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Sent: Tuesday, August 31, 2021 4:38 PM

To: Comment Letters <CommentLetters@aicpa-cima.com>

Cc: Karen Moody <kmoody@ms-cpa.org>

Subject: Exposure Draft-Proposed Statements on Quality Management Standards Quality Management

My name is Kent Whitfield and I own what I would describe as an ultra-small firm, two CPAs and one professional staff.

Let me start by offering some general observations. I sat here this morning looking at the biographies of the Auditing Standards Board Members. I see one member who is described as being a partner in a small firm but, when I look at their web site it reflects six CPAs and seventeen total accounting and support staff. In the world I live and work in this is not that small. I don't see a single board member with any past experience as a sole practitioner, and while the sole practitioners and ultra-small firms will be the most impacted by these proposed standards, we don't have a seat at the table. It does say the ASB reached out to the PCPS Technical issues Committee, I would like to see more discussion of their comments to the ASB.

Secondly I do not see any data supporting these proposals. At the bottom of page six it says "The development of the proposed standards has been influenced by concerns about audit quality as indicated by the results of peer reviews and studies by other regulators" Where is the data supporting these "beliefs" and "decisions"(see page 28 and 32) made by the ASB? Have there been any cost benefit analysis performed, has diminishing returns been considered? While it says on page 28 cost was a consideration, I see no attempt to quantify the cost.

Third in reading through this thing, I sense the ASB's desire to converge with international standards regardless of cost. I encourage ASB to remember Mom's advice " Just because your friends are jumping off the roof doesn't mean you need to".

Issue 1) Self-Inspection

The ASB has approached this issue from the perspective of "self-review threat". I would ask the ASB to step back and ask could there be benefits of self-review.

I believe there is a benefit in having some knowledge of the client and the way their business works. You do not have this benefit with a reviewer who has no background with the client.

One of the points was "Self-inspection cannot identify one's own lack of knowledge". This is a false argument, because by the time you do the inspection it is months up to even approaching a year since you were involved with the engagement. You have months of additional work experience, you have additional continuing education and you will be looking at the engagement with independent eyes since it has been months since the engagement was completed.

I do not believe enough consideration has been given to cost. What will the cost be to the small practitioner and the small audit client. I believe small practitioners will be forced out of the business and small clients will be forced out of the market.

Issue 2) Cooling off Period

This seems to be an attempt to converge with international standards with little or no thought about the cost to small firms and their clients.

I think two years is excessive. I believe the year following the year they were involved in the engagement is adequate.

I am against both proposals as written.