

AICPA Auditing Standards Board

Re: Exposure Draft for Quality Management Standards

Attn: Sherry Hazel,

I have reviewed the 193 pages of exposure draft for the proposed standards for Quality Management. My comments are from the perspective of a life long CPA and member of the AICPA. My career has included audit and attest experience with a large national firm, a small local firm, and as a sole practitioner providing traditional accounting services, including attest services, to small businesses operating in rural Minnesota.

The goal of converging quality practice management standards to those of the IAASB, while administratively appealing, will have the effect of driving most small accounting firms and sole practitioners in rural America out of business. Specifically, the prohibition of self-monitoring and the partner cooling off requirement, will prevent most rural, main street accounting firms and all sole practitioners from being able to achieve compliance with the proposed standard without the aid of an outside firm for even the most straight forward and simple of attest engagements, and for its overall risk assessments for the management of their practices. The reliance on another firm for the most basic aspects of the management of our practices, will leave most small firms with two choices; merge their practice with a regional, multi partner firm, or scrap our hard-earned CPA credential and take our talents to a new profession. In fact, I believe that the passage of the proposed standard will diminish the value of the CPA credential for all professionals, no matter where they are currently practicing, because their prospects of taking their skills, knowledge and talents and starting a practice, either individually or with one or two colleagues will be all but impossible.

Small firm and sole practitioner CPA's (and there are thousands of us), are smart, diligent, detail orientated individuals. We successfully navigate and comply with risk-based engagement standards, successfully complete required peer reviews, complete rigorous continuing education requirements, and are continuously monitoring the operation of our practices because our livelihoods and reputations depend upon it. We support the profession each year with membership in the AICPA and invest thousands of dollars annually in continuing education and professional resource products. We often serve small, or aspiring businesses, that are not inclined to seek the help of a regional accounting firm. In absence of a local CPA firm, many will instead seek no guidance or financial counsel, including some basic attest services, that they really do need. Instead of increased user quality, these users will see diminished quality in the financial information they use to make decisions.

The same skills and intellectual assets that make us great CPA's, along with our entrepreneurial qualities that allow us to successfully practice as small firms or sole practitioners, make us incredibly suited to the prospect of shifting professions. I suspect if the standard passes as proposed, that a decade later the AICPA will be studying why there is a lack of small firms and why clients they used to serve now seek guidance from outside of the profession. The quality enhancements you seek, will be marginal for large and regional firms despite the great cost to achieve compliance with the proposed standard. The quality enhancements you seek will actually diminish as small firms and sole practitioners leave the profession, due to their inability to comply with subjective determinations imposed upon them by outside firms.

Ultimately, I feel the proposed standard will create a void in the promotion of our profession due to the demise of the main street accounting practice, and a void in access to our profession for the small clients that we currently serve. I strongly encourage the board to reconsider the ramifications of this proposed standard.

A handwritten signature in black ink that reads "Michael J. Kuefler". The signature is written in a cursive style with a large, stylized initial "M".

Michael J. Kuefler

Certified Public Accountant