AICPA

RESPONSE TEMPLATE FOR EXPOSURE DRAFT OF PROPOSED SSAE
COMMON CONCEPTS, EXAMINATION ENGAGEMENTS, REVIEW ENGAGEMENTS, AND ENGAGEMENTS TO REPORT ON SUSTAINABILITY INFORMATION

Guide for Respondents

Comments must be submitted by **June 30, 2026**. *Note that comments submitted after June 30, 2026, may not be considered as requests for extensions of time will not be granted.*

This template is for providing comments on the exposure draft of Proposed Statement on Standards for Attestation Engagements (SSAE) *Common Concepts, Examination Engagements, Review Engagements, and Engagements to Report on Sustainability Information* (hereinafter referred to as the proposed SSAE) in response to the questions set out in the explanatory memorandum to the proposed SSAE. It also allows for respondent details, demographics, and other comments to be provided. Use of the template will facilitate the ASB's collation and analysis of the responses.

You may respond to all questions or only selected questions.

To assist with our consideration of your comments, please do the following:

- For each question, start by indicating your overall response using the drop-down menu under each question. Then, below that include any detailed comments, as indicated.
- When providing comments,
  - respond directly to the questions.
  - provide the rationale for your answers. If you disagree with the proposals in the proposed SSAE, please provide specific reasons for your disagreement and specific suggestions for changes to the requirements, application material, or appendixes. If you agree with the proposals, it will be helpful for the ASB to be made aware of this view.
  - identify the specific aspects of the proposed SSAE that your response relates to, for example, by reference to sections, headings, or specific paragraphs in the proposed SSAE.
  - avoid inserting tables or text boxes in the template when providing your responses to the questions because this will complicate the automated collation of the responses.
- Submit your comments, using the response template only, without any summary of your key issues; instead identify any key issues, as far as possible, in your responses to the questions.

The response template provides the opportunity to provide details about your organization and, should you choose to do so, any other matters not raised in specific questions that you wish to

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place on the public record. All responses will be considered a matter of public record and will ultimately be posted on the ASB website. Email the completed template as an attachment to commentletters@aicpa-cima.com.

RESPONSES TO THE ASB'S REQUEST FOR COMMENTS IN THE EXPLANATORY MEMORANDUM FOR PROPOSED SSAE *COMMON CONCEPTS, EXAMINATION ENGAGEMENTS, REVIEW ENGAGEMENTS, AND ENGAGEMENTS TO REPORT ON SUSTAINABILITY INFORMATION*

PART A: Respondent Details and Demographic Information

Your organization's name (or your name if you are making a submission in your personal capacity)	National Association of State Boards of Accountancy (NASBA)
Name(s) of person(s) responsible for this submission (or leave blank if the same as above)	Nicola Neilon, CPA - NASBA Chair Daniel J. Dustin, CPA - NASBA President and CEO
Name(s) of contact(s) for this submission (or leave blank if the same as above)	Jessica Luttrull
Email address(es) of contact(s)	jluttrull@nasba.org
The stakeholder group to which you belong (i.e., from which perspective are you providing feedback on the proposed SSAE). Select the most appropriate option.	Regulator
Should you choose to do so, you may include information about your organization (or yourself, as applicable).	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. It is in furtherance of that objective that NASBA offers the following comments.

PART B: Responses to Questions in the Explanatory Memorandum for the Proposed SSAE

For each question, please start with your overall response by selecting one of the items in the drop-down list under the question. Provide your detailed comments, if any, below as indicated.

Effective Date

Use of "Engagements Beginning On or After" Approach

1. Do you agree, given the diverse subject matters, that the use of the "engagements beginning on or after" approach to trigger the adoption of the proposed SSAE is appropriate? If not, please explain why.

(See explanatory memorandum, section III, "Effective Date")

Overall response: **Agree**

Detailed comments (if any):

Proposed Effective Date — June 15, 2029

2. Do you agree that if the final standard is issued no later than June 30, 2027, the proposed effective date for engagements beginning on or after June 15, 2029, is appropriate and provides adequate time for implementation, including updating methodologies and training staff? If not, please explain why and suggest a reasonable alternate effective date.

(See explanatory memorandum, section III, "Effective Date")

Overall response: **Agree**

Detailed comments (if any):

Fundamental Aspects of the Proposed SSAE

Linkages Between AT-C Sections

3. Do you agree with the approach taken with respect to the linkages between the proposed sustainability information AT-C sections and the other AT-C sections, including whether the approach is understandable and easy to follow? If not, please explain why.

(See explanatory memorandum, section IV.A.2)

Overall response: **Agree**

Detailed comments (if any):

Matters Affecting Proposed AT-C Section 105

Difference Between an Engagement Resource and Sources of Information to Be Used as Evidence

4. Do you agree with the approach taken in structuring the attestation standards with respect to engagement resources and sources of information to be used as evidence? If not, please suggest an alternative such that the integrity of the building blocks approach is retained.

   (See explanatory memorandum, section IV.B.5)

Overall response: **Agree**

Detailed comments (if any):

Move of Documentation Requirements to Proposed AT-C Section 105

5. Do you agree with moving requirements (and related application material) addressing "Documentation" from extant AT-C sections 205 and 210 to proposed AT-C section 105 given that this topic is typically common to all levels of service? If not, please explain why.

   (See explanatory memorandum, section IV.B.6)

Overall response: **Agree**

Detailed comments (if any):

Other Observations Regarding Proposed AT-C Section 105

6. Are there any other observations that you would like to provide with respect to significant matters that affect proposed AT-C section 105?

   (See explanatory memorandum, section IV.B)

Detailed comments (if any):

Matters Affecting Both Proposed AT-C Sections 205 and 210

Definition of Management's Specialist

7. Do you agree with the definition of *management's specialist* and whether, as drafted, it is fit for purpose? If not, please provide alternative wording for the term.

(See explanatory memorandum, section IV.C.1)

Overall response: **Agree**

Detailed comments (if any):

Evidence

8. Do you agree with the ASB's approach in proposed AT-C sections 205 and 210 with respect to evidence? If not, please explain why. Feedback is requested specifically as it relates to the following:

   - Use of the term "evidence" in proposed AT-C section 210, as opposed to the extant term "review evidence"
   - Inclusion of a requirement (see paragraph .17 of proposed AT-C section 210) for the practitioner to "evaluate information to be used as evidence" and whether the requirement is appropriately scalable for a review engagement

(See explanatory memorandum, section IV.C.2)

Overall response: **Agree**

Detailed comments (if any):

NASBA generally agrees with the ASB's approach to evidence in proposed AT-C sections 205 and 210. However, NASBA encourages the ASB to ensure that the requirements applicable to review engagements continue to clearly reflect the limited assurance nature of those engagements.

Use of the Term "Evidence"

NASBA agrees with the proposed use of the term "evidence" in AT-C section 210 rather than "review evidence." The term "evidence" is broadly understood within assurance and attestation standards and promotes consistency across the attestation literature. NASBA does not believe the inclusion of the modifier "review" is necessary to distinguish the level of assurance obtained in a review engagement. Rather, the distinction between a review and an examination engagement should continue to be driven by the objectives of the engagement, the nature and extent of procedures performed, and the practitioner's conclusion.

Requirement to "Evaluate Information to Be Used as Evidence"

NASBA supports the concept of evaluating information to be used as evidence. Obtaining and evaluating information that supports the practitioner's conclusion is a fundamental element of any attestation engagement.

Subsequent Events and Subsequently Discovered Facts

9. Do you agree that the date of the practitioner's report and the report release date are typically so closely aligned that it is not necessary to draw a distinction between the two dates? If not, please describe how prevalent this circumstance may be in practice and provide examples.

(See explanatory memorandum, section IV.C.7)

Overall response: **No response**

Detailed comments (if any):

To the extent that practitioners respond to this question that they are in fact seeing a prevalence of situations where the difference in the dates is in fact meaningful and share relevant examples as requested, NASBA recommends that the staff reconsider this assessment and consider addressing it directly in the standard

Content of the Practitioner's Report and Modifications to the Practitioner's Report

10.

a. Please describe any practice issues or unintended consequences of which you are aware that may arise as a result of wording revisions to the proposed baseline attestation standards. These revisions include the following:

- The use of "in accordance with" in the practitioner's reporting requirements, with the concept of "based on" being addressed in the application material.
- The revision of the phrase, when appropriate in the circumstances, from "when possible under applicable law or regulation" to "when practicable."
- The change in the use of the phrase from "statement that" or "state that" to "indicate that." Should this revision be applied elsewhere in the required reporting elements?

(See explanatory memorandum, section IV.C.8 and IV.C.10a–b)

Detailed comments (if any):

NASBA previously commented on the ASB's Exposure Draft, *Scope Limitations in a Review Engagement*, and noted that circumstances in which a practitioner would be unable to withdraw from an engagement may not be widely understood in practice. NASBA recommended that additional examples and application guidance be provided to promote consistent application and understanding. We continue to believe such guidance is necessary. Clear articulation of when withdrawal is expected, when report modification is appropriate, and how those decisions align with the limited assurance nature of a review engagement would help avoid inconsistent practice and unintended public perception issues.

NASBA is concerned that replacing the phrase "when possible under applicable law or regulation" with "when practicable" may introduce ambiguity and inconsistent application in practice. The previous wording established a relatively narrow basis for determining when withdrawal from an engagement may not be feasible. In contrast, "when practicable" is broader and is not defined within the proposed standard. As a result, practitioners, regulators, and other stakeholders may reach differing conclusions regarding whether withdrawal was practicable in a particular circumstance.

Accordingly, NASBA recommends that the ASB either retain the more objective concept tied to applicable law or regulation or provide a clear definition and accompanying application guidance describing the circumstances under which withdrawal would not be considered practicable.

Content of the Practitioner's Report and Modifications to the Practitioner's Report

10.
   b. Do you agree with the layout, including the headings and sequencing of requirements and related application material, of the section under the heading "Modifications to the Practitioner's Report" in proposed AT-C sections 205 and 210? If not, please explain why.

   (See explanatory memorandum, section IV.C.10c)

Overall response: **No response**

Detailed comments (if any):

Other Information, Including Comparative Information

11.
   a. Are the revisions to proposed AT-C sections 205 and 210 to address other information appropriate and actionable in the context of attestation engagements? If not, please explain why.

   (See explanatory memorandum, section IV.C.11a)

Overall response: **No response**

Detailed comments (if any):

Other Information, Including Comparative Information

11\.

b. Do you agree with the ASB's decision to exclude a definition of *comparative information* from proposed AT-C sections 205 and 210 and related performance and reporting requirements? If not, please explain why and provide examples of non-sustainability attestation engagements where comparative information is presented and is important to an understanding of the subject matter.

(See explanatory memorandum, section IV.C.11b)

Overall response: **No response**

Detailed comments (if any):

Unintended Different or Disproportionate Effects

12. Given the variety of engagements that may be performed in accordance with proposed AT-C sections 205 and 210, please identify specific types of subject matter or attestation engagements, if any, that may be affected differently or disproportionately by revisions to the proposed AT-C sections. Please also specify how revisions to proposed AT-C sections 205 and 210 would be modified to avoid unintended different or disproportionate effects on certain subject matters or attestation engagements.

Detailed comments (if any):

Other Observations Regarding Both Proposed AT-C Section 205 and AT-C Section 210

13. Are there any other observations that you would like to provide with respect to the significant matters that affect both proposed AT-C sections 205 and 210?

(See explanatory memorandum, section IV.C)

Detailed comments (if any):

Matters Affecting Proposed AT-C Section 205

Appropriately Aligned With GAAS

14. Do you agree that the revisions to proposed AT-C section 205 appropriately align the requirements related to obtaining reasonable assurance in an examination engagement with the requirements in generally accepted auditing standards (GAAS) related to obtaining reasonable assurance in an audit of financial statements? If not, please explain why.

(See explanatory memorandum, section IV.D)

Overall response: **Agree**

Detailed comments (if any):

NASBA agrees that the revisions to proposed AT-C section 205 appropriately align the requirements related to obtaining reasonable assurance in an examination engagement with the requirements in generally accepted auditing standards (GAAS) related to obtaining reasonable assurance in an audit of financial statements.

NASBA supports the ASB's efforts to strengthen and modernize the examination engagement framework by incorporating concepts and requirements that are consistent with the reasonable assurance model reflected in GAAS, while preserving the distinct objectives and subject matter considerations applicable to attestation engagements.

In particular, the proposed revisions provide more structure for examination engagements. Historically, practitioners performing examination engagements have often looked to auditing standards for guidance in areas where attestation standards provided less detailed direction. The proposed revisions help address this gap by incorporating concepts that are already familiar to practitioners operating within a reasonable assurance environment, thereby promoting greater consistency in practice and enhancing the overall quality of examination engagements.

Risk Assessment Procedures and Responding to Risks of Material Misstatement

15. Do you agree with the approach taken by the ASB with respect to controls for purposes of proposed AT-C section 205 by limiting the applicability of certain requirements when the subject of the engagement is not internal control? If not, please explain why. Please also provide your perspectives about whether the use of headings and application material is sufficient to enable the practitioner, when performing an examination engagement, to differentiate between requirements that are applicable to all subject matters and requirements that are relevant only when the subject matter of the engagement is not internal control.

(See explanatory memorandum, section IV.D.5 and IV.D.6)

Overall response: **No response**

Detailed comments (if any):

Other Observations Regarding Proposed AT-C Section 205

16. Are there any other observations that you would like to provide with respect to significant matters that affect proposed AT-C section 205?

(See explanatory memorandum, section IV.D)

Detailed comments (if any):

Matters Affecting Proposed AT-C Section 210

Maintaining the Integrity of a Limited Assurance Engagement

17. Do you agree that the revisions to proposed AT-C section 210 are appropriate and that the proposed requirements maintain the integrity of an engagement to provide limited assurance? If not, please explain why.

(See explanatory memorandum, section IV.E)

Overall response: **Agree**

Detailed comments (if any):

While NASBA generally agrees that the revisions to proposed AT-C section 210 are appropriate, there is a risk that some of the proposed requirements could be perceived as providing something above limited assurance.

For example, the expanded requirement related to evaluating information to be used as evidence may suggest a higher work effort. The proposed AT-C section 210 directs practitioners to modify or add procedures when evidence is inconsistent or unreliable and to perform additional procedures if needed to form a conclusion. In addition, allowing qualified or disclaimers for scope limitations adds a structure more familiar to higher assurance reporting models.

While each individual revision may be supportable on its own merits, the cumulative effect raises questions about whether the proposed requirements could be perceived as increasing the level of assurance expected in a review engagement.

Other Observations Regarding Proposed AT-C Section 210

18. Are there any other observations that you would like to provide with respect to significant matters that affect proposed AT-C section 210?

(See explanatory memorandum, section IV.E)

Detailed comments (if any):

Matters Affecting Both Proposed AT-C Sections 325 and 330

Definitions

19. Do you agree with defining terms in proposed AT-C section 330, such as *the risk of material misstatement*, *substantive procedures,* and *test of controls*, with definitions that are similar, but not identical, to the definitions of the same terms in proposed AT-C section 205? If not, please explain why.

(See explanatory memorandum, section IV.F.2)

Overall response: **Disagree**

Detailed comments (if any):

NASBA does not agree with using definitions that are similar to, but not identical with, the definitions of those same terms in proposed AT-C section 205. Consistency in terminology is an important component of understandable and enforceable professional standards. Using the same term with different definitions within closely related attestation standards may create confusion for practitioners, regulators, and report users. It may also increase the risk of inconsistent application and interpretation, particularly when practitioners perform engagements that involve both traditional attestation concepts and sustainability-related subject matter.

NASBA recognizes that sustainability information and sustainability assurance engagements may involve unique considerations that make the existing definitions in AT-C section 205 difficult to apply directly. If the ASB concludes that different concepts are necessary to appropriately address sustainability engagements, NASBA would encourage the Board to consider developing new terminology or distinct defined terms rather than modifying the meaning of existing terms that already have an established understanding within the attestation literature.

Acceptance and Continuance of the Attestation Engagement

20. Do you agree that proposed AT-C sections 325 and 330 should not require communication with a predecessor practitioner prior to accepting an engagement to report on sustainability information? If not, please explain why. In responding to this question, please also provide your perspectives on what practical challenges there may be when communicating with a predecessor practitioner (notwithstanding the relevant ethical responsibilities outlined in the AICPA Code of Professional Conduct) and, if possible, how these challenges may be overcome.

(See explanatory memorandum, section IV.F.5)

Overall response: **Disagree**

Detailed comments (if any):

While NASBA understands the ASB's observation that attestation engagements have not traditionally been recurring in nature, NASBA believes that rationale may become less persuasive as sustainability reporting continues to evolve.

NASBA is concerned that the absence of a predecessor communication requirement could result in successor practitioners lacking access to information that may be relevant to assessing engagement risk and determining whether acceptance of the engagement is appropriate. This concern is heightened in situations in which a predecessor practitioner resigned or withdrew from the engagement.

Accordingly, NASBA recommends that the ASB reconsider its decision not to require communication with a predecessor practitioner. At a minimum, the standards should more explicitly encourage such communication when a predecessor practitioner exists and the sustainability reporting engagement is recurring in nature. NASBA believes this approach would enhance engagement acceptance procedures, improve risk assessment, and better serve the public interest as sustainability reporting and assurance practices continue to mature.

Content of the Practitioner's Report

21.
   a. Do you agree that the practitioner's reports on sustainability information should include management's responsibility for the design, implementation, and maintenance of internal control relevant to the preparation of sustainability information? If not, please explain why. Please also inform us whether such language is currently included in your examination or review reports issued in accordance with the attestation standards.

(See explanatory memorandum, section IV.F.10)

Overall response: **Agree**

Detailed comments (if any):

Content of the Practitioner's Report

21.

b. Do you agree that the phrases "at the underlying assertion level for the disclosures" and "at the disclosure level" will be understandable and meaningful to users? If not, what revisions should be made to the practitioner's report to distinguish examination and review reports in an engagement to report on sustainability information?

(See explanatory memorandum, section IV.F.10)

Overall response: **Agree**

Detailed comments (if any):

Comparative Information

22.

a. Do you agree with the definition of *comparative information* in proposed AT-C sections 325 and 330? If not, please explain why and provide an alternative definition.

(See explanatory memorandum, section IV.F.12)

Overall response: **No response**

Detailed comments (if any):

Comparative Information

22.

b. Do you agree that the proposed requirements and related application material are clear and sufficiently principles-based to allow for practice to develop in this area, especially given the evolving jurisdictional landscape as it relates to sustainability information? If not, please explain why.

(See explanatory memorandum, section IV.F.12)

Overall response: **No response**

Detailed comments (if any):

Comparative Information

22.

c. Do you agree that the requirements (and related application material) addressing comparative information in proposed AT-C sections 325 and 330 are drafted such that there are no unintended convergence issues with the related performance and reporting requirements in ISSA 5000? If not, please explain why. In responding to this question, please provide your perspectives on what practical challenges there may be when performing an engagement to report on sustainability information (that includes comparative information) in accordance with both the attestation standards and ISSA 5000.

(See explanatory memorandum, section IV.F.12)

Overall response: **No response**

Detailed comments (if any):

Observations Regarding Both Proposed AT-C Sections 325 and 330

23. Are there any other observations that you would like to provide with respect to significant matters that affect both proposed AT-C sections 325 and 330? These matters may include convergence matters related to differences between the proposed SSAE and ISSA 5000.

(See explanatory memorandum, sections IV.F)

Detailed comments (if any):

Matters Affecting Proposed AT-C Section 330

Risk Assessment Procedures and Responding to the Risk of Material Misstatement

24. Do you agree that risk assessment procedures and further procedures are necessary in a review of sustainability information for the practitioner to obtain limited assurance to support the practitioner's conclusion? If not, please provide your perspectives about what requirements are necessary for the practitioner to obtain limited assurance to support the practitioner's conclusion.

(See explanatory memorandum, section IV.G.1)

Overall response: **No response**

Detailed comments (if any):

Other Matters For Consideration

Other Matters Relating to the Proposed SSAE

25. Are there any other matters that you would like to raise in relation to the proposed SSAE?

Detailed comments (if any):

The proposed AT-C 105 states that criteria developed by expert groups that follow due-process procedures and criteria by designated standard-setting bodies are presumed suitable as the basis for sustainability reporting.

There are a number of bodies developing sustainability reporting criteria including international organizations, standard-setting boards and government bodies that issue mandatory frameworks - for example, the International Sustainability Standards Board (ISSB), the Global Reporting Initiative (GRI), and the Carbon Disclosure Project (CDP).

While understanding that the ASB may not want to explicitly reference external sources of frameworks and criteria, NASBA recommends providing additional implementation guidance that could provide more specific examples of sustainability framework criteria and illustrative reporting examples. NASBA believes adding illustrative examples would improve implementation consistency (i.e., providing guardrails on what entities meet the requirement in setting frameworks/criteria) and reduce diversity in practice.

PART C: EDITORIAL COMMENTS (DRAFTING CHANGES ONLY)

Please provide comments that are strictly editorial (wording changes that do not affect the application of the requirement or intent of the application material) in this section.

1. Editorial comments on proposed AT-C section 105, if any.

2. Editorial comments on proposed AT-C section 205, if any.

3. Editorial comments on proposed AT-C section 210, if any.

4. Editorial comments on proposed AT-C section 325, if any.

5. Editorial comments on proposed AT-C section 330, if any.