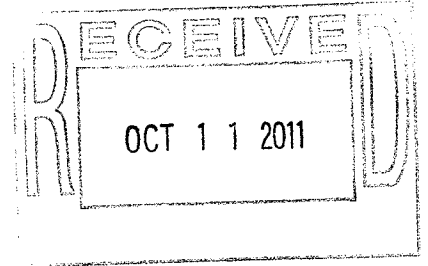


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October 5, 2011

Mr. J. Gordon Seymour
Office of the Secretary
PCAOB
1666 K Street
Washington, DC 20006-2803

Dear Mr. Seymour:

I am submitting these comments on the Board's Concept Release on mandatory audit firm rotation.

In its release, the Board wrestles with one of the most complex issues arising from our current system for auditing public companies. The Board's release demonstrates the complexity of the issues arising when a firm employs the auditor to examine its books. Mandatory rotation would not eliminate this conflict though it might, as the Concept Release points out, mitigate its intensity.

I wonder if the Board should start its examination of this issue with the question of whether the PCAOB and the audit committee of a public firm can provide some or all of the benefits sought through mandatory rotation of audit firms. The existence of the Board has served to improve audit quality primarily through its powers of inspection over audit firms and its ability to enforce remediation of deficiencies. Also, reinvigoration of the audit committee occurring over the past decade has enhanced audit quality. While I support mandatory rotation, it seems to me that under current circumstances it would not make sense for the Board to implement it without thoroughly examining whether the two institutions which now buttress improving audit quality can be further strengthened. For example, audit committees could be alerted to the fact that they serve as the major force to mitigate the conflict when audit firms audit the company that pays them. Audit committees have to make the judgment about

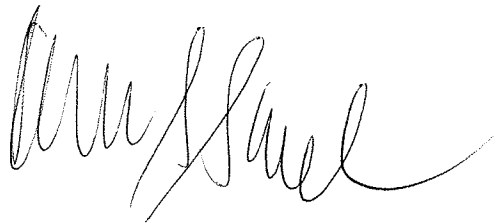
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the professional skepticism of the auditor and whether that quality permeates the conduct of the audit firm. It seems to me that the Board should rely more upon the audit committee to enhance auditor independence, objectivity and professional skepticism rather than upon mandatory rotation which may not be the most efficient way to reach the Board's goals.

The Board will also need to consider whether current economic circumstances make it untimely to institute mandatory rotation of audit firms. Such a step could substantially increase the initial cost of an audit and would increase the risk of an audit deficiency. It is probable that issuers will overwhelmingly reject the idea of mandatory rotation and will argue that this is not the time to increase audit costs.

The Board has courageously sought comments on an important idea for improving audit quality. However, in my view, it should not take this step without thoroughly exploring what can be done through the Board's existing powers over audit firms and through audit committees which have the initial responsibility for insuring audit quality.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Arthur S. Gault". The signature is written in black ink and is positioned below the closing text.