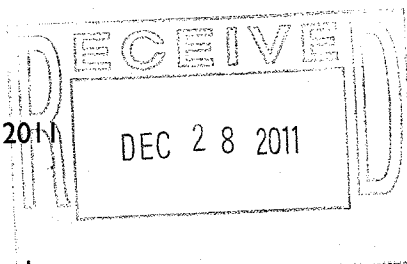




December 19, 2011



Public Company Accounting Oversight Board
Attention: Office of the Secretary
1666 K Street, NW
Washington, DC 20006-2803

Subject: Request for Public Comment on *Concept Release on Auditor Independence and Audit Firm Rotation*, Docket Matter No. 37.

Dear Board Members and Staff of the PCAOB,

Thank you for providing the Society of Louisiana CPAs the opportunity to share our views on the *Concept Release on Auditor Independence and Audit Firm Rotation*, issued by the Public Company Accounting Oversight Board on August 16, 2011. The Society of Louisiana CPAs (LCPA) represents over 6,300 CPAs working in public practice, government, business and industry and academia.

The Society of Louisiana CPAs applaud the PCAOB's interest in improving auditor independence, objectivity and skepticism, we see no evidence to support mandatory audit firm rotation as a strategy to realize that goal. We agree with the conclusions in the 2003 GAO study that "mandatory audit firm rotation may not be the most efficient way to enhance auditor independence and audit quality considering the additional financial costs and the loss of institutional knowledge of a public company's previous auditor of record. . ." Further, we agree with members of your own board who noted a lack of data to support this proposal.

The LCPA has a number of concerns, but we have chosen to highlight only a few here. We believe mandatory audit firm rotation could:

- Impose increased financial burden on companies already struggling in this economic climate, with no demonstrable increase in investor protection or confidence.
- Create a loss of knowledge base and efficiencies during the time a new auditor unfamiliar with client operations would need to reach the level of understanding an auditor with cumulative expertise and experience has.
- Have a global business impact on those companies that operate in many countries, creating situations where the audit firm must be changed across all jurisdictions, or use different firms in those jurisdictions that require rotation. Either possibility

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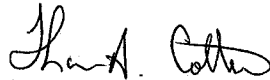
Grady R. Hazel, CPA

has the potential to increase audit risks and undermine the interests of investors.

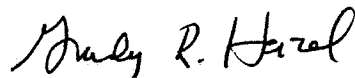
- Erode governance structure. We believe the Sarbanes-Oxley provisions regarding the responsibilities of the audit committee to hire and oversee the external auditor are critical to the system of investor protection. We are concerned that limiting the audit committee's ability to select the audit firm best suited for the issuer, based on industry specializations, geographic location and reach, or existing arrangements for non-audit services could force hiring decisions that are not in the best interests of investors or public protection.
- Effect on the audit profession. Audit quality is enhanced by the ability of audit firms to attract and retain high-performing and qualified professionals to conduct audits. Given that entire engagement teams would be displaced, mandatory audit firm rotation could mean that firms have to ask more of their partners and professionals to uproot their families more often than they already do under engagement partner rotation. As a result, mandatory audit firm rotation could result in higher attrition of staff that leave for other professions and could make the profession less attractive to potential new public company auditors.

The proposal for mandatory audit firm rotation is a significant change in established business practices for more than 100 years. There is virtually no evidence that links audit firm tenure to audit failures or lack of auditor independence, objectivity and professional skepticism. We urge you to go no further with your proposal to implement mandatory audit firm rotation. We suggest the PCAOB might better utilize its resources by focusing on exploring ways to enhance its inspection program to address ways to improve independence, objectivity and professional skepticism.

Sincerely yours,



Thomas A. Cotton, CPA
President
Society of Louisiana CPAs



Grady R. Hazel, CPA
Executive Director
Society of Louisiana CPAs