

August 30, 2010

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

File Reference: Exposure Draft, *Proposed Revisions to the AICPA Standards for Performing and Reporting on Peer Reviews: Performing and Reporting on Peer Reviews of Quality Control Materials (QCM) and Continuing Professional Education (CPE) Programs*

Dear Ms. King:

We are pleased to comment on the *Proposed Revisions to the AICPA Standards for Performing and Reporting on Peer Reviews: Performing and Reporting on Peer Reviews of Quality Control Materials (QCM) and Continuing Professional Education (CPE) Programs*.

We agree with the proposed revision to the standards. The following are our comments on the specific questions identified in the exposure draft:

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)?*

We do not believe that the peer review relationship currently permitted by paragraph 159 is appropriate. We believe that there exists an inherent conflict of interest when the development and provision of quality control materials is combined with the developer performing the peer review of practitioners using those same materials. Such a relationship could reasonably be viewed by the stakeholders in the Peer Review Program as impairing the reviewer's objectivity, thereby diminishing the effectiveness of the Program itself.

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

The relationship as currently permitted contains several of the threats identified in the Conceptual Framework (both as to independence of mind and independence in appearance), including threats of self-interest, self-review and management participation. We believe the public interest in the Peer Review Program is too great for these threats to be effectively mitigated through any safeguards.

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)?*

We believe that the elimination of the peer review relationship currently allowed in paragraph 159 of the Standards would serve the public interest by removing a potential threat to the actual and perceived independence and objectivity of those performing the reviews. Maintenance of the objectivity and integrity of the Peer Review Program is of significant value to the membership of the AICPA.

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

We believe that the threats to independence and the public interests served by the Peer Review Program cannot be effectively mitigated through safeguards. The Conceptual Framework for Independence therefore directs such relationships should be prohibited.

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?*

The proposed revisions to the Standards will have no impact on our firm's ability to obtain QCM or CPE programs and/or ability to find qualified peer reviewers.

We appreciate the opportunity to provide these comments and would be pleased to respond to questions the Peer Review Board or its staff may have about any of the forgoing comments. Please direct any questions to L. Douglas Bennett, Partner – National Accounting & Auditing Director at 417.831.7283 or Andy Lear, Partner at 417.865.8701.

BKD, LLP