From: John Shirley <john.shirley@cpajds.com>
Sent: Wednesday, August 25, 2021 10:46 PM
To: Comment Letters <CommentLetters@aicpa-cima.com>
Subject: Proposed Quality Control Standards--Comment from our Small (3 person) firm

Thank you so much for this opportunity to comment on the proposed new standards.

In some ways the new proposed new QC requirement Is like robbing Peter to pay Paul for smaller firms.

In our case it would mean pulling a great field auditor from our 10 SOC audits so that they can perform QC work. Taking that auditor off the audit in fact could diminish the quality of the audit, which defeats the idea of quality control. The idea of hiring a third party is going to be extremely expensive and time consuming.

We would vote to leave the system “as is”

Thanks again!
John

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John Shirley, CPA, Managing Shareholder

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From: John Shirley <john.shirley@cpajds.com>
Sent: Thursday, August 26, 2021 12:08 PM
To: Comment Letters <CommentLetters@aicpa-cima.com>
Subject: Proposed Quality Control Standards--Comment from our Small (3 person) firm

From: John Shirley
Sent: Wednesday, August 25, 2021 9:46 PM
To: CommentLetters@aicpa-cima.com
Subject: Proposed Quality Control Standards--Comment from our Small (3 person) firm

Thank you so much for this opportunity to comment on the proposed new standards.

Our firm has performed over 80 SOC 1 and SOC 2 audits since 2004. Our clients include large Health Claims TPAs owned by BlueCross and Humana. Our reports are used by a large variety of entities including public and private companies plus the US and State governmental entities and their independent CPA firms. Not once has any user questioned the adequacy of our reports. Since 2004 we have been subjected to five Peer Reviews and all Peer Revies reports have been "Pass". Our approach is that each audit must stand alone in meeting QC standards and must be signed off by the managing shareholder before the report is issued. The managing shareholder does not participate in performing detail audit procedures. But the managing shareholder does perform QC review procedure as the audit progresses.

It seems that the proposed new standards do not emphasize the importance of performing QC procedures in "real time" as the audit progresses. And it is impractical, disruptive (and too expensive!) to hire a third party to perform QC monitoring procedures BEFORE the audit report is issued.

We would vote to leave the current system "as is".

Thanks again! John Shirley

John Shirley, CPA, Managing Shareholder

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