

## Center for Plain English Accounting

AICPA's National A&A Resource Center

### **AICPA's Proposed New Quality Management Standards Reminder & Request for Comment Letters**

As mentioned at the end of our May 2021 webcast, The [American Institute of CPAs](#) (AICPA) [Auditing Standards Board](#) (ASB) issued the exposure draft (ED), [Proposed Quality Management Standards](#) in February 2021, that includes three interrelated standards that address the way CPA firms manage quality for their accounting and auditing practices. The standards offer a new proactive, risk-based approach to effective quality management systems within CPA firms, which will improve the scalability of the standards and promote a system tailored to the firm and its engagements.

The three proposed standards are:

- Proposed Statement on Quality Management Standards (SQMS), *A Firm's System of Quality Management*
- Proposed SQMS, *Engagement Quality Reviews*
- Proposed Statement on Auditing Standards (SAS), *Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards*

**The guidance included in these EDs will affect every firm with an accounting and auditing practice.** As the ED contains significant changes to multiple areas, the AICPA also has provided executive summaries of each of the proposed standards. While these executive summaries are not a replacement for review of the entire ED, they do provide a high-level overview of each proposed new standard as well as the overall project. The executive summaries can be found at the following locations:

- [Overall Project](#)
- [A Firm's System of Quality Management](#)
- [Engagement Quality Reviews](#)
- [Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standard](#)

Practitioners at firms of all sizes are encouraged to review the proposed EDs and consider providing feedback directly to the ASB via submitting a comment letter to [commentletters@aicpa-cima.com](mailto:commentletters@aicpa-cima.com). Originally comments were due by June 11, 2021; however, the comment period was extended to August 31, 2021. The ASB intends to begin addressing feedback at their July 26-29, 2021 meeting, and devote the entire August 11, 2021 meeting to further consideration of the feedback.

In addition to submitting feedback directly to the ASB, CPEA members also are reminded that the Private Company Practice Section (PCPS) Technical Issues Committee (TIC) submits comments and recommendations to the ASB as the collective voice of small- and medium-sized firms. If you have comments, questions, or suggestions related to this ED that you would prefer to provide directly to TIC for consideration to be included in their comment letter, please feel free to submit those comments to [cpea@aicpa.org](mailto:cpea@aicpa.org).

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