



National Association of State Boards of Accountancy

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September 14, 2016

American Institute of Certified Public Accountants
1211 Avenue of the Americas
New York, NY 10036-8775

Via e-mail: shazel@aicpa.org

Re: Proposed Statement on Auditing Standards - Auditor Involvement with Exempt Offering Documents

Dear Members of the Auditing Standards Board:

We appreciate the opportunity to offer comments on the Proposed Statement on Auditing Standards referred to above. The National Association of State Boards of Accountancy's (NASBA) mission is to enhance the effectiveness and advance the common interests of the Boards of Accountancy that regulate all certified public accountants and their firms in the United States and its territories.

We support the Auditing Standards Board's proposed requirements when an auditor is involved with an exempt offering document. Billions of dollars are invested in exempt securities offerings each year where the public relies on information included in such offering documents. The professional standards are not clear as to when an auditor is deemed to be involved in those offering statements.

Issue 1:

We agree that franchise offerings should be included in the scope of the proposed standards.

Issue 2:

We agree with the seven activities identified in paragraph 8b that would trigger the requirements of the proposed SAS. We also understand that there are some firms that do include provisions in the terms of engagement letters as noted in A2 and agree that provision would not establish involvement under the proposed SAS unless the auditor is engaged to perform or otherwise performs one or more of the activities in paragraph 8b.

We also understand there are situations where an auditor may include provisions in the terms of engagement letters as noted in A3, and agree that such language should be included in an offering document where an auditor is not involved, other than as defined by paragraph 8.

Issue 3:

When an auditor is involved with an exempt offering document, we agree that subsequent event procedures should be performed as outlined in the proposed SAS.

Proposed Statement on Auditing Standards, Paragraph 1.a.

The proposed standard includes reference to items that may be “incorporated by reference in an offering document.” We realize this is utilized in situations where companies may make their financial statements publicly available in other filings under the Securities Exchange Act; however, it is not clear how this can occur with an exempt offering document. Examples and clarification should be provided as to how this can occur with respect to an exempt offering document.

Reference to Office of Thrift Supervision on page 19

It is our understanding that the Office of Thrift Supervision (OTS) was merged into the Office of the Comptroller of Currency (OCC) as a result of the Dodd-Frank Act. You may want to consider changing the reference to OTS to OCC.

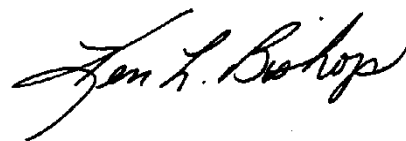
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Again, we appreciate the opportunity to comment on the Exposure Draft.

Very truly yours,



Donald H. Burkett, CPA
NASBA Chair



Ken L. Bishop
NASBA President and CEO