



January 25, 2022

RSM US LLP

Mr. Michael P. Glynn  
Senior Manager  
AICPA Accounting and Review Services Committee  
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**Re: AICPA Proposed Statement on Standards for Accounting and Review Services (SSARS),  
Quality Management for an Engagement Performed in Accordance with Statements on Standards  
for Accounting and Review Services**

Dear Mr. Glynn,

RSM US LLP appreciates the opportunity to offer our comments on the proposed SSARS, *Quality Management for an Engagement Performed in Accordance with Statements on Standards for Accounting and Review Services* (hereinafter referred to as “the proposed QM SSARS”). RSM US LLP is a leading provider of audit, tax and consulting services focused on the middle market. We have nearly 13,000 professionals in more than 84 cities in the United States and five locations in Canada.

We support the Accounting and Review Services Committee’s (ARSC) comprehensive efforts to ensure that certain concepts related to quality management, where appropriate, are consistent between the SSARSs and the Auditing Standards Board’s (ASB) proposed standards for quality management at the firm and engagement levels (hereinafter collectively referred to as “the ASB’s proposed QM standards”):

- Proposed Statement on Quality Management Standards (SQMS), *A Firm’s System of Quality Management*;
- Proposed SQMS, *Engagement Quality Reviews*; and
- Proposed Statement on Auditing Standards (SAS), *Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards* (hereinafter referred to as “the proposed QM SAS”).

We believe the ASB’s proposed QM standards will significantly improve firms’ systems of quality management and will assist firms in adapting to new trends resulting from the ever-evolving environments in which they do business. We believe the proposed QM SSARS is consistent, as appropriate, with the ASB’s proposed QM standards and will assist firms in their quality management for engagements performed in accordance with SSARS.

In this letter, we offer comments on matters for which feedback was specifically requested.

**Request for Specific 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 SSARSs being appropriately consistent with the proposed auditing standards?*

*If you believe that the proposed revisions do not result in appropriate consistency, please provide detailed revisions that you think should be made to the SSARSs to ensure appropriate consistency with the proposed auditing standards.*

We believe the proposed revisions to AR-C sections 60 and 90, excluding the amendment to paragraph .16 of AR-C section 90, result in the SSARSs being appropriately consistent with the ASB's proposed QM standards, except as it relates to extant paragraph .A45 of AR-C section 60.

For consistency with other proposed updates to extant AR-C section 60, we recommend extant paragraph .A45 be replaced with verbiage that conforms to the verbiage in paragraphs A49 and A50 of the proposed QM SAS so as to read as follows:

.A45 Proposed SQMS *A Firm's System of Quality Management* requires the firm to establish quality objectives that address the acceptance and continuance of client relationships and specific engagements. Information such as the following may assist the engagement partner in determining whether the conclusions reached regarding the acceptance and continuance of client relationships and review engagements are appropriate:

- The integrity and ethical values of the principal owners, key management, and those charged with governance of the entity
- Whether sufficient and appropriate resources are available to perform the engagement
- Whether management and those charged with governance have acknowledged their responsibilities in relation to the engagement
- Whether the engagement team has the competence and capabilities, including sufficient time, to perform the engagement
- Whether significant matters that have arisen during the current or previous engagement have implications for continuing the engagement

Alternatively, extant paragraph .A45 of section 60 should be revised by replacing "QC section 10" with "Proposed SQMS *A Firm's System of Quality Management*" to ensure consistency in referencing to the proposed SQMS throughout.

In addition, we propose for your consideration a clarifying edit to proposed paragraph .25.a. of AR-C section 60. To negate the need for an application paragraph and to conform the verbiage in paragraph .25.a. with the verbiage used in paragraph .A17 of AR-C section 60 per the proposed QM SSARS, we recommend paragraph .25.a. be revised to read as follows (additions are noted in bold font and deletions are struck through):

- a. the accountant has reason to believe that relevant ethical requirements, **including those related to independence**, will not be satisfied; (~~Ref. par. A51~~)

## **Request for Specific Comment #2**

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

*If you do not agree, please provide the reasons why you believe the effective date of the proposed SSARS should not be consistent with the effective date of the auditing standard.*

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We agree that the effective date of the proposed QM SSARS should be consistent with the effective date of the proposed QM SAS because having all quality-management-related standards becoming effective on the same date results in consistency among the standards. Also, because the updates to AR-C sections 60 and 90 are not extensive, we believe it is feasible to implement the proposed QM SSARS on the same date as the proposed QM SAS.

**Request for Specific Comment #3**

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

*If you do not agree, please indicate what revisions you believe should be made to the SSARSs so that the requirements are consistent.*

We concur that it is overly prescriptive to require the accountant to agree upon the terms of the engagement with management or those charged with governance, as appropriate, prior to performing the engagement. We therefore agree with the proposed revision to remove "prior to performing the engagement" from paragraph .16 of AR-C section 90. We note that this revision also will make the requirement consistent with the corresponding requirements in AR-C sections 70, 80 and 120.

**Request for Specific Comment #4**

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

*If you do not agree, please provide an effective date that you consider more appropriate and your reasons for your proposal.*

We agree that the proposed amendment to paragraph .16 of AR-C section 90 should be effective upon issuance.

We appreciate this opportunity to provide feedback on the proposed guidance and would be pleased to respond to any questions ARSC or the AICPA staff may have about our comments. Please direct any questions regarding this letter to Sara Lord, Chief Auditor, at 612.376.9572.

Sincerely,

*RSM US LLP*

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