

August 19, 2010

Ms. LaShaun King
Technical Manager
AICPA Peer Review Program
American Institute of Certified Public Accountants
220 Leigh Farm Road
Durham, NC 27707-8110

Re: Exposure Draft on AICPA Standards for Performing and Reporting on Peer Reviews
Dated June 1, 2010

Dear Ms. King:

The purpose of this letter is to comment on the Proposed Revisions to the AICPA Standards for Performing and Reporting on Peer Reviews. We agree with all of the proposed revision to the standards. Our profession needs to promote transparency and clarity during these challenging times. All of the provisions appear to be consistent with increased transparency and clarity. As requested in the exposure draft, below are our responses to five specific questions:

- 1. Do you believe that the peer review relationship currently permitted by paragraph 159 is appropriate (e.g. if Firm A develops and markets QCM or CPE programs that has been independently peer reviewed and Firm B uses those materials or programs, is it appropriate for Firm A to perform the peer review of Firm B)?***

No. We do not believe that the peer review relationship described above that is currently permitted by paragraph 159 is appropriate. There is an inherent conflict in the peer review relationship.

- 2. Are there any independence concerns that arise as a result of the peer review relationship currently permitted by paragraph 159?***

Yes. We believe that independence is impaired. Independence in fact and in appearance are both compromised by the relationship. The purpose of the peer review is to obtain an independent review of the system of quality control. A reasonable person would

conclude that Firm A could be biased towards a major part of the system of quality control. This limits the credibility of the peer review process.

3. ***Do you believe that the proposed revisions are necessary to serve the main goal of the AICPA Peer Review Program (promoting quality in the accounting and auditing services provided by AICPA members and their CPA firms in order to serve the public interest and enhance the significance of AICPA membership)?***

Yes. As partner in charge of our audit division, I promote and encourage our firm to be open during the peer review and PCAOB inspection processes. The peer review process should be about learning and improving. If something can be improved, we want to know how. These revisions are needed to demonstrate a commitment to quality in our profession. The changes in the exposure draft will help to improve the credibility (or provide protection against a lack of credibility) of peer review reports.

4. ***Is it more appropriate to have safeguards instead of prohibition?***

In this case, prohibition is more appropriate. There is virtually no benefit to allowing a situation that has to be analyzed and explained in order to have credibility.

5. ***If the proposed revisions are implemented, do you believe there will be a negative impact on your firm's ability to obtain QCM or CPE programs and/or ability to find qualified peer reviewers?***

No. The revisions in the exposure draft will not have any impact on our firm's ability to obtain QCM or CPE programs and/or ability to find qualified peer reviewers.

If you have questions regarding our comments, please do not hesitate to call.

Very truly yours,

HAZLETT, LEWIS & BIETER, PLLC



Warren E. McEwen

WEM