



Convergys Corporation
201 East Fourth Street
Cincinnati, Ohio 45202

October 25, 2011

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, NW
Washington, DC 20006-2803

PCAOB Release No. 2011-06, Rulemaking Docket Matter No. 37

Dear Office of the Secretary:

I am pleased to submit comments on the PCAOB's request for comments regarding the above referenced concept release on enhancing auditor independence, objectivity and skepticism by requiring mandatory audit firm rotation. To put my comments in perspective, I currently serve as the chairman of the audit committee for Convergys Corporation, and sit on Convergys' finance committee. Additionally, I currently serve in the capacity as audit committee chair or audit committee member on other NYSE companies and previously served in the same capacity for several other NYSE companies. Further, I am the retired Chief Financial Officer of a NYSE company. Therefore, I believe my comments on this topic are reasonably representative of other audit committee members and Chief Financial Officers.

While I understand the reasoning behind this concept release is to ultimately increase the reliability of the financial reporting, I am of the opinion that the disadvantages of the proposed mandatory audit firm rotation outweigh the advantages as discussed below. As the Board states on page 3 of the concept release it "recognizes that a rotation requirement would significantly change the status quo and, accordingly, would result in significant cost and disruption." Therefore, before requiring companies to incur "significant cost and disruption" we believe there should be concrete evidence that mandatory firm rotation will enhance auditor independence, objectivity and professional skepticism, thereby, resulting in more reliable financial reporting.

- The examples provided in the concept release regarding audit deficiencies identified in Board inspections, pages 7-8, are not conclusive as to the root cause of those deficiencies, and more importantly that the deficiencies would be remedied if mandatory audit rotation is required.
- I believe the audit committee, with independent oversight responsibility, is in the best position to not only hire and evaluate the external audit firm, but also to ensure the independence of the firm. For the Convergys Audit Committee, we meet in private session



with the audit firm at each quarterly audit committee meeting, and I, as the audit committee chair, have regular meetings with the firm partner, meeting at least quarterly outside of committee meetings.

- It is my belief that mandatory rotation would limit the firm choice as we utilize other audit firms' expertise for non-audit services such as tax consulting that would disqualify them from being the company's audit firm. Additionally, there is a limited footprint of some firms in certain locations, thereby, limiting qualified firms for consideration.
- I firmly believe that there are clear advantages of firm tenure as the auditor team has knowledge and understanding of the company that enhances the audit quality. It will take considerable time and expense for a firm to become familiar and knowledgeable of the company, which, in turn, is counterproductive and may impair the quality of the audit.
- I believe that the existing audit partner rotation rules, in addition to the employee turnover at both the audit firms and the companies they service, keep the relationship fresh and promote objectivity.

Thank you for this opportunity to relay comments regarding the PCAOB Concept Release, **PCAOB Release No. 2011-006, Rulemaking Docket Matter No. 37**. I would be pleased to provide any additional information on the issues addressed by this letter.

Respectfully submitted,

A handwritten signature in black ink that reads "Richard F. Wallman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Richard F. Wallman
Audit Committee Chairman
Convergys Corporation