



December 14, 2011

**BY E-MAIL ([comments@pcaobus.org](mailto:comments@pcaobus.org))**

Office of the Secretary  
Public Company Accounting Oversight Board  
1666 K Street, N.W.  
Washington, D.C. 2006-2803  
Via e-mail: [comments@pcaobus.org](mailto:comments@pcaobus.org)

File Reference: PCAOB Rulemaking Docket Matter No. 37

To Whom It May Concern:

The Public Company Accounting Oversight Board (PCAOB) is seeking comment on a proposal to consider a rule requiring mandatory auditor rotation.

We understand the PCOAB's concerns about wanting to enhance auditor independence, objectivity, and professional skepticism but we oppose mandatory audit firm rotation.

Such a requirement would impose an undue hardship on multi-national companies. It would be extremely difficult for companies to coordinate and perform their locally contracted statutory engagements for foreign subsidiaries when such subsidiaries are not required to rotate audit firms.

We also do not believe the mandatory rotation of audit firms would improve the quality of the audit. The mandatory rotation would eliminate the benefits of cumulative knowledge the audit firm has built about the specific company and industry in which they operate. Due to the initial learning curve of a new audit firm, we feel the effectiveness and efficiency of the audit would be reduced drastically in the first years of an engagement.

A less efficient audit causes us concern over increased audit costs as well as additional demands on our staff. Costs of the audit would increase due to the new firm incurring costs for time needed to acquire knowledge about the client. The additional effort associated with evaluating and selecting a new audit firm on a frequent basis would also be costly. Additionally, it is common for large multi-national companies to use one of the four largest audit firms for attest work and use one or more of the remaining three firms for their non-attest work. The requirement to rotate firms for attest work would also require companies to rotate and manage their non-attest relationships. These relationships are not always easy or cost effective to change on a timely basis (system implementations, M&A work, tax projects).

We believe that the existing audit partner rotation rules as well as the Audit Committee oversight of the audit firms timing, scope, and nature of procedures currently promotes auditor independence, objectivity, and professional skepticism.

Donaldson Company's investors have not requested this change in any discussions over the years and we respectfully request that the PCAOB not pursue mandatory audit firm rotation.

Sincerely,

/s/ William M. Cook  
William M. Cook  
Chief Executive Officer

/s/ James F. Shaw  
James F. Shaw  
Chief Financial Officer