 2024 GAGAS was published on February 1, 2024, with an implementation date of December 15, 2025. This revision supersedes the 2018 GAGAS Revision, including the Technical Update issued in April 2021. The revisions in GAGAS do not impact the way DCAA performs its audits; however, there are significant changes to Chapter 5. Notably, Chapter 5, titled "Quality Management, Engagement Quality Reviews, and Peer Review," in the 2024 version replaces Chapter 5, "Quality Control and Peer Review," from the 2018 version.

What Are Some of the Major Changes in Chapter 5?

While we encourage you to review the 2024 GAGAS in its entirety, below are the major updates included in Chapter 5:

- **Leadership Responsibility:** Greater emphasis on audit organization leadership proactively managing quality across its engagements.
- **Scalable Quality Management:** A scalable approach to quality management, tailored to audit organizations of varying sizes and complexities.
- **Risk-Based Process:** Adoption of a risk-based process to achieve the objectives of quality management.
- **Shift to Quality Management:** A shift in focus from quality control to quality management.
- **Streamlined Standards:** Flexibility for audit organizations subject to other quality management standards, reducing the need to design, implement and operate separate systems.
- **Enhanced Monitoring:** Increased emphasis on proactive, effective and tailored monitoring activities.
- **Optional Engagement Reviews:** Provisions for optional engagement quality reviews of GAGAS engagements.

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- **Application Guidance:** Expanded application guidance on key audit matters, including when they may apply to financial audits of government entities and entities receiving government financial assistance.

Implementation and Training

Quality Management System: DCAA has created a new Quality Management System (QMS) that will launch in Government Fiscal Year (GFY) 2026 aligned with the 2024 GAGAS revisions to Chapter 5. The QMS will launch in a pilot phase when full EPIC functionality resumes after year-end processing, not later than October 9, 2025. Full implementation of QMS will be complete by the GAGAS 2024 Revision implementation date of December 15, 2025.

Please review the website for further information and training details: <https://dod365.sharepoint-mil.us/sites/DCAA-HQ-Q/SitePages/QMS.aspx#training-schedule>

E-Learning Update: DCAI has removed “2018 GAGAS e-learning course (AUD114E)” from LMS and is updating the e-learning course to include the 2024 GAGAS revision.

Questions and Further Information

FAO personnel with questions regarding this memorandum should contact their Directorate offices. Directorate personnel with questions regarding this memorandum should contact the Auditing Standards Division (CASD) at dcaa.belvoir.hq.mbx.dcaa-pas@mail.mil.

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