



THE READER'S DIGEST ASSOCIATION, INC.
750 THIRD AVENUE
NEW YORK, NY 10017

Mr. J. Gordon Seymour
Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

December 10, 2011

Re: PCAOB Rulemaking Docket Matter No. 37
Concept Release on Auditor Independence and Audit Firm Rotation

Dear Mr. Seymour:

Readers Digest Association's Audit Committee appreciates this opportunity to submit its comments to the Public Company Accounting Oversight Board (Board) in connection with the concept release on auditor independence and audit firm rotation.

As more fully described hereafter, we believe the existing professional standards and practices concerning auditor independence and audit firm rotation are adequate and we strongly encourage the Board not to mandate audit firm rotation.

We believe that the measures taken in recent years by the Board and the auditing profession have had a favorable effect on audit quality and auditor independence, objectivity and professional skepticism. We believe the existing body of regulations and professional standards are sufficient to ensure auditor independence and do not need to change currently.

In their own regard, the independent director members of the Audit Committee effectively carry out their role of oversight of the audit firm. They have a fiduciary responsibility to discharge their roles responsibly. RDA has a very active Audit Committee with whom the audit firm meets regularly. The Audit Committee members continually monitor the audit firm's independence and objectivity and they are best suited to determine audit firm rotations. The Audit Committee is well positioned to make this judgment because it is aware of the audit needs of the company rather than an arbitrary passage of time.

We believe mandatory firm rotation would harm corporate governance and investor interests rather than lead to more investor confidence. The length of audit firm tenure, in and of itself, is

not a threat to either auditor independence or audit quality. We note numerous regulators (including Congress) previously considered the concept of mandatory rotation and rejected it.

RDA is a global company and requires multiple audits around the world. There are only a few firms that have the resources to perform these audits. It takes years of learning to truly comprehend the dynamic and complex enterprise that RDA is. A significant advantage of longer audit firm tenure is that the auditor attains significant institutional knowledge and understanding of a company over time, as well as keen awareness of its risks which can enhance audit quality. As a result, the likelihood is greater that the audit firm will increasingly build its confidence leading to stronger independence, objectivity and skepticism. Conversely, a new firm rotating in will likely not be as confident or self-assured and to a greater degree less autonomous needing to rely more on company personnel to assist with its learning curve.

We cannot imagine any real tangible benefit that RDA's investors and lenders would gain from mandatory auditor rotation. Rather quite the opposite, we believe mandatory audit rotation would be a significant distraction on the business, would waste scarce resources and add unnecessary expense.

As fiduciaries for our investors, we would not choose mandatory audit rotation as a policy given the unacceptable risks and costs it brings.

Overall, the economic costs and audit risks associated with a mandatory firm rotation policy would be significant. We believe that the costs and risks of such a policy will have an adverse effect on audit quality and will far outweigh any perceived benefits. Therefore, we respectfully request that the Board not pursue any policy that would mandate compulsory audit firm rotation.


Marty Wade - Chairman