

May 9, 2008

Office of the Secretary
PCAOB
1666 K Street NW
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 025

We are pleased to have this opportunity to present the comments of Mayer Hoffman McCann P.C. (MHM) in response to the PCAOB proposed standard for engagement quality review. Though MHM in association with CBIZ is listed by Accounting Today as the eighth largest accounting services provider in the US, we are a relatively new entity representing an amalgamation of many smaller CPA firms. We have a growing SEC practice and are committed to maintaining the high level of service we give to our existing and future clients. We have created a culture revolving around a strong national office group which is actively involved in the designation of audit shareholders and concurring (engagement quality) reviewers for each of our SEC clients. Though we agree with many of the concepts discussed in the release, we are concerned that audit committees may use the requirements as another basis for engaging larger firms. It is based in part on that concern that we provide our comments. As you have requested, we will follow the format of your questions and intersperse our comments in what we believe is the appropriate response to the question.

Engagements for which an engagement quality reviewer is required

We believe the standard should include an overall objective of the engagement quality review and should focus on the skills that the reviewer must have in both business, but not necessarily the industry in which the client operates, and SEC filing matters. As a growing firm, we designate our quality reviewers as a preapproved group based primarily on their skill and experience in handling different audit assignments and background in handling SEC matters. Thus we would define the quality review person as an individual with general business acumen who provides an independent and final review of the work performed by the firm to judge whether the audit work papers support the issuance of an opinion in conformity with the PCAOB auditing standards and GAAP.

We support a quality review being performed for all PCAOB engagements.

Competence, Independence, Integrity, and Objectivity

As the proposed standards have been described, it will be difficult for many accounting firms to comply if they are attempting to grow their practice. The proposed standard indicates that the

reviewer should be able to serve as the engagement partner for a similar client in a specialized industry. We believe a reviewer should have a strong background in accounting and auditing that can be supplemented by available literature and consultation with experts in specialized industries. Where we do have a specialized industry, we try to match the best individuals in our firm to handle the account, regardless of location, and then select quality reviewers based upon the needs that we perceive are necessary to best serve the engagement.

We believe that not only should the engagement quality reviewer be permitted to consult with the engagement team, but that the reviewer should also be encouraged to participate, if possible, in the fraud risk discussions and review the engagement planning prior to the commencement of audit fieldwork. The process of engagement review should be a dynamic and ongoing process. So long as the reviewer's involvement deals with issues and questions, their independence and objectivity should not be impaired. Rather it permits for a more timely identification of issues and makes the audit process more efficient and effective. Because of a variety of circumstances, not necessarily related to the audit engagement, the quality reviewer may have to be changed prior to the completion of the engagement. Accordingly, though the review of planning and inclusion in the fraud risk discussion is a goal it should not be set as a requirement but rather a preference and where employed should be well documented. We believe this needs to be stressed in the final release.

The standard should also clarify what is meant by "supervising the engagement team". Is the definition intended to include, as it does under the independence standards, many shareholders in the "chain of command" or was it meant to supervise the engagement team in the field? If not clarified, this requirement again will put a strain on the resources of firms that are building their practice. We for example are separated into three geographic regions and have designated three of our most experienced shareholders as Regional Attest Practice Leaders and have another shareholder, who is a member of the PCAOB's Standing Advisory Group, designated as our National Director of Professional Standards. We believe in our structure that all of these people are independent and objective and have assigned them to be the quality reviewers on a number of PCAOB audits. Accordingly we expect that the definition of "supervise the audit team" was not intended to be so broad as to preclude these types of individuals from performing engagement quality reviews. We ask that the final standard clarify this issue.

Scope of the review

The suggested scope and approach should provide a reasonable basis for the performance of the quality review. Since one of the objectives is to provide for the identification of "...significant problems in a timely manner for correction, without imposing unnecessary costs," we reiterate our belief that the involvement of the quality reviewer, as issues are raised, would be more audit efficient and effective than to wait for the reviewer to first gain knowledge of issues during their subsequent review.

Review of engagement documentation

The proposed standard will clarify and improve the requirements for the review of engagement documentation.

Timing of the review

As we have stated previously, we believe the review should be performed in stages. This will be especially important in multinational engagements where there may be several reviewers, who would be working at the request of an overall reviewer, looking at different aspects of an audit.

Concurring approval of issuance

The standard appears appropriate, except that we question how the staff intends to interpret the guidance that the quality reviewer needs to ascertain that the firm is independent. A quality reviewer would make an inquiry of the audit partner and generally have to rely on that answer. Presently there is nothing in the standard that indicates where the reviewer may gain knowledge of possible independence violations. However, if the reviewer were asked their view on a particular service offering and its impact on independence, we would expect that an inquiry would be made as to the ultimate resolution.

Documentation of an engagement quality review

We believe the standards are appropriate as stated.

If you have any questions regarding our comments, please contact Aram Kostoglian, Eastern Regional Attest Practice Leader at 212-244-1100, ext. 210 or Ernie Baugh, National Director of Professional Standards at 423-870-0511.

Very truly yours,

MAYER HOFFMAN McCANN P.C.