



June 25, 2021

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

To Whom it May Concern:

On behalf of the National State Auditors Association, we appreciate the opportunity to respond to the AICPA Auditing Standards Board's proposed Statement on Auditing Standards entitled *Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance with Laws and Regulations*.

Overall, we are in agreement with the proposed SAS. Below are our responses to the specific requests for comments posed in the exposure draft.

Requests for Comment

1. *Does the respondent agree with the ASB's determination that it is appropriate to retain the requirement for the auditor, prior to accepting an initial audit, including a reaudit engagement, to request management to authorize the predecessor auditor to respond fully to the auditor's inquiries? If not, why not, and how would the respondent revise the requirement (for example, by making the procurement of management's agreement a precondition for the auditor to accept the engagement or requiring the auditor to communicate with the predecessor auditor without management's authorization)?*

We agree with the ASB's determination to retain the requirement for the auditor to request management to authorize the predecessor auditor to respond fully to the auditor's inquiries. The requirement is important because a refusal of the request or a limitation by management would inform the auditor of potential concerns that could influence the engagement acceptance process.

2. *Are the proposed requirements appropriate and complete, including whether it is appropriate to continue to provide an exception that permits the predecessor auditor to decline to respond to the auditor's inquiries due to impending, threatened, or potential litigation; disciplinary proceedings; or other unusual circumstances? If not, please suggest specific revisions to the proposals.*

We believe the requirements posed in the exposure draft are appropriate and complete, including providing an exception in paragraph 13 that permits the predecessor auditor to decline to respond to the auditor's inquiries due to impending, threatened, or potential litigation; disciplinary proceedings; or other unusual circumstances. We also agree it is appropriate for this paragraph to emphasize that "such circumstances are expected to be rare."



3. *Is the proposed requirement appropriate and complete? If not, please suggest specific revisions.*

We agree that the proposed documentation requirement in paragraph 15 is appropriate and complete.

4. *Are respondents supportive of the proposed effective date? If you are not supportive, please provide reasons for your response.*

We are supportive of the proposed effective date.

We appreciate the opportunity to respond to such an important document. Should you have any questions or need additional information regarding our response, please contact Sherri Rowland of NSAA at (859) 276-1147 or me at (404) 656-2174.

Sincerely,

A handwritten signature in blue ink that reads "Greg S. Griffin". The signature is written in a cursive style with a prominent "G" and "S".

Greg S. Griffin
President, NSAA