



March 9, 2023

Mr. Alan Skelton
Director of Research and Technical Activities
Governmental Accounting Standards Board
801 Main Avenue
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Dear Mr. Skelton:

On behalf of the National Association of State Auditors, Comptrollers and Treasurers, we appreciate the opportunity to respond to the Governmental Accounting Standards Board's Exposure Draft (ED), *Additional Proposal for Implementation Guidance Update-2023*.

We have the following specific comments that we believe the Board should consider as it finalizes this statement.

Question 4.10

We believe that the guidance remains unclear as to how the control criteria should be applied to cloud computing arrangements. We request that the Board provide some practical examples that would help illustrate the concept of *control*, as further described in GASB Statement No. 96, paragraph B24, and GASB Concepts Statement No. 4, paragraph 12. We believe that examples of real-world situations showing when software is under the control of the customer and when it is not under the control of the customer would be extremely helpful for both preparers and auditors.

We appreciate the opportunity to provide our comments. Should you have any questions or need additional information regarding our response, please contact Kim O'Ryan of NASACT at (859) 276-1147 or me at (217) 782-2211.

Sincerely,

Michael Frerichs
President, NASACT
State Treasurer, Illinois