

January 27, 2022

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Sent via email: [CommentLetters@aicpa-cima.com](mailto:CommentLetters@aicpa-cima.com)

**Proposed Statement on Standards for Accounting and Review Services**  
***Quality Management for an Engagement Performed in Accordance with Statements on Standards for Accounting and Review Services***

This letter is in response to the proposed aforementioned standards issued by the AICPA dated November 3, 2021

**Background**

415 Group is a firm of certified public accountants with nine partners and approximately 65 other individuals. Our practice includes accounting and attest services in addition to tax and other non-attest services to organizations in a wide variety of industries.

We appreciate the opportunity to provide responses to the certain specific questions included in the exposure draft as well as other comments we believe to be relevant.

**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 SSARs being appropriately consistent with the proposed auditing standards?*

The following is our feedback on the proposed revisions to AR-C sections 60 and 90 (excluding the amendment to paragraph .16 of A-RC-90). These comments are broader than the narrow question related to consistency with the proposed audit standards:

- AR-C-60.21(a)-the language utilized in the amendment is too generic -specifically ‘being sufficiently and appropriately involved throughout the engagement’ can mean different things to different individuals and is too subjective to be meaningful.
- AR-C-60.21(d)(ii)- similar to above, this language is too generic and, as written could be a threshold or standard that potentially no member could achieve in certain circumstances (including through the lens of an individual looking at an engagement with the benefit of hindsight).
- AR-C-60.24(a)-we strongly believe that the words and the concepts of ‘reasonable assurance’ should not be removed (as they have been in the proposed amendment). Further, in subparagraph a. the term ‘reliable’ without the concept of reasonable might imply a standard or threshold that is too high (including through the lens of an individual evaluating the system of quality management with the benefit of hindsight)

- AR-C-60.24(b)- the term ‘appropriate actions’ should be replaced by the term ‘reasonable actions. We believe that as written, this paragraph could create a standard or threshold that a member may be unable to satisfy (including circumstances that may be viewed differently in hindsight)
- ARC-60.24- The last paragraph indicates the engagement partner should consider information from other network firms as communicated, as part of its monitoring process. We believe this is not realistic as it would not be practical for a member to absorb and react to all of the information issued or made available by network firms.
- ARC-60. A.17-Please see our firm’s letter on Proposed Statement on Quality Management Standards- *A Firm’s System of Quality Management* dated August 31, 2021, for overall comments that will generally apply here to proposed systems of quality management.
- ARC-90.139(b) and (c)-we agree with the requirement for the accountant to record/document who reviewed the work and the date of review; however, it is not clear what is intended by the requirement to document/record the ‘extent’ of the review in sub paragraph b or c.

### **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?*

We agree that the effective date of the proposed SSARS should be consistent with the effective date of the proposed SAS as it will allow members to update their quality control documentation and practices and other related items simultaneously.

### **Request for Specific Comment # 3**

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

We agree with the proposed revision to paragraph .16 of AR-C section 90. We further support the deletion of the phrase ‘prior to performing the engagement’ in the amendment. We recognize that it is not uncommon for an engagement to have a limited number of hours incurred prior to the physical receipt of an executed engagement letter from a client.

### **Request for Specific Comment # 4**

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

We agree with the proposed amendment to paragraph .16 of AR-C Section 90 being effective upon issuance.

Sincerely,



FOUR ♦ FIFTEEN GROUP