



National Association of State Boards of Accountancy

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June 4, 2025

Auditing Standards Board
American Institute of Certified Public Accountants (AICPA)
1345 Avenue of the Americas
New York, NY 10105

Via e-mail: commentletters@aicpa-cima.com

Re: Proposed ASB Strategic Plan 2026 - 2030

Dear Members and Staff of the AICPA Auditing Standards Board (ASB):

The National Association of State Boards of Accountancy (NASBA) appreciates the opportunity to comment on the ***Proposed ASB Strategic Plan 2026 – 2030*** (the Strategic Plan). NASBA's mission is to enhance the effectiveness and advance the common interests of State 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 focused on the *Strategic Actions* described in the document.

Initiative A: Develop high-quality standards in the public interest.

NASBA agrees that market movements indicate an increasing demand for assurance on nonfinancial information, even outside of sustainability reporting, and commends the ASB for its consideration of future standard-setting in that area.

We support the ASB in its continued commitment to converge with the International Auditing and Assurance Standards Board's (IAASB's) standards, as appropriate. Harmonization among standard-setters is in the public interest as it promotes consistency in application and avoids confusion for practitioners and users of financial statements.

NASBA believes it is equally important for the ASB to lead in standard-setting for non-public companies in the United States (U.S.) based on research and information-gathering from stakeholders as well as leveraging needs identified from peer review results. From a regulator perspective, NASBA believes the primary strategic focus of the ASB should be addressing matters of audit quality in the U.S. and converging, as appropriate, with new or revised standards developed by other U.S. auditing standards setters such as the Public Company Accounting Oversight Board

(PCAOB) and the Government Accountability Office. Taking the lead with U.S. standard-setting for non-public companies will potentially influence the project agendas of the IAASB and others.

Initiative B: Enhance communications with our stakeholders.

As previously mentioned, NASBA supports the ASB in its active role and ongoing liaison with other standard setters in the U.S. and around the world. NASBA supports the ASB in taking the lead on standard-setting projects that can be leveraged by the IAASB and others.

The first strategic action under Initiative B states that the ASB will “invest further with strategically important stakeholders, including more direct outreach by our board members with small- and medium-size firms and practitioners”. We believe that such outreach is appropriate. We recognize the challenges that small- and medium-size firms and practitioners can face in implementing new standards. We are, however, aware of sentiments that would support lessening the stringency of audit standards in recognition of the challenges small- and medium-size firms and practitioners face. We do not believe that would be in the public interest. We believe that enhanced support by the AICPA and ASB in recognition of those challenges is a more appropriate path. In recent years, the PCAOB and its Board members have significantly increased their outreach to smaller firms and practitioners. We believe that such an approach could provide a model for the AICPA and ASB to follow.

NASBA strongly encourages enhancements and updates to the ASB’s webpage on the AICPA website. A number of State Boards have expressed concern that access to the standards on the AICPA’s website requires a member login or creation of an account. It is in the public interest for practitioners and regulators to have reasonable, ready access to the standards.

Other State Boards have indicated that even when website access is possible it is very difficult to search for and navigate to needed information. As the AICPA and the ASB seek ways to improve the website, we suggest that they consider the integration of advanced technologies such as artificial intelligence (AI) to further empower users in their quest for information. Easy navigation to guidance and tools on the webpage/website will promote their use and enhance their impact.

Initiative C: Think and operate strategically.

NASBA supports the strategic actions identified for initiative C.

Initiative D: Keep our standards relevant in a changing environment.

NASBA supports the ASB in identifying and monitoring emerging technologies through liaisons with the AICPA’s Assurance Services Executive Committee and other senior committees. There may be opportunities to tap into other thought leaders and experts outside of the AICPA’s senior committees as resources for emerging trends.

Acknowledging the Strategic Plan is intended as a high-level document and there are many emerging technologies trends such as digital assets, cryptocurrency, and cybersecurity advancements. In particular, NASBA and State Boards consider the use of AI by preparers as well as auditors as a key emerging trend and question whether there should be some standard-setting around when the use of AI is appropriate and what quality management considerations should be in place for its use. NASBA recommends the inclusion of AI as a priority action area within the ASB's strategy.

Initiative E: Support the effective implementation and application of our standards.

NASBA supports the strategic actions identified by the ASB to promote and aid in successful implementation and application of standards. NASBA recommends considerations of implementation as part of the due process when vetting proposed standards. Soliciting input on what guidance or tools would be useful to ensure effective implementation during the due process of proposed standards might ensure that stakeholders are holistically thinking about the issue/area and its ramifications.

NASBA supports the ASB's strategic action on conducting more formal post-implementation reviews of standards to determine whether the standards meet the intended objective. Specifically, NASBA recommends a thorough post-implementation review of the quality management standards. NASBA believes that the quality management standards may be implemented very differently across the profession and that smaller-sized practices will be the most challenged group to fully implement the quality management standards as intended due to resource constraints.

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We appreciate the opportunity to comment on the Strategic Plan.

Very truly yours,

Maria E. Caldwell

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