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Accessible Version

June 30, 2026

Ms. Jennifer Burns
Chief Auditor
Professional Standards and Services
American Institute of Certified Public Accountants
1345 Avenue of the Americas, 27th Floor
New York, NY 10105

GAO's Response to the American Institute of Certified Public Accountants Auditing Standards Board's February 2026 Exposure Draft and March 2026 Exposure Draft

Dear Ms. Burns:

This letter provides GAO's comments on the American Institute of Certified Public Accountants (AICPA) Auditing Standards Board's (ASB) *Proposed Statement on Standards for Attestation Engagements: Common Concepts, Examination Engagements, Review Engagements, and Engagements to Report on Sustainability Information* and *Proposed Statement on Standards for Attestation Engagements: Amendments to SSAE Nos. 18-19 and 21 to Reflect Proposed SSAE Common Concepts, Examination Engagements, Review Engagements, and Engagements to Report on Sustainability Information*. GAO promulgates generally accepted government auditing standards, which provide professional standards for auditors of government entities in the United States.

We support the AICPA's efforts to address the International Auditing and Assurance Standards Board's International Standard on Sustainability Assurance 5000. We agree with the ASB's approach, updating the baseline attestation standards and creating specific standards for sustainability attestation engagements. We have concerns with wording choices in the baseline standards. Specifically, we believe that the use of "when possible under applicable law or regulation" and "when practicable" are not consistently applied throughout the standards. Further, we believe that the change of "when possible under applicable law or regulation" to "when practicable" may create confusion in the government environment regarding when and if a practitioner can and cannot withdraw from an engagement. We support consistently using "when possible under applicable law or regulation" throughout the baseline attestation standards as this provides clearer parameters on what could permit or restrict the ability to withdraw.

Further, we believe that there is insufficient distinction between certain definitions in proposed AT-C section 205 and proposed AT-C sections 325 and 330. Specifically, we believe that definitions that are just substituting "sustainability information" for "subject matter" risk creating confusion with limited benefit.

In addition, we believe that the definitions of group, group attestation engagement, and group information should be established in proposed AT-C sections 205 and 210, which should include relevant application paragraphs. If the terms are defined in proposed AT-C sections 205 and 210, then it may not be necessary to redefine them in proposed AT-C sections 325 and 330, unless the definitions and related application paragraphs provide unique clarification. We believe that the definition in proposed AT-C section 330 of “risk of material misstatement” is similar to the definition in proposed AT-C section 205, but we believe that the term should be defined in proposed AT-C section 210 rather than in proposed AT-C section 330.

We believe that the risk assessment procedures and further procedures in proposed AT-C section 330 go beyond what is normally associated with a limited assurance engagement. For example, we do not believe that the addition of proposed AT-C section 330, paragraph 71 is appropriate as it is in proposed AT-C section 205 but not in proposed AT-C section 210. We do not believe that the inclusion of further procedures in proposed AT-C section 330 paragraphs 72 and 73 is appropriate as these go beyond the requirements in proposed AT-C section 210 and use language from proposed AT-C section 205, paragraphs 49 and 50. By doing so, the proposed AT-C section 330 creates the potential that users may believe that a higher level of assurance is being provided by a review engagement performed under proposed AT-C section 330 than a review engagement performed under a different attestation section.

We are concerned with the level of additional and more granular requirements in proposed AT-C section 330. We believe that a subject matter-specific review standard that requires substantially more work than inquiries and analytical procedures would be an undesirable precedent. If the level of assurance provided by a review engagement is not sufficient, then the appropriate response is to perform an examination engagement.

Finally, we support the AICPA’s decision to publicly expose the conforming amendments to the proposed attestation standards. We do not have any specific concerns related to the changes, but we did suggest changes to the baseline standards that, if adopted, may result in changes to the conforming amendments.

Our responses to the AICPA’s questions we have determined relevant for our input are included in the enclosure to this letter.

Thank you for the opportunity to comment. If you have questions about this letter or would like to discuss any of our responses, please contact me at dalkinj@gao.gov.

Sincerely,

//SIGNED//

James R. Dalkin
Director
Financial Management and Assurance

Enclosure

Enclosure

Responses to Select Questions on the AICPA Exposure Drafts

Proposed Statement on Standards for Attestation Engagement Common Concepts, Examination Engagements, Review Engagements, and Engagements to Report on Sustainability Information

1. Do respondents 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, respondents are requested to explain why.

We concur that the use of “engagements beginning on or after” approach to triggering adoption of the proposed Statement on Standards for Attestation Engagements (SSAE) is appropriate.

2. Do respondents 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, respondents are requested to explain why and suggest a reasonable alternate effective date.

We have not identified any significant issues with the proposed effective date of June 15, 2029, if the standards are issued as final no later than June 30, 2027.

3. Do respondents 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, respondents are requested to explain why.

We believe that the approach taken by the Auditing Standards Board (ASB) with respect to linkages between the proposed sustainability information AT-C sections and the other AT-C sections of this exposure draft is understandable and can be followed by users.

4. Do respondents 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, respondents are requested to suggest an alternative such that the integrity of the building blocks approach is retained.

We agree with the ASB’s approach related to engagement resources and sources of information to be used as evidence in the proposed AT-C sections.

5. Do respondents agree with moving requirements (and related application materials) 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, respondents are requested to explain why.

We believe that consolidating common topics to proposed AT-C section 105 will help reduce the risk of redundancy and potential inconsistencies between proposed AT-C sections 205 and 210. We agree that the requirements and related application materials addressing documentation are a type of common topic that would benefit from being located in proposed AT-C section 105.

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

We noted the following matter that affects proposed AT-C section 105:

Footnote 10, attached to paragraph A69, references paragraphs 32 and 33 of proposed AT-C section 215. However, the referenced paragraphs in proposed AT-C section 215 do not include a requirement to restrict the practitioner's report when criteria are available only to specified parties.

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

We agree with the update of the definition of *management's specialist*, and we believe it is appropriate for its intended use in the attestation standards.

8. Do respondents agree with the ASB's approach in proposed AT-C section 205 and 210 with respect to evidence? If not, respondents are requested to 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.**

We agree with the ASB's approach in proposed AT-C section 205 with respect to evidence. We also concur with the removal of "review" as a modifier before the term "evidence" in proposed AT-C section 210.

We believe that proposed AT-C section 210, paragraph 17, may require additional clarification for practitioners to understand the intended performance expectations. Notwithstanding the application material in proposed AT-C section 210, paragraph A30, we are concerned that the requirement mirrors the requirement for examinations in proposed AT-C section 205, paragraph 29, and practitioners may perform the same level evaluation for a review as an examination due to the origins in AU-C section 500. Further, we note that proposed AT-C section 210, paragraph 17b, mirrors proposed AT-C section 210, paragraph 62. The practical distinction between these two requirements is unclear, especially given that both paragraphs refer to proposed application guidance in AT-C section 210, paragraph A36. In addition, proposed AT-C section 210, paragraph 17a seems to substantially overlap proposed paragraph 30b. As such, we encourage the ASB to reconsider whether proposed AT-C section 210, paragraph 17, as written, clearly communicates the intended additional performance expectations and is properly focused to apply to limited assurance engagements.

9. Do respondents 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, respondents are requested to describe how prevalent this circumstance may be in practice and provide examples.

No response.

10. a. Respondents are requested to describe any practice issues or unintended consequences of which respondents 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.”

We are concerned that some of the wording changes may create unintended consequences in practice. Specifically, we believe that the use of “when possible under applicable law or regulation” and “when practicable” are not consistently applied throughout the standards. Further, we believe that the change of “when possible under applicable law or regulation” to “when practicable” may create confusion in the government environment regarding when and if a practitioner can and cannot withdraw from an engagement. We support consistently using “when possible under applicable law or regulation” throughout the baseline attestation standards as this provides clearer parameters on what could permit or restrict the ability to withdraw.

10.b. Do respondents agree with layout, including the headings and sequencing of requirements and related application material, in the section under the heading “Modifications to the Practitioner’s Report” in proposed AT-C sections 205 and 210? If not, respondents are requested to explain why.

We agree with the decision to have consistency in the layout of the requirements and related application material in the “Modifications to the Practitioner’s Report” section of proposed AT-C sections 205 and 210. However, we note that proposed AT-C section 210 has a subheading “Misstatement of Subject Matter and Scope Limitations” that is not in proposed AT-C section 205, even though the requirements closely mirror each other.

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, respondents are requested to explain why.

No response.

11.b. Do respondents 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, respondents are requested to explain why and to provide examples of non-sustainability attestation engagements where comparative information is presented and important to an understanding of the subject matter.

No response.

12. Given the variety of engagements that may be performed in accordance with proposed AT-C sections 205 and 210, respondents are requested to 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. Respondents are requested to 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.

No response.

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

We believe that there is a drafting error in proposed AT-C section 205, paragraph 125, and proposed AT-C section 210, paragraph 92. Both paragraphs state, “If the engaging party is the responsible party and refused to provide the practitioner with a written assertion *as required by paragraph .10 (.12)*, the practitioner should withdraw from the engagement when withdrawal is practicable.” [emphasis added] However, the corresponding paragraphs 10 and 12 in proposed AT- C sections 205 and 210, respectively, do not have requirements for responsible parties. We believe “as required by paragraph .10 (.12)” should be removed. Removing this wording will also be consistent with proposed AT-C section 205, paragraph 127, and proposed AT-C section 210, paragraph 94, for situations when the engaging party is not the responsible party, a situation also addressed by proposed AT-C section 205, paragraph 10 and proposed AT-C section 210, paragraph 12.

14. Do respondents agree that the revisions to proposed AT-C 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, respondents are requested to explain why.

We believe that the revisions appropriately align the requirements related to obtaining reasonable assurance in an examination engagement with the requirements in GAAS related to obtaining reasonable assurance in an audit of financial statements. However, before the final standard is issued, we suggest that the ASB develop and adopt a plan specifying when and how future changes in GAAS will result in conforming edits to AT-C sections, including both baseline sections such as AT-C sections 105 and 205 and subject matter-specific sections. If conforming edits to the AT-C sections are not made in a timely manner when GAAS is revised, the ASB will again find itself in a position where practitioners may have undesirable diversity of practice for different types of reasonable assurance engagements.

15. Do respondents 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, respondents are requested to explain why. Respondents are requested to also provide 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.

We believe that the ASB’s approach is appropriate given the broad range of topics that may be the subject of engagements of proposed AT-C section 205.

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

We noted the following items with proposed AT-C section 205:

- **Proposed paragraph 46.** As written, the requirement directs the practitioner to identify and assess risks of material misstatement but shifts into a description of the purpose of further procedures in subparagraphs (a) and (b). Further, paragraph 46(a) is directly repeated in paragraph 49. We suggest ending paragraph 46 after the words “further procedures.”
- **Proposed paragraph 49.** The final sentence includes a present tense verb without an appropriate modifier, such as “should” or “must.” (“When evaluating evidence with respect to the assessed risks of material misstatement, the practitioner *maintains* professional skepticism,”) As such, it is an implied (or hidden) requirement, and practitioners may not have clarity in determining if it is an unconditional or presumptively mandatory requirement. We recognize that this wording is directly from AU-C section 330 paragraph 06. However, we believe that the ASB should follow the drafting conventions in proposed AT-C section 105, paragraph 21, and clarify the degree of responsibility intended to be imposed on practitioners and make a corresponding revision to AU-C section 330 during a future project.

17. Do respondents 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, respondents are requested to explain why.

No response.

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

No response.

19. Do respondents 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, respondents are requested to explain why.

We believe that there is insufficient distinction between the definitions specifically identified in this question and the definitions in proposed AT-C section 205. We believe that definitions that are just substituting “sustainability information” for “subject matter” risk creating confusion with limited benefit.

In addition, we believe that the definitions of group, group attestation engagement, and group information should be established in proposed AT-C sections 205 and 210, which should include relevant application paragraphs. If the terms are defined in proposed AT-C sections 205 and 210, then it may not be necessary to redefine them in proposed AT-C sections 325 and 330, unless the definitions and related application paragraphs provide unique clarification. We believe that the definition in proposed AT-C section 330 of “risk of material misstatement” is similar to that in proposed AT-C section 205, but we believe that the term should be defined in proposed AT-C section 210 rather than in proposed AT-C section 330.

20. Do respondents 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, respondents are requested to explain why. In responding to this question, respondents are requested to also provide 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?

No response.

21a. Do respondents 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, respondents are requested to explain why. Respondents are requested to also inform the ASB whether such language is currently included in the practitioner’s examination or review reports issued in accordance with the attestation standards.

We believe that the inclusion of language regarding management’s responsibility for the design, implementation, and maintenance of internal control is out of place with other attestation engagements, and it should not be required for inclusion in a practitioner’s report. We are concerned that including the information may convey to users that the practitioner performed work on internal control when it did not. We are not aware of any instance where this is included in the practitioner’s examination or review report performed under the extant attestation standards.

21.b Do respondents 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?

We do not believe that the phrases will be meaningful to users, nor do we believe that users will distinguish the differences in the phrases. However, if the phrases are taken in conjunction with the other information in the practitioner’s report, then users should be able to identify the type of engagement. The level of assurance and what information that assurance is reporting on should be clear in the report.

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

No response.

22.b. Do respondents 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, respondents are requested to explain why.

No response.

22.c. Do respondents 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 in ISSA 5000? If not, respondents are requested to explain why. In responding to this question, respondents are requested to provide 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.

No response.

23. Are there any other observations that respondents 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.

We observed the following matters in proposed AT-C sections 325 and 330.

- Proposed AT-C section 325, paragraph 57, closely mirrors the wording of proposed AT-C section 205, paragraph 46. However, as noted in our response to question 16, the requirement directs the practitioner to identify and assess risks of material misstatement but shifts into a description of the purpose of further procedures in subparagraphs (a) and (b). Further, proposed AT-C section 325, paragraph 57(a), is repeated in paragraph 60. We suggest ending proposed AT-C section 325, paragraph 57, after the words “further procedures.”
- Proposed AT-C section 330, paragraph 70, also closely mirrors the wording in proposed AT-C section 205, paragraph 46. However, we believe that the language “identify and assess the risk of material misstatement” goes beyond the expectations of a review engagement. Proposed AT-C section 210, paragraph 20a, directs practitioners to “identify areas in which a material misstatement of the subject matter is likely to arise.” Please also see our response to question 24 below.

24. Do respondents 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, respondents are requested to provide perspectives about what requirements are necessary for the practitioner to obtain limited assurance to support the practitioner’s conclusion.

We believe that where risk assessment procedures in proposed AT-C section 330 are linked to proposed AT-C section 210, the procedures are appropriate for a review engagement of sustainability information. However, we also believe that, as a whole, the risk assessment procedures and further procedures go beyond what is normally associated with a limited assurance engagement.

For example, we do not believe the addition of paragraph 71 is appropriate as it is in proposed AT-C section 205 but not in proposed AT-C section 210. We do not believe that the inclusion of further procedures in proposed AT-C section 330, paragraphs 72 and 73, is appropriate as these go beyond the requirements in proposed AT-C section 210 and instead use language from proposed AT-C section 205, paragraphs 49 and 50. By doing so, the proposed AT-C section 330 creates the potential that users may believe that a higher level of assurance is being provided by a review engagement performed under proposed AT-C section 330 than a review engagement performed under a different attestation section.

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

We are concerned with the level of additional and more granular requirements in proposed AT-C section 330. We believe that a subject matter-specific review standard that requires substantially more work than inquiries and analytical procedures would be an undesirable precedent. If the level of assurance provided by a review engagement is not sufficient, then the appropriate response is to perform an examination engagement.

Proposed Statement on Standards for Attestation Engagement Amendments to SSAE Nos. 18-19 and 21 to Reflect Proposed SSAE Common Concepts, Examination Engagements, Review Engagements, and Engagements to Report on Sustainability Information

1. Do respondents agree that the conforming amendments to proposed AT-C sections 305, 310, 315, 320, 206, and 215 are consistent with the corresponding proposed revisions to the baseline attestation standards and appropriate to maintain interoperability? If not, please explain the reasons, including if instances have been identified where additional conforming amendments are required to the AT-C sections to maintain interoperability with the proposed revised baseline attestation standards.

We agree that the conforming amendments to proposed AT-C sections 305, 310, 315, 320, 206, and 215 are consistent with the corresponding proposed revisions to the baseline attestation standards and are appropriate to maintain interoperability. We have provided input in our responses to the proposed baseline standards that if accepted would affect the changes in the conforming amendments.

2. Are there any other matters that respondents would like to raise in relation to this proposed SSAE? If so, clearly indicate the standard or standards, and the specific requirement or requirements or application material, to which the comment or comments relate.

We did not identify any other matters we would like to raise in relation to this proposed SSAE.

3. Respondents are asked their views regarding whether the ASB should consider withdrawing AT section 701 as part of the current comprehensive project to revise the attestation standards.

No response.