

November 2, 2010

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. 31, Request for Comment Regarding Possible Rulemaking Approaches, Including Standard-setting, to Complement Application of Section 105(c)(6)**

Dear Office of the Secretary:

McGladrey & Pullen, LLP is pleased to submit written comments regarding Part II of PCAOB Release No. 2010-005 *Application of the "Failure to Supervise" Provision of the Sarbanes-Oxley Act of 2002 and Solicitation of Comment on Rulemaking Concepts*. McGladrey & Pullen, LLP is a registered public accounting firm serving middle-market issuers.

We agree with the Board's general statements that the quality of a firm's audit practice is directly affected by the quality of supervision within the firm. We also agree with the Board in the value of reminding registered firms and associated persons of the authority provided to the Board in section 105(c)(6) of the Sarbanes-Oxley Act, captioned "Failure to Supervise", and with the Board's assessment that a firm's quality control standards should document clear assignments of supervision responsibilities. However, we offer the following comments for the Board's consideration:

1. We believe that in our firm, as we believe to be the case in most firms, the assignment of supervisory responsibilities for approval of client acceptance and continuance, assignment of engagement personnel, and the resolution of accounting, auditing and independence issues are clear and unambiguous. Accordingly, we question the need for separate rulemaking in this area.
2. Rather than pursue separate rulemaking in this area, we suggest the Board incorporate this initiative into its quality control standards project. We believe overall supervision requirements are part of a firm's system of quality control and that any clarifications regarding overall supervision responsibilities should be included in the quality control standards.
3. We believe it would be very difficult to develop rules that define specific areas of supervisory responsibilities that could be effectively implemented by all firms – domestic and foreign, large and small. Accordingly, whether the Board decides to proceed with this project or incorporate it into the quality control standards project, we believe the Board should require the assignment of supervisory responsibilities only in general terms rather than establish standards or rules that would define specific areas of supervisory responsibilities.

4. The Board should be careful in establishing supervision standards or rules to avoid unintended consequences that might discourage persons from being willing to serve in supervisory roles or that would discourage engagement teams from consulting with firm experts, since any such consequences would likely diminish audit quality.

Questions concerning our comments should be directed to Bruce Webb, Executive Partner – National Professional Standards Group (515-281-9240) or Dale Lien, National Director of Practice Quality (952-921-7764).

Very truly yours,

*McGladrey & Pullen, LLP*