

April 28, 2023

Mr. Gene L. Dodaro  
U.S. Government Accountability Office  
Comptroller General of the United States  
441 G St. NW  
Washington, DC 20548

**Re: *Government Auditing Standards*, 2023 Exposure Draft**

Dear Mr. Dodaro:

RSM US LLP (“RSM”) appreciates the opportunity to offer our comments on the proposed *Government Auditing Standards* revisions in the 2023 Exposure Draft. RSM is a leading provider of audit, tax and consulting services focused on the middle market.

Overall, we agree with the proposed revisions to the *Government Auditing Standards* and support the continued enhancements to strengthen the framework for conducting high-quality government audits through an audit organization’s quality management system. Provided below are our comments for your consideration.

**Question 1:** *The proposed standard (para. 5.07) permits audit organizations subject to the quality management standards of either the International Auditing and Assurance Standards Board or the Auditing Standards Board of the American Institute of Certified Public Accountants to comply with those standards and specific additional generally accepted government auditing standards (GAGAS) requirements to avoid having to maintain and document two systems of quality management.*

*Is it appropriate to permit this flexibility to audit organizations? Why or why not?*

We believe it is appropriate to permit this flexibility to audit organizations. In most cases, these systems of quality management will contain similar components which could result in significant costs and effort if audit organizations were not allowed to maintain and document the systems of quality management together.

**Question 2:** *A system of quality management depends on an appropriately designed and implemented quality management risk assessment process (paras. 5.19–5.42).*

*Is the quality management risk assessment process in the proposed standard sufficiently clear and understandable?*

We believe the quality management risk assessment process is clear and understandable.

**Question 3:** *The proposed standard includes new and revised requirements and application guidance for monitoring and remediation activities to assist audit organizations in identifying and remediating deficiencies in the system of quality management (paras. 5.84–5.125).*

*Are these requirements sufficiently clear and understandable?*

The proposed standard clearly indicates the requirements and provides applicable guidance that is understandable as it relates to monitoring and remediation activities to assist audit organizations in identifying and remediating deficiencies in their system of quality management.

**Question 4:** *The proposed revision intends to promote scalability to enable each audit organization, based on its size and complexity, to design, implement, and maintain a tailored system of quality management that responds to the circumstances of the audit organization and the engagements that it conducts (paras. 5.11–5.12).*

*Does the proposed revision promote sufficient scalability?*

We believe the proposed revisions provide for sufficient scalability to accommodate each audit organization and the many types of engagements they may conduct.

**Question 5:** *The proposed standard includes a section (paras. 5.137–5.150) on performing engagement quality reviews that applies when an audit organization determines that such a response is appropriate to address one or more quality risks.*

*Are the requirements and application guidance relating to engagement quality reviews sufficiently clear and understandable?*

We believe the requirements and related guidance on performing an engagement quality review are clear and understandable and should allow for audit organizations to properly implement the requirements within their engagement quality reviews.

**Question 6:** *The proposed standard adds application guidance (para. 6.39) stating that communicating key audit matters is permitted in GAGAS financial audits if the auditors are engaged to do so or required to do so by law or regulation as discussed in AU-C section 701, Communicating Key Audit Matters in the Independent Auditor's Report.*

*Is the application guidance sufficiently clear and understandable?*

The guidance provided for communicating key audit matters in GAGAS financial audits is clear and understandable.

**Question 7:** *Audit organizations would be required to design and implement systems of quality management that comply with GAGAS within 2 years from the issuance of the final standard. The required evaluation of the system of quality management would be required within 1 additional year (3 years from the issuance of the final revision).*

*Should audit organizations be permitted to adopt the standard early?*

We believe early adoption of the revised standard should be permitted, as the proposed revisions may be beneficial to an audit organization and their quality management system.

We would be pleased to respond to any questions the Advisory Council may have concerning our comments and ask that questions be directed to Brian Schebler at 612.455.9913.

Sincerely,

*RSM US LLP*

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