

From: Joseph Evers
Sent: Monday, August 9, 2021 7:45 PM
To: Ahava Goldman <Ahava.Goldman@aicpa-cima.com>
Subject: Peer review QM standards

I listened to the video on the new QM standards. With the exception of the external inspection requirement, I don't see many significant PRACTICAL changes from the current QM standards for small firms other than the inspection requirement. I very rarely see an EQCR being done. The proposal will create a requirement to develop a new QM document that will be time consuming and costly and then realistically will never be looked at after it is created. I am just being realistic. With the larger firms I have reviewed, the QM document is utilized, but not nearly as much in the smaller firms. Therefore, I have 2 questions/comments.

I understand the push by the PCAOB to merge with international standards. Is it necessary to implement all of this for smaller firms that do not audit publicly held or international clients?

I do agree with the need for an outside inspection, because most firms don't know what they don't know. Is it possible to limit the scope so that it can be partially internal and external and supervised by the outside inspection firm. Another option would be to do this once in the two intervening years in order to minimize cost to small firms. Could this be looked at?

Having worked as a senior manager for a national firm, I understand that the inspection should never be done in the same office for potential threats to one's career. A different office (out of state or region) seemed to work fine though. They could report to the outside inspector for confidentiality reasons, similar to an internal audit function. This could keep larger firm costs down as well.



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