

From: [David Simmons](#)
To: [Comment Letters](#)
Subject: Feedback on Proposed Quality Management Standards
Date: Monday, July 19, 2021 6:46:57 PM

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It is my feeling that aspects of the proposed quality management standard would greatly impact and place a large burden on small firms. By eliminating the ability to use an engagement team member for inspections, smaller firms would be required to engage another firm or individuals outside the firm to perform inspections. This would significantly increase the price/cost required to perform the engagements. This is a big concern of ours and other similar size firm leaders I've spoken with.

As the leader of a small firm that specializes in performing SOC engagements for TPAs, it is difficult to find individuals outside of the firm that have the knowledge and expertise needed to effectively inspect our work. We take pride in our expertise and commitment to serve a specific industry and type of engagement. When utilizing individuals and/or firms outside our firm, we are often required to spend a significant amount of time training and educating the individuals outside our firm in order to feel comfortable with their performance. If we were required to hire individuals outside our firm, we would be forced to significantly increase the price of our engagements while also spending more time (due to the training aspect). We feel like this only benefits firms large enough to have the personnel necessary to meet this requirement. It also benefits larger firms because they are often the only resource available for us to use because smaller firms rarely have the personnel with the necessary expertise to perform the inspections.

At a time when most of our clients are struggling to remain in operation, we wouldn't be able to pass along the additional cost associated with this proposed requirement. To summarize, this proposed change would just shift more engagements away from smaller firms to the big 4 and larger firms that wouldn't be significantly impacted by the change.

I have never commented on any standard change, but this proposed change has the potential to significantly hinder our ability to serve our clients in an effective and cost-efficient manner.

Regards,

David Simmons, CPA, CIA, CISA
President | DES, LLC