



August 17, 2010

LaShaun King, Technical Manager  
AICPA Peer Review Program  
American Institute of Certified Public Accountants  
220 Leigh Farm Road  
Durham, NC 17707-8110

Re: Exposure Draft dated June 1, 2010 "Proposed Revisions to the AICPA Standards for Performing and Reporting on Peer Reviews:

Dear AICPA Peer Review Board Members,

The Kansas Peer Review Committee (Committee) of the Kansas Society of Certified Public Accountants takes this opportunity to provide our comments on these proposed revisions. Our Committee administers the AICPA program for Kansas and accepted 101 reviews during the last calendar year. There are nine members on the committee with practices ranging from sole practitioner to mid-size regional firms.

Our comments and concerns relate to the revisions to the *Peer Review Standards Interpretations*.

Question 21-1

We support removal of peer review of the provider of quality control materials (QCM) as a method to cure independence impairment. If a firm or association of firms prepares audit and accounting manuals or other QCM, the resultant independence impairment should not be correctable by allowing these materials to be peer reviewed.

We also concur with the expansion of independence impairment on a firm on firm basis if the reviewed firm uses QCM developed or maintained by the reviewing firm. We believe that the use of such materials, and the extent to which individual firms implement such materials, constitutes such a significant part of their system of quality control that reviewer independence is inherently impaired when evaluating the reviewed firm's usage of such materials.

We believe the proposed revision to the interpretations that providing CPE programs developed or maintained by a firm or association of firms results in independence impair-

ment is more problematic. It is much more difficult to determine when CPE programs reach the threshold to impair independence. Clearly if the reviewer firm or association of firms was the sole source of CPE programs for the reviewed firm, independence would be impaired. Is there some point when providing between all, or almost all, and some of the CPE programs developed by the reviewing firm would not impair independence?

The committee strongly feels that, for example, 8 of 40 hours of CPE would not impair independence but 24 of 40 hours might. The dividing point seemed to be 16 of 40 hours. Course content and firm participation could also be a consideration. Is there or should there be a difference between classes on professional standards and quality control matters? Does it make a difference if one or all of the reviewed firm's professional staff attended the class?

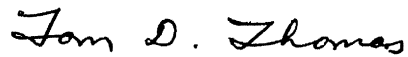
The committee feels that the interpretations on QCM and CPE should be segregated. The interpretation on CPE could further explain the position on CPE and various fact patterns that would or would not impair reviewer independence.

#### Question 21-7

We agree with the additional language of the interpretation that occasional attendance by representatives of the reviewed firms in a class developed and presented by the reviewing firm does not impair the reviewing firm's independence. It is not unusual in the state of Kansas for firms, particularly the smaller firms, to cooperatively participate in selected CPE sessions. The committee feels that retaining this provision is appropriate.

We thank you for the opportunity to comment on this matter. We would be glad to discuss our opinions with you further should you have any questions or require additional information.

Sincerely,



Tom Thomas, Chair  
Kansas Peer Review Committee