

**CITY OF EL PASO, TEXAS  
REQUEST FOR COUNCIL ACTION (RCA)**

**DEPARTMENT:** Financial and Administrative Services  
**AGENDA DATE:** May 19, 2009  
**CONTACT PERSON/PHONE:** Carmen Arrieta-Candelaria, Chief Financial Officer, 541-4293  
**DISTRICT(S) AFFECTED:** All

**SUBJECT:**

A Resolution that the City Manager be authorized to exercise the first of the four (4) one-year options for audit services of BKD, LLP, as approved by City Council on July 1, 2008, in conjunction with the City's audit for the fiscal year ended August 31, 2009, and sign an Agreement for Professional Auditing Services for fiscal year 2009. Estimated award of contract is \$335,420.

**BACKGROUND / DISCUSSION:**

On July 1, 2008, City Council approved BKD, LLC ("BKD") for auditing services for the fiscal year ended August 31, 2008, with an option to extend for four (4) additional one-year terms to be approved by City Council. This selection was based on an RFQ process in May/June 2008. A committee comprised of Financial Services Department personnel as well as a representative from the Airport and Sun Metro ranked the firms prior to discussing price based on the RFQ process.

As BKD submitted the 2008 audit timely and satisfactorily, it is the recommendation of staff to request City Council to approve a one-year option for the audit for 2009.

**PRIOR COUNCIL ACTION:**

On July 1, 2008, City Council approved BKD as the City's external auditor for the fiscal year ended August 31, 2008 with four one-year extensions upon the approval of City Council.

**AMOUNT AND SOURCE OF FUNDING:**

Various funding sources including general fund, airport, health, solid waste and Sun Metro. Anticipated costs for fiscal year ended 2008 and 2009: \$335,420. There is no increase in costs from 2008 and 2009. Subsequent year's fees to be negotiated on an annual basis and brought forward with any recommendation to Council in subsequent years.

**BOARD / COMMISSION ACTION:**

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

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**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:** Carmen Anita Candela

(Example: if RCA is initiated by Purchasing, client department should sign also)

*Information copy to appropriate Deputy City Manager*

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

## RESOLUTION

### BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

THAT the City Manager be authorized to exercise the first of the four (4) one-year options for audit services of BKD, LLP, as approved by City Council on July 1, 2008, in conjunction with the City's audit for the fiscal year ended August 31, 2009, and sign an Agreement for Professional Auditing Services for FY 2009 ("Agreement") between the City of El Paso and BKD, LLP.

ADOPTED this 19<sup>th</sup> day of May, 2009.

CITY OF EL PASO

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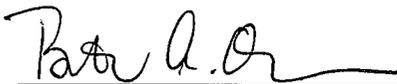
John Cook  
Mayor

ATTEST:

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Richarda Duffy Momsen  
Municipal Clerk

APPROVED AS TO FORM:



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Bertha A. Ontiveros  
Assistant City Attorney

APPROVED AS TO CONTENT:



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Carmen Arrieta-Candelaria  
Chief Financial Officer  
Financial Services

*Dedicated to Outstanding Customer Service for a Better Community*

**S E R V I C E   S O L U T I O N S   S U C C E S S**



## MEMORANDUM

TO: Terrence Freiburg, Purchasing Manager

FROM: Carmen Arrieta-Candelaria  
Chief Financial Officer *CAC*

DATE: May 11, 2009

RE: Option to Extend Contract for One Additional Year

Please place the following item on the Consent Agenda for the May 19, 2009, City Council Agenda:

A Resolution that the City Manager be authorized to exercise the first of the four (4) one-year options for audit services of BKD, LLP, as approved by City Council on July 1, 2008, in conjunction with the City's audit for the fiscal year ended August 31, 2009, and sign an Agreement for Professional Auditing Services for fiscal year 2009. Estimated award of contract is \$335,420. (**All Districts**) [Financial Services, Carmen Arrieta-Candelaria, (915) 541-4293]

c: Frank Keton

Mayor  
John F. Cook

City Council

*District 1*  
Ann Morgan Lilly

*District 2*  
Susannah M. Byrd

*District 3*  
Emma Acosta

*District 4*  
Melina Castro

*District 5*  
Rachel Quintana

*District 6*  
Eddie Holguin Jr.

*District 7*  
Steve Ortega

*District 8*  
Beto O'Rourke

City Manager  
Joyce A. Wilson

April 9, 2009

Members of City Council  
Honorable John Cook, Mayor  
Ms. Joyce Wilson, City Manager  
Ms. Carmen Arrieta-Candelaria, Financial Services CFO  
City of El Paso, Texas  
2 Civic Center Plaza, 10<sup>th</sup> Floor  
El Paso, TX 79901

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide to City of El Paso, Texas.

#### ENGAGEMENT OBJECTIVES

We will audit the basic financial statements of the City of El Paso, Texas, and the El Paso International Airport including the Passenger Facility Charge Program as of and for the year ended August 31, 2009, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (PFC Guide). We will also perform agreed upon procedures which will be more specifically defined in a separate letter related to Sun Metro and the City of El Paso's report to the Texas Commission on Environmental Quality.

The objectives of our audit are:

- ✓ Expression of an opinion on the conformity of your financial statements, in all material respects, with accounting principles generally accepted in the United States of America.
- ✓ Issuance of a report on your compliance based on the audit of your financial statements.
- ✓ Issuance of a report on your internal control over financial reporting based on the audit of your financial statements.

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- ✓ Expression of an opinion on your compliance, in all material respects, with the types of compliance requirements described in the *U. S. Office of Management and Budget Circular A-133 Compliance Supplement* that are applicable to each of your major federal award programs.
- ✓ Issuance of a report on your internal control over compliance based on the audit of your compliance with the types of compliance requirements that are applicable to each of your major federal award programs.
- ✓ Issuance of a report on your schedule of expenditures of federal awards.
- ✓ Expression of an opinion on your compliance, in all material respects, with the types of compliance requirements described in the PFC Guide that are applicable to your passenger facility charge program (PFC Program).
- ✓ Issuance of a report on your internal control over compliance based on the audit of your compliance with the types of compliance requirements that are applicable to the PFC program.
- ✓ Issuance of a report on your schedule of PFC Revenues and Disbursements.

We will also examine the written assertion about the compliance with the Sun Metro transit system as prescribed by the Federal Transit Administration made by the management of the City of El Paso, Texas as of and for the year ended August 31, 2009, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

The objective of our examination is the expression of an opinion on the conformity of the subject matter of the assertion in all material respects, with the applicable criteria against which it is measured. Our report is intended solely for the information and use of the governing body, management and the Federal Transit Administration and is not intended to be and should not be used by anyone other than these specified parties.

### **OUR RESPONSIBILITIES**

Auditing standards generally accepted in the United States of America, *Government Auditing Standards* and OMB Circular A-133 and the PFC Guide require that we plan and perform:

- ✓ The audit of the financial statements to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

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- ✓ The audit of compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement applicable to each major federal award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal award program occurred.
- ✓ The audit of compliance with the types of compliance requirements described in the PFC Guide applicable to the PFC program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on the PFC program occurred.

Accordingly, a material misstatement or noncompliance having a direct and material effect may remain undetected. Our audit of the financial statements is designed to detect misstatements and noncompliance that, in our judgment, could have a material effect on the financial statements taken as a whole. Consequently, our audit will not necessarily detect errors or fraud resulting in an immaterial misstatement of the financial statements.

Likewise, our audit of compliance with the types of compliance requirements applicable to each major federal award program and the PFC program are designed to detect noncompliance having a direct and material effect on a major program or the PFC program. Consequently, our audit will not necessarily detect noncompliance having an indirect and material or an immaterial effect on any program.

An audit also includes obtaining an understanding of the entity and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify material weaknesses or significant deficiencies. However, we will inform you of any such matters that come to our attention. Because of the limits of internal control, errors, fraud, illegal acts or instances of noncompliance may occur and not be detected. Also, in the future, procedures could become inadequate because of changes in conditions or deterioration in design or operation. Two or more people may also circumvent controls, or management may override the system. We are available to perform additional procedures with regard to fraud detection and prevention at your request, subject to completion of our normal engagement acceptance procedures. The actual terms and fees of such an engagement would be documented in a separate letter to be signed by you and BKD.

If, for any reason, we are unable to complete our audit of the financial statements or our audit of compliance with the types of compliance requirements applicable to each major federal award program or the PFC program or are unable to form or have not formed an opinion, we may decline to express an opinion or decline to issue a report as a result of this engagement. If we discover conditions that may prohibit us from issuing a standard report, we will notify you as well. In such circumstances, further arrangements may be necessary to continue our engagement.

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### **YOUR RESPONSIBILITIES**

To facilitate our audit, management is responsible for making all financial records and related information available to us. At the conclusion of our engagement, management will provide to us a letter acknowledging certain responsibilities outlined in this engagement letter and confirming:

- The availability of this information
- Certain representations made during the audit for all periods presented
- The effects of any uncorrected misstatements, if any, resulting from errors or fraud aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole

Management is responsible for fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, for adjusting the financial statements to correct material misstatements and for identifying and ensuring compliance with the laws and regulations applicable to your activities including your federal award programs and the PFC program. Management is also responsible for establishing and maintaining effective internal control over financial reporting and setting the proper tone; creating and maintaining a culture of honesty and high ethical standards; and establishing appropriate controls to prevent, deter and detect fraud, illegal acts and instances of noncompliance.

The results of our tests of compliance and internal control over financial reporting performed in connection with our audit of the financial statements may not fully meet the reasonable needs of report users. Management is responsible for obtaining audits, examinations, agreed-upon procedures or other engagements that satisfy relevant legal, regulatory or contractual requirements or fully meet other reasonable user needs.

### **OTHER SERVICES**

We may perform other services for you not covered by this engagement letter. You agree to assume full responsibility for the substantive outcomes of the services described above and for any other services that we may provide, including any findings that may result. You also acknowledge that those services are adequate for your purposes and that you will establish and monitor the performance of those services to ensure that they meet management's objectives. Any and all decisions involving management functions related to those services will be made by you, and you accept full responsibility for such decisions. We understand that you will designate a management-level individual to be responsible and accountable for overseeing the performance of those services, and that you will have determined this individual is qualified to conduct such oversight.

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### **ENGAGEMENT FEES**

Our fees will be \$335,420. We will issue progress billings during the course of our engagement and our statements are due when received. Our fees are based upon the understanding that your personnel will be available to assist us. Assistance from your personnel is expected to include:

- Preparing audit schedules to support all significant balance sheet and certain other accounts
- Responding to auditor inquiries
- Preparing confirmation and other letters
- Pulling selected invoices and other documents from files
- Helping to resolve any differences or exceptions noted

We will provide you with a detailed list of assistance needed before the audit begins.

Our timely completion of the audit depends on your timely and accurate schedule and analyses preparation and on the availability of your personnel to provide other assistance. If there are inaccuracies or delays in preparing this material, or if we experience other assistance difficulties that add a significant amount of time to our work, our fees will increase. If these circumstances occur, we will promptly notify you to discuss alternative solutions and the impact on our fees.

Our engagement fee does not include any time for post-engagement consultation with your personnel or third parties, consent letters and related procedures for the use of our reports in offering documents, inquiries from regulators or testimony or deposition regarding any subpoena. Charges for such services will be billed separately.

Our fees may also increase if our duties or responsibilities are increased by rulemaking of any regulatory body or any additional new accounting or auditing standards. We will consult with you in the event any other regulations or standards are issued that may impact our fees.

If our invoices for this or any other engagement you may have with BKD are not paid within 30 days, we may suspend or terminate our services for this or any other engagement. In the event our work is suspended or terminated as a result of nonpayment, you agree we will not be responsible for any consequences to you.

### **OTHER ENGAGEMENT MATTERS AND LIMITATIONS**

Our workpapers and documentation retained in any form of media for this engagement are the property of BKD. BKD will be required to make working papers available to the City upon request and to respond to reasonable inquiries of successor auditors and to allow the successor to review working papers relating to matters of continuing audit significance. The City also acknowledges and grants assent that representatives of the cognizant or oversight agency or their

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designee, other government staffs and the U.S. General Accounting Office shall have access to the working papers upon their request; and that BKD shall maintain the working papers for a period of at least three years after the date of the report, or for a longer period if BKD is requested to do so by the cognizant or oversight agency. You agree that we have no legal responsibility to you in the event we provide such documents or information, provided that BKD provides written notice to the City.

During the course of BKD's engagement, BKD may accumulate records containing data, which should be reflected in the City's books and records. The City will determine that all such data, if necessary, will be so reflected. Accordingly, the City will not expect BKD to maintain copies of such records in BKD's possession.

To the extent permitted by Texas law, you agree to indemnify and hold harmless BKD and its personnel from any claims, liabilities, costs and expenses relating to our services under this agreement attributable to false or incomplete representations by management, except to the extent determined to have resulted from the intentional or deliberate misconduct of BKD personnel.

You agree that any dispute regarding this engagement will, prior to resorting to litigation, be submitted to mediation upon written request by either party. Both parties agree to try in good faith to settle the dispute in mediation. Any mediator used shall have expertise in Texas law regarding local government entities and will be mutually agreed upon by both parties. The results of the mediation proceeding shall be binding only if each of us agrees to be bound. We will share any costs of mediation proceedings equally.

If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on heirs, successors and assigns of you and BKD.

We may from time to time use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider.

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We will, at our discretion or upon your request, deliver financial statements or similar documents to you electronically via floppy disk, CD-ROM, e-mail or other mechanism. You recognize and accept the risk involved, particularly in e-mail delivery as the Internet is not necessarily a secure medium of communication as messages can be intercepted and read by those determined to do so.

You agree you will not modify these documents for internal use or for distribution to third parties. You also understand that we may on occasion send you documents marked as draft and understand that those are for your review purpose only, should not be distributed in any way and should be destroyed as soon as possible.

If you intend to include these financial statements and our report in an offering document at some future date, you agree to seek our permission to do so at that time. You agree to provide reasonable notice to allow sufficient time for us to perform certain additional procedures. Any time you intend to publish or otherwise reproduce these financial statements and our report and make reference to our firm name in any manner in connection therewith, you agree to provide us with printers' proofs or masters for our review and approval before printing or other reproduction. You will also provide us with a copy of the final reproduced material for our approval before it is distributed. Our fees for such services are in addition to those discussed elsewhere in this letter.

You agree to notify us if you desire to place these financial statements or our report thereon on an electronic site, such as the World Wide Web. You recognize that we have no responsibility as auditors to review information contained in electronic sites.

BKD is a registered limited liability partnership under Missouri law. Under applicable professional standards, partners of **BKD, LLP** have the same responsibilities as do partners in a general accounting and consulting partnership with respect to conformance by themselves and other professionals in BKD with their professional and ethical obligations. However, unlike the partners in a general partnership, the partners in a registered limited liability partnership do not have individual civil liability, directly or indirectly, including by way of indemnification, contribution, assessment or otherwise, for any debts, obligations or liabilities of or chargeable to the registered limited liability partnership or each other, whether arising in tort, contract or otherwise.

#### **HIPAA BUSINESS ASSOCIATE AGREEMENT**

We agree not to use or disclose Protected Health Information of your employees (hereinafter referred to as "PHI") obtained or produced in any form of media during the course of our work, other than for purposes of (a) performing our engagement, (b) management and administration of BKD, or (c) carrying out legal responsibilities of BKD. We represent to you that we have implemented what we consider to be appropriate administrative, physical, and technical

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safeguards to protect the confidentiality, integrity, and availability of that PHI. With respect to your PHI, we will report to you any material security incident or use or disclosure not authorized by this agreement and, to the extent practical, assist you in mitigating any harmful effects caused by material security incidents or unauthorized uses or disclosures of which we have knowledge. We agree that any material violation of these confidentiality provisions entitles you to terminate this engagement.

BKD agrees to:

1. Upon their request, make available to the Secretary of Health and Human Services our internal practices and books and records relating to the use and disclosure of PHI for purposes of determining your compliance with the Security and Privacy Rule, subject to any applicable legal privileges.
2. To the extent we maintain information that is part of a Designated Record Set, make available information necessary for you to make an accounting of disclosures of PHI about an individual.
3. To the extent we maintain information that is part of a Designated Record Set, make available information necessary for you to respond to requests by individuals for access to PHI that is not in your possession but is considered part of a Designated Record Set.
4. Upon receipt of a written request from you, incorporate any amendments or corrections to PHI contained in our workpapers in accordance with the Security and Privacy Rule to the extent such PHI is considered part of a Designated Record Set.

For purposes of this agreement, the term "Security and Privacy Rule" refers to the final rules published to implement the Administrative Simplification provisions of the *Health Insurance Portability and Accountability Act of 1996*, specifically 45 CFR Parts 160 and 164. The terms "Protected Health Information" and "Designated Record Set" have the same meaning as defined in the Security and Privacy Rule.

At the conclusion or termination of this engagement, any PHI retained by us will be subject to the same safeguards as for active engagements.

We will obtain from any agents, including subcontractors, to whom we provide PHI received from you, or created or received by us on behalf of you, an agreement to the same restrictions and conditions that apply to us with respect to such PHI.

To the extent that any relevant provision of HIPAA is eliminated or held to be invalid by a court of competent jurisdiction, the corresponding portion of this agreement shall be deemed of no force and effect for any purpose. To the extent that any relevant provision of HIPAA is materially amended in a manner that changes the obligations of business associates or covered

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entities that are embodied in term(s) of this engagement, the Parties agree to negotiate in good faith appropriate amendment(s) to this engagement to give effect to such revised obligations. In addition, the terms of this engagement should be construed in light of any interpretation and/or guidance on HIPAA issued by HHS from time to time.

If the above arrangements are acceptable to you, please sign the enclosed copy of this letter and return it to us.

BKD, LLP

*BKD, LLP*

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

**CITY OF EL PASO, TEXAS**

BY \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_



## System Review Report

July 31, 2008

To the Partners of BKD, LLP  
and the Center for Public Company  
Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of BKD, LLP (the firm) in effect for the year ended May 31, 2008. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*; audits of employee benefit plans, and an audit performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of BKD, LLP in effect for the year May 31, 2008 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. BKD, LLP has received a peer review rating of *pass*.

*Clifton Gunderson LLP*

**Attachment to the Peer Review Report of BKD LLP**  
**Description of the Peer Review Process**

**Overview**

Firms enrolled in the AICPA Center for Public Company Audit Firms (the Center) Peer Review Program have their system of quality control periodically reviewed by independent peers. These reviews are system and compliance oriented with the objective of evaluating whether:

The reviewed firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers has been designed to meet the requirements of the Quality Control Standards established by the AICPA.

The reviewed firm's quality control policies and procedures applicable to non-SEC issuers were being complied with to provide the firm with reasonable assurance of complying with professional standards.

A peer review is based on selective tests and directed at assessing whether the design of and compliance with the firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers provides the firm with reasonable, not absolute, assurance of complying with professional standards. Consequently a peer review on the firm's system of quality control is not intended to, and does not, provide assurance with respect to any individual engagement conducted by the firm or that none of the financial statements audited by the firm should be restated.

The Center's Peer Review Committee (PRC) establishes and maintains peer review standards. At regular meetings and through report evaluation task forces, the PRC considers each peer review, evaluates the reviewer's competence and performance, and examines every report, letter of comments, and accompanying response from the reviewed firm that states its corrective action plan before the peer review is finalized. The Center's staff plays a key role in overseeing the performance of peer reviews working closely with the peer review teams and the PRC.

Once the PRC accepts the peer review reports, letters of comments, and reviewed firms' responses, they are maintained in a file available to the public. In some situations, the public file also includes a signed undertaking by the firm agreeing to specific follow-up action requested by the PRC.

Firms that perform audits or play a substantial role in the audit of one or more SEC issuers, as defined by the Public Company Accounting Oversight Board (PCAOB), are required to be registered with and have their accounting and auditing practice applicable to SEC issuers inspected by the PCAOB. Therefore, we did not review the firm's accounting and auditing practice applicable to SEC issuers.

### **Planning the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers**

To plan the review of BKD LLP, we obtained an understanding of (1) the nature and extent of the firm's accounting and auditing practice, and (2) the design of the firm's system of quality control sufficient to assess the inherent and control risks implicit in its practice. Inherent risks were assessed by obtaining an understanding of the firm's practice, such as the industries of its clients and other factors of complexity in serving those clients, and the organization of the firm's personnel into practice units. Control risks were assessed by obtaining an understanding of the design of the firm's system of quality control, including its audit methodology, and monitoring procedures. Assessing control risk is the process of evaluating the effectiveness of the reviewed firm's system of quality control in preventing the performance of engagements that do not comply with professional standards.

### **Performing the Review of the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers**

Based on our assessment of the combined level of inherent and control risks, we identified practice units and selected engagements within those units to test for compliance with the firm's system of quality control. The engagements selected for review included engagements performed under the Government Auditing Standards, audits performed under FDICIA, a multi-office audit, and audits of Employee Benefit Plans. The engagements selected for review represented a cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagement reviews included examining working paper files and reports and interviewing engagement personnel.

The scope of the peer review also included examining selected administrative and personnel files to determine compliance with the firm's policies and procedures for the elements of quality control pertaining to independence, integrity, and objectivity; personnel management; and acceptance and continuance of clients and engagements. Prior to concluding the review, we reassessed the adequacy of scope and conducted a meeting with firm management to discuss our findings and recommendations.