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William T. Kerr
Chairman and
Chief Executive Office

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Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 008

Dear Board Members:

I am pleased to have the opportunity to comment on the Public Company Accounting Oversight Board's (the "PCAOB") proposed auditing standard relating to an audit of internal control over financial reporting in conjunction with an audit of financial statements (the "Proposed Standard").

By way of background and perspective, I am chairman and chief executive officer of Meredith Corporation, a company listed with the New York Stock Exchange (the "NYSE"). I also serve as a member of the board for certain other public companies listed with the NYSE – including service on audit and governance committees. The comments I express in this letter represent my views and the views of Meredith Corporation only and do not necessarily represent the views of the other companies I serve.

I recognize the significant efforts put forth by the PCAOB in developing the Proposed Standard. I am very concerned, however, about the requirement that external auditors evaluate the effectiveness of the audit committee. This requirement is inconsistent with the structure of corporate governance and it creates the potential for a conflict of interest for the audit committee and the auditors. Furthermore, the external auditors do not have the necessary background and access to fully perform the evaluation contemplated by the Proposed Standard, nor should such an evaluation, if it were to be performed, be separate from the overall evaluation of internal controls over financial reporting.

The audit committee is an important element in the governance structure of a company, but it should not be considered a separate element of the company's system of internal control over financial reporting. The audit committee is independent of management. Its role is to provide oversight and evaluate management's performance. It is management that is directly responsible for the company's system of internal control over financial reporting, a system which should stand on its own without the direct involvement of the audit committee.

The external auditor should be evaluating management's system of internal control over financial reporting. The board of directors, which has established the audit committee and has the ability and responsibility to replace committee members and alter the audit committee charter, is the proper body to evaluate the committee's effectiveness. In fact, under the NYSE listing standards, the board and its audit committee must conduct an evaluation of their own performance, at least annually. If the external auditors insist on reviewing the results of this self-evaluation as part of their audit procedures, as seems likely under the Proposed Standard, the effectiveness of this self-evaluation could be diminished by restricting open and free self-criticism among board and audit committee members.

I am also concerned that requiring the external auditor to evaluate the performance of the audit committee could create a conflict of interest. Such a standard would require that the auditor pass judgment on the body to which it directly reports and that, under Sarbanes-Oxley, is solely responsible for hiring it, firing it, overseeing its performance and mediating disputes between it and management.

Furthermore, external auditors ordinarily do not have full and complete knowledge of all of the audit committee's activities, interactions with other parties, deliberations, and conclusions reached. In addition, they do not have the necessary legal background to evaluate factors such as the independence of audit committee members and compliance with applicable listing standards.

Finally, to the extent that the external auditors were to give any consideration to the audit committee's oversight of the system of internal control over financial reporting, this consideration should be for purposes of their overall evaluation rather than to separately conclude on the effectiveness of the audit committee.

For the foregoing reasons, I believe that the provisions of the Proposed Standard that relate to the external auditors' evaluation of the effectiveness of audit committees should be eliminated.

I appreciate your consideration of these comments, and I will be happy to discuss these matters further or to meet with you if it would be helpful.

Very truly yours,

William T. Kerr