

AMSURG

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AmSurg Corp. is a market leader in the ownership and management of outpatient surgery centers in the United States with annual revenues in excess of \$750 million.

The audit committee of AmSurg is pleased to submit our comments on the PCAOB's Concept Release on Auditor Independence and Audit Firm Rotation. We support the Board's goal of continuing to work toward increasing audit quality for the benefit of investors. We believe that the increased regulatory environment over the last 10 years with the passage of Sarbanes-Oxley and increased PCAOB oversight has been effective in improving the quality of audits.

However, we believe that mandatory audit firm rotation would not have an appreciable effect on auditor independence, objectivity and professional skepticism, would lead to higher costs and time burdens on issuers and could potentially lead to decreased audit quality. Below we have outlined our thoughts as to why we believe mandatory audit firm rotation would not be effective in improving the quality of audits:

- The goal of the audit committee is to receive a quality audit and, while independence is critical to achieving that goal, rotation alone does not assure that the quality of the audits would improve. In fact the PCAOB acknowledges that many of the audit failures noted in their review process were by firms engaged during the first two years.
- The PCAOB acknowledges that there is not a clear link between audit failure and audit firm tenure. Therefore, benefits from audit firm rotation may not outweigh the additional cost to the shareholder as well as additional audit failure risk resulting from introducing an entirely new engagement team faced with a steep learning curve of the company and possibly its industry.
- Industry expertise is not always equivalent from one firm to the next within geographical markets and this, coupled with the loss of institutional knowledge of the company, may result in audit deficiencies in the early years of the newly appointed firm.
- The rotation of auditors may increase the likelihood of undetected fraud as the newly appointed auditors may not be as familiar with a company's systems, potential control weakness and management override tendencies.
- Mandatory rotation of auditors will inherently result in higher audit fees due to the higher "start up" cost incurred in the early years of a new engagement.

- Mandatory rotation of auditors will be disruptive to the reporting company and, thereby, may jeopardize the timeliness of filings.
- Ongoing engagements of other non-audit related services provided by the firms could be unnecessarily disrupted during the rotation process.
- Knowing that they will be losing audit fees, firms may compromise their independence by becoming more concerned with their relationship with management in the latter years of their rotation cycle in order to position themselves to receive non-audit related services subsequent to their rotation period.

Finally, we believe that the increased responsibility and involvement of audit committees has had a positive impact on ensuring audit quality. The decisions regarding the initial appointment and retention of auditors is the responsibility of the audit committee and should be based on their professional judgment as to which firm and their respective engagement team is best suited to deliver a quality audit. In instances in which auditor independence has been adequately maintained, forcing the audit committee to select a different firm would take away the responsibility of the audit committee to do what is best for the Company and its investors.

Thank you for the opportunity to comment on this proposal. We appreciate your careful consideration of this issue.

Respectfully,

AmSurg Audit Committee

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