

From: Hilarion V. Cann, CPA <hvccpa@aol.com>

Sent: Tuesday, August 17, 2021 2:41 PM

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

Subject: Significant Changes Coming to all Firms with an Accounting or Auditing Practice – Peer Review Alliance Firms Asked to Comment

To whom it may concern:

I have reviewed the proposed changes to the Quality control documents that are currently being considered. In short, these changes will create a burden on small firms such as myself and the organizations we service. These changes will increase the costs of performing audits small firms such as myself to the point it will not be worth the fees we are able to charge to cover the additional costs these changes will create. Then what happens to the small organizations which need the services of a small firm such as myself? It would appear they will not be able to afford the higher fees charged by larger firms and will eventually be put out of business because they will not be able to afford the audit that is required to obtain the funding required to keep them in business.

We as CPA's not only have to survive the toughest licensing examine for any professional, but we have stringent guidelines we have to follow year in and year out. Currently a peer review costs a small firm \$4,000 to \$6,500 every three years. Now with the new proposal that cost will now become annual and then double the cost in the year the peer review is required. So now instead of \$4,000 to \$6,500 every three years it will be \$16,000 to \$26,000 every three years. For a firm whose auditing fees annually are \$30,000 to \$40,000 this is half the fees eaten up with the new costs associated with being licensed to perform audits. Does this seem reasonable to you? This could be the difference in hiring new employees or going out of business.

I, as a small firm, am asking the AICPA to reconsider this jobs killing extra costs. These changes will create a deficit in the number of auditors available for the small organization which requires the services the small firm currently provides, to the small firm no longer performing these services and the small organization no longer being able to afford the services required to obtain funding to stay in operation.

I truly hope you reconsider the devastation this kind of change can cause.

Sincerely

Hilarion V. Cann, CPA
200 South 2nd Street
Clarksburg, WV 26301