



Mr. J Gordon Seymour
Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington D. C. 2006-2803

Dear Mr. Seymour :

I am writing regarding PCAOB Rulemaking Docket Matter No. 37 Concept Release on Auditor Independence and Audit Firm Rotation. In my view, mandatory auditor rotation is not a necessary or constructive means to promote auditor skepticism or improve audit quality.

I am a retired partner from a public accounting firm. I served clients as an audit partner for many years and also spent many years in a national leadership role in the firm. So I have a lot of hands on experience as an auditor and also have a perspective of a national leader and the issues that arise across the audit practice.

I can tell you when I practiced and served clients from emerging tech companies to Fortune 100 clients the length of the relationship or size of the client did not affect my skepticism or decision making. In my experience our people always strived to do the right thing and meet or exceed the professional standards. That is not to say that audit failures did not occur or that we did not end up with a few "bad apples" . As in any segment of a population some mistakes or misses will happen and a few bad actors will survive for sometime until we figured them out and rified them out of the practice.

I now serve on several audit committees of both public and private companies and therefore have the opportunity to work with the outside auditors. These commttees are attuned to their responsibility of ensuring the auditors maintain their independence and professional skepticism. We take our responsibilities seriously and have vigorous reviews of the audit plan, audit results, and the quality of the audit team.

We take input from our management teams on the quality of the auditors and how they performed their work. We meet privately with the auditors and get their input and to judge their attitude and sense of independence. We of course go through the indepeence steps that the auditors take as a firm and the results of their PCAOB exams.

As chairman of the committees I stay abreast of changes in accounting standards, auditing standards, governance requirements etc. by attending seminars and updates provided by the accounting firms and other institutions.

In my view the best judge of when an audit firm should be rotated is the audit committee. We work with them throughout the year and as noted above take the proper actions to be in a position to judge their performance including their skepticism and independence. It troubles me to have regulators believe that they should force us to rotate our auditors that responsibility should rest with the audit committee.

To the best of my knowledge there is no research or evidence that mandatory rotation improves audit quality or professional skepticism. When I was practicing and we had an opportunity to propose on a new audit client I would tell the audit committee of the prospective client that they should not make a change unless they felt the incumbent firm was not providing quality service and they should not make a change just for the sake of change.

I did this because I believed that in depth knowledge of the clients business and the capabilities of the management team and respectful relationships result in the highest audit quality. Mandatory rotation could diminish the attributes that I believe are key to audit quality.

Thank you for taking the time to consider my views on this important matter.

Sincerely,


John F. O'Connor

January 25, 2012