

From: werabon@sc.rr.com
To: [Sherry Hazel](#)
Subject: Proposed Quality Management Standards
Date: Friday, July 30, 2021 8:57:05 AM

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Greetings and good morning.

I am writing this to make comments on a section of Proposed Quality Management Standards.

I am a sole proprietor with no other CPA staff. I serve small local not for profit organizations with reviews, audits and agreed upon procedures engagements.

My comment is for the following portion of the standard:

Self-Inspection

Current quality control (QC) standards permit individuals associated with an engagement or who perform the engagement quality control review (EQCR) on an engagement to also inspect the engagement as part of the firm's annual monitoring process. Under the proposed quality management (QM) standards, self-inspection will not be permitted. Thus, smaller firms with fewer individuals capable of performing the monitoring procedures may be required to engage individuals outside their firms to perform their annual inspections.

Please note the following:

- 1) The cost of this outside annual inspection will be time by me for the process and fees due to the outside reviewer. I know that if I add such cost to some audits those clients will cease having services or go to a lower service. I do not think this will serve them or the public. If I do not add the cost to the fee then I am working for free and having a smaller take home pay to my family.
- 2) Who is going to approve these inspection results and what will be there time line for completion? I work with the Illinois CPA Society for my peer reviews. My last two peer reviews took seven months on average to complete. A large percentage of this time was my waiting. The peer reviewer had other reviews in progress and then the waiting for final approvals. The later took several months. It is common knowledge among the CPAs I have spoken with that there are not enough reviewers on my end and not enough persons on the approval end to provide a timely peer review. This will add to the already over stretched timeline. That will not benefit anyone.
- 3) This standard will place a higher burden on smaller firms. This will move some CPA firms out of the business of providing services covered by this standard. Any time a pool of providers shrinks the cost goes up for those accessing the service. Some may choose to not have the service. How is this serving the organizations and the public? Especially how is this serving smaller organizations requesting or requiring services?

Thank you for your time.

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