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December 7, 2011

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

Re: Concept Release on Auditor Independence and Audit Firm Rotation

Dear Board Members and Staff of the PCAOB:

On behalf of the Audit Committee of Tyco International Ltd. ("Tyco" or "Company") I am pleased to respond to the concept release on auditor independence and mandatory audit firm rotation. Tyco is a diversified publicly traded company and a leading provider of security products and services, fire protection and detection products and services, and industrial valves and controls. Tyco had more than \$17 billion in revenue in Fiscal 2011, and employs more than 100,000 employees worldwide.

We support continued efforts by the PCAOB to bolster auditor independence, objectivity and professional skepticism to ensure audit quality and protect investors. We believe that mandatory audit firm rotation is not an effective means to achieve these goals. In our view, significant improvements have been made in financial reporting and audit quality since the passage and implementation of the Sarbanes Oxley ("SOX") requirements. Beneficial changes include rules governing non-audit services, mandatory rotation of audit partner, PCAOB inspections of registered firms, and independence and financial literacy requirements for audit committees. Further, audit committees and boards, which now play a key role in appointing the audit firm and overseeing the audit engagement, are best positioned to evaluate, select and recommend appointment of the firm which should audit the financial statements on behalf of the shareholders.

Furthermore, the PCAOB acknowledges in the concept release that a preliminary analysis shows no correlation between auditor tenure and inspection findings. To date, there is insufficient evidence showing that mandatory audit firm rotation is the optimum solution to enhance auditor independence, objectivity, and professional skepticism. We believe a condition precedent to mandatory audit firm rotation is a comprehensive study by the PCAOB to first determine if there is a causal relationship between audit failure and the tenure of the audit firm. Absent evidence of such linkage, we are concerned that mandatory audit firm rotation will instead likely result in decreased audit quality and increased audit costs, which will far outweigh any perceived benefits.

Decrease in Audit Quality

If mandatory audit firm rotation were to be put in place, we are concerned that overall audit quality would decrease, especially in the first or second year after the required change. To perform a quality audit, the auditors need sufficient time to gain the requisite knowledge and understanding of the company, its processes and controls, the industry and unique risks. Gaining this knowledge takes time and investment by audit firms, and the benefits immediately erode upon rotation resulting in risk of lower quality audits.

It is also important to note that changing audit firms might not result in any real change because in their efforts to maintain industry expertise, company knowledge and overall audit quality, audit firms will likely try to hire staff and other supervisory personnel from the predecessor firms.

Increase in Audit Costs

Mandatory audit firm rotation will most certainly result in higher audit costs. In the initial years of an audit rotation, the successor auditors will need additional time to “get up to speed” on the company’s business and processes. Efficiencies that were developed over time by the predecessor auditor will be lost upon rotation, thereby increasing the cost of maintaining the same level of audit services. There will also be increased personnel support costs due to the incremental demands associated with helping the auditor understand the Company’s operations, IT applications, financial reporting processes, controls, and prior accounting positions (whether for the US GAAP audit or statutory audits).

Cost associated with the auditor selection process will increase. This includes time spent by management, audit committee, and other personnel in preparing requests for proposal, and in evaluating responses from audit firms. One would also expect audit firms to invest heavily in incremental resources to administer the process for responding to requests for proposal.

There are only four firms who arguably have the global scale necessary to conduct effective audits of many multinational companies. With only these four firms from which to choose, companies will likely find it necessary to reduce or eliminate non-audit services from the other firms that might succeed the existing audit firm. We believe this would be very costly and might also jeopardize the value of non-audit initiatives enabled by existing Big 4 consulting engagements.

Audit firms have different levels of presence in different geographies. Even in the US, there are certain localities where not all of the Big 4 firms have a presence. Requiring mandatory rotation could have the practical implication of limiting a company’s choice to only 1 or 2 other firms, or result in significant incremental cost (e.g. travel and coordination costs) associated with being audited by a firm that does not have substantial local presence.

There will be increased audit costs associated with non-periodic filings, such as registration statements and carve-out financial statements. In order to issue an opinion on the financial statements, the successor auditors may be required to perform duplicative audits of prior years for which they were not the auditor, or companies may be required to engage the predecessor auditors to reissue their prior year audit opinions.

During 2004, the Tyco Audit Committee, in carrying out our oversight responsibility, made the conscious decision to change the audit firm after considering our particular circumstance and the costs and benefits of doing so. While we determined the change was beneficial for the company and our shareholders, it is important to note this change resulted in a significant increase in audit costs and effort by Tyco’s employees. We are concerned that mandatory audit firm rotation would unnecessarily impose similar costs on all public companies. We strongly believe such judgments are best made by the audit committee.

We believe there are alternatives to mandatory rotation that can meaningfully enhance auditor independence, objectivity and professional skepticism, without the negative effects of decreasing audit quality and increasing audit costs. We offer the following recommendations for the Board’s consideration:

Enhanced Auditor Requirements

We recommend the Board take steps to address concerns with auditor independence through increased or improved training and auditing procedures. We believe there should be mandatory annual training to reinforce and enhance auditors’ understanding of professional skepticism, and of the appropriate relationship between the auditor and client.

Continued Rigorous Inspections by the PCAOB

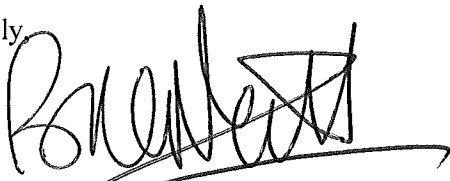
The PCAOB audit standards and the current rigorous inspection process have resulted in significant improvements in professional audit practices and the quality of audits. We recommend the PCAOB continue to carry out a rigorous inspection process and to include reviews of auditor objectivity and professional skepticism as key focus areas.

Greater Transparency to Audit Firm Inspection Findings

We recommend the PCAOB deliver their inspection results directly to audit committees as soon as possible after completion of an inspection of the company’s audit team. This will provide the audit committee with greater transparency and additional insights into the auditor’s effectiveness, and provide another data point for audit committees in their evaluation of the auditors’ performance.

Thank you for the opportunity to respond to this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Brendan R. O'Neill", with a long horizontal flourish extending to the right.

Brendan R. O'Neill
Chairman of Audit Committee
Tyco International Ltd.