



January 12, 2022

Via electronic mail – CommentLetters@aicpa-cima.com

Re: Proposed Statement on Standards for Accounting & Review Services – Quality Management for an Engagement Performed in Accordance with Statements on Standards for Accounting and Review Services

The members of the New Jersey Society of Certified Public Accountants (NJCPA) Accounting and Auditing Standards Interest Group (the Group) appreciate the opportunity to comment on the proposed Statement on Auditing Standards (SAS) referred to above. The NJCPA has a membership of over 15,000 CPAs and prospective CPAs from public practice and private industry. The Group was formed to address technical topics affecting a wide range of reporting entities. The members have reviewed the proposed standard and worked together to prepare this comment letter to the Accounting and Review Services Committee. The following comments are based on the views of the Group and may not reflect the opinions of all NJCPA members.

Overall

In order to ensure that certain concepts related to quality management, where appropriate, are consistent between the proposed auditing standards and SSARs, the ARSC has proposed revision to AR-C sections 60 and 90, and Paragraph .16 of AR-C Section 90. The Group understands the critical importance of consistency in the quality management concepts between the proposed auditing standards and SSARs.

The Group took considerable time in preparing these responses and has the following comments on the fundamental aspects of the proposed SSARs.

Request for Comment 1

Do you agree that the proposed revisions to AR-C sections 60 and 90, excluding the amendment to paragraph .16 of AR-C section 90, result in the SSARs being appropriately consistent with the proposed auditing standards?

RESPONSE

The Group agrees that the proposed revisions to incorporate the quality management concepts would ensure there is consistency between the proposed auditing standards and the SSARs. The consistency would enhance a firm's quality management.



Request for Comment 2

Do you agree that the effective date of the proposed SSARs should be consistent with the effective date of the proposed SAS?

RESPONSE

The Group believes the effective date should be consistent with the effective date of the auditing standards so that firms can adopt and implement quality management standards at a singular point in time.

Request for Comment 3

Do you agree with the proposed revision to paragraph .16 of AR-C section 90?

RESPONSE

The Group agrees with the revision to paragraph .16 of AR-C section 90 to agree upon terms of the engagement, in some suitable form of writing, with management or those charged with governance prior to performing the engagement.

Request for Comment 4

Do you agree with the proposed amendment to paragraph .16 being effective upon issuance?

RESPONSE

The Group agrees with the amendment being effective upon issuance. While AR-C 70A.10 requires the accountant to agree upon the terms of the engagement with management or those charged with governance, it does not specify when the written document should be secured. The Group believes it would be in the interest of best practices to have the amendment effective upon issuance.

Respectfully submitted,

Accounting and Auditing Standards Interest Group
New Jersey Society of Certified Public Accountants

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