



August 17, 2010

La Shaun King, Technical Manager
AICPA Peer Review Program
American Institute of Certified Public Accountants
220 Leigh Farm Road
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Re: Proposed Revisions to the AICPA Standards for
Performing and Reporting on Peer Reviews (ED)

AICPA Peer Review Board Members:

The Peer Review Committee of IGAF Worldwide has the following comments related to the exposure draft.

We support the removal of peer review as a method to cure an independence impairment related to quality control and accounting and audit manuals. We have no issues related to the QCM elements of the proposed standard.

We feel the QCM and CPE elements of the proposed standard should be addressed separately to provide better clarity in the standards. Regarding the CPE elements within the standard and interpretations we do not believe that attending one or even several courses inherently creates a bond between the developer and the user firm thereby insinuating the developer into an integral part of the firm's system of quality control. A firm is still required to use its professional judgment in all areas of its practice including whether something learned at a CPE function becomes a part of its quality control policies and procedures for its accounting and auditing practice.

By focusing on firms and associations solely the board is ignoring the impact of CPE developers of other organizations such as the AICPA or State Societies.

- Applying the exposure drafts rationale to all CPE developers/providers, which we feel would be required under the standard, it could be argued that any person who was involved in the development of a CPE program for the AICPA or State Society either as a presenter or a developer would become impaired with respect to any firm whose professional personnel attend that course.
- Would then the NPRC or the State Societies review acceptance boards be impaired with any firm that attended an AICPA CPE program and have to recuse themselves from that review since, by association, they are a committee of a CPE program provider? While this may not be the intent of the standard it may be interpreted that way by others. Finally, we do not believe these standards should apply to any presenter who was not the developer of a program.

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Interpretation 21-1

This interpretation should only address the QCM issues to provide better clarity. The determination of when a CPE program reaches the threshold of impairment of independence is very difficult and our committee found the guidance in this area to be ambiguous.

Interpretation 21-7

The interpretation is vague and ambiguous and leaves open to interpretation and second guessing as to what “occasional (infrequent and not part of Firm A’s regular CPE training plan)” actually means. The phrase “CPA firm, association, or *any other type of entity*” implies that instructors for the AICPA, State Societies and Associations who are also peer reviewers would have their independence impaired from any person or firm who attended the session.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Russell Jr.", with a stylized flourish at the end.

Ray Russell Jr., Chair
IGAF Worldwide Peer Review Committee