

Via EMAIL ([comments@pcaobus.org](mailto:comments@pcaobus.org))

December 14, 2011

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

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

Dear Chairman Doty:

McKesson Corporation (NYSE: MCK) appreciates the opportunity to provide a response to The Public Company Accounting Oversight Board (“PCAOB”) Rulemaking Docket Matter No. 37 – Concept Release on Auditor Independence and Audit Firm Rotation (“Concept Release”).

We recognize the importance of enhancing auditor independence, objectivity and professional skepticism and support the efforts of the PCAOB. However, we are not in favor of the proposed mandatory audit firm rotation. We understand the potential benefits outlined in the Concept Release; however, we believe mandatory audit firm rotation would not be the most efficient way to enhance auditor independence and audit quality.

As noted in the Concept Release, rotating audit firms results in considerable added costs and requires a significant effort to develop the level of expertise necessary to perform an effective audit. It also increases exposure to periods that are more susceptible to audit failures as such risks are heightened during the early years of newly engaged audits due to steep learning curves and the lack of in-depth knowledge within audit teams that are unfamiliar with the operational nuances of a complex organization. Additionally, multi-national companies that operate in specialized industries and utilize more than one of the large registered public accounting firms would encounter significant difficulties from mandatory audit firm rotations due to independence requirements and audit firm limitations.

We believe the audit committee serves a vital role in monitoring independence and is in the best position to determine whether audit firm rotation is appropriate. The enactment of the Sarbanes-Oxley Act of 2002 (the “Act”) imposed new regulations with respect to the audit process and refined the role of the audit committee. Section 301 of the Act directed the audit committee to be responsible for the appointment, compensation, and oversight of the work of any registered public accounting firm employed by the issuer.

We also believe other existing policies continue to improve the quality of auditor independence, objectivity and professional skepticism such as:

1. the requirement for registered public accounting firms to rotate its lead partner, other audit partners serving significant subsidiaries and engagement quality review partner promotes objectivity and provides opportunities to present new perspectives,
2. the imposed limitation on permitted non-audit services fosters an environment that supports an independent client-service relationship, and
3. the annual inspections and corrective actions of the PCAOB continue to improve audit methodologies, processes and quality control systems.

We understand the critical role of independence and value the continued effort of the PCAOB to improve audit quality. However, we believe the overall effect of mandatory audit firm rotation will result in disadvantages to the audit process that will outweigh the benefits.

We appreciate this opportunity to provide feedback regarding auditor independence and audit firm rotation and would be pleased to provide any additional information regarding this matter.

Respectfully,



Nigel A. Rees  
Vice President and Controller  
McKesson Corporation