



National Association of State Boards of Accountancy

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July 16, 2022

Financial Accounting Foundation
401 Merritt 7
Norwalk, CT 06856-5116

Via email: fafstratplan@f-a-f.org

Re: **Strategic Plan Draft for Public Comment**

Dear Trustees and Staff of the Financial Accounting Foundation (FAF):

The National Association of State Boards of Accountancy (NASBA) appreciates the opportunity to comment on the FAF's *Strategic Plan Draft for Public Comment* (the Plan). NASBA's mission is to enhance the effectiveness and advance the common interests of the Boards of Accountancy (State Boards) that regulate all Certified Public Accountants (CPAs) and their firms in the United States and its territories, which includes all audit, attest and other services provided by CPAs. State Boards are charged by law with protecting the public.

In furtherance of that objective, NASBA offers the following comments on the Plan.

Goal #6: Engage with stakeholders, regulators, and Congress to determine the appropriate way, if any, for the organization to contribute to future sustainability reporting.

Comments

There are existing frameworks and standards for certain climate-related disclosures, such as the Greenhouse Gas (GHG) Protocol, and other projects currently underway by international standards setters regarding sustainability reporting. Specifically, the IFRS Foundation recently created the International Sustainability Standards Board (ISSB) with the purpose to deliver a comprehensive global baseline of sustainability-related disclosure standards.

We recognize that standard-setting authority in the United States ultimately rests with entities such as the Securities and Exchange Commission, the Financial Accounting Standards Board and the Governmental Accounting Standards Board. Nevertheless, consideration should be given to supporting these existing frameworks and standards and to closely monitoring the status of the ongoing projects as it provides an opportunity for harmonization among standard setters, which is in the public interest.

When considering the current and ongoing projects regarding sustainability reporting the need for third-party assurance or attestation on reported information naturally arises. A primary concern with

this type of reporting is understanding the individuals or organizations that can provide the attestation services. We understand that, in many situations, professional activities related to sustainability assurance and reporting may be provided by non-CPAs. If CPAs and non-CPAs are permitted to perform assurance services and report on sustainability information, there could be a question of standard setting authority and how to decide where the ultimate authority lies.

The public accounting profession has professional standards, systems of quality management, and independence requirements in place to position CPAs and CPA firms to provide attestation services. Such professional standards result from due process procedures which include broad distribution of the standards and framework for public comment.

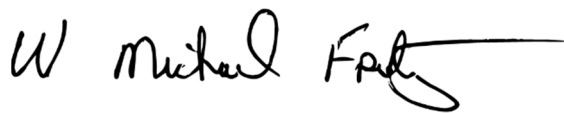
Virtually all of the State Boards do not allow non-CPAs to perform attestation services nor issue assurance reports under the professional standards governing the accounting and auditing profession. We believe that permitting non-CPAs who are not subject to standards that result from such due process procedures to provide attestation services or issue assurance reports is not in the public interest. However, if non-CPAs are ultimately allowed to perform these services and issue related reports, then regulations must be developed to build the intellectual infrastructure, including independence requirements, quality management systems and regulatory oversight of non-CPA providers outside of the professional standards governing the accounting and auditing profession.

We recommend that the FAF work closely with the audit/attest community to ensure that they have the capabilities to provide assurance on sustainability information.

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Again, we appreciate the opportunity to comment on the Plan.

Very truly yours,



W. Michael Fritz, CPA
NASBA Chair



Ken L. Bishop
NASBA President and CEO