

AICPA - Attention: Sherry Hazel - Email: CommentLetters@aicpa-cima.com

Re: Comments – Exposure Draft: Proposed Statements on Quality Management – Quality Management

Good day, I hope this communication finds everyone well. Please consider this a submission for formal comments regarding the recent Exposure Draft on Proposed Statement of Auditing Standards - Proposed Statements on Quality Management – Quality Management.

My first comment would be to ask for an extension on the period for comments and discussion. While I understand based on reading the exposure draft that comments were requested between February 4, 2021 and June 11, 2021, this was released March 16, 2021, during the height of what many have as busy season, amidst many areas still dealing with the COVID-19 pandemic. This exposure draft is quite extensive and involves some very significant changes which may have well intended consequences, however, will create many unintended consequences.

Formal request – Please extend this period for comments to a later date, at least 90 days, to give this change the full consideration and period for healthy and much needed discussion on the greater affect this will have on a large percentage of small firms.

As a small firm, like many of my colleagues, we take our profession with the utmost constitution to provide a professional quality service ensuring that we follow the standards, the ethics and conduct of our profession, along with many other licenses and certifications that require the same professionalism. We pride ourselves on working not only to provide our clients with tailored services to meet their needs in a reasonable fee structure, but also at times to assist larger firms that may need our services.

Our country and profession are made up of a large number of small firms that provide specific boutique services that often service niche industries. We have spent years building our experience, knowledge and expertise for those niches, yet also foster growth through our collaborative efforts. Our ability to provide those services and maintain our integrity, quality and standards is what makes our profession so well respected. Through our training from AICPA, our state CPA Associations and many other professional organizations for a variety of certifications, we are an integral part of the backbone of our economy and represent a large section of your membership. We clearly understand that there is always a need and room for improvement, for all firms and sometimes that can be challenging for smaller firms, but we remain committed to doing that for our profession, our colleagues, our personal integrity and most importantly for the clients we serve. We are not the Big Four and are not Regional firms and while they have their place, so do we. There are clients that we serve that either cannot afford the larger firms or want to support small businesses within and around their community and so should the AICPA.

We are not asking that you lower the standards for our firms, as we are professionals and all hold our CPA license and related certificates in the highest regard. What we are requesting is that the AICPA provide a reasonable means for maintaining those standards and how firms can meet those in a cost-effective manner without compromising the standard itself. The current way this draft is written is unworkable for smaller forms and creates a great risk for increased service fees that smaller clients likely cannot afford. Often these clients are Not-for-Profits or smaller start up organizations who are also an integral piece of the fabric of a much larger community.

Formal request – The exposure draft needs to be written with consideration of the greater good of the community at large, the contribution that the smaller firms make to it and provide a reasonable, cost-effective manner for the smaller firms to maintain and improve standards.

Intended or not, the current format will likely result in a large number of firms losing a substantial base of their work, thereby affecting the clients they serve and the community at large. A path forward was in process for a greater focus on small, woman owned, minority owned businesses and this plan as written will literally pull the rug out from under a great number of firms in this category. PLEASE DO NOT BE THE REASON THIS HAPPENS!

Respectfully submitted,
Christine Homack, CPA/CFF, CFE