

From: [Blane Brown](#)
To: [Comments](#)
Subject: Opinion on PCAOB Release No. 2011-006
Date: Saturday, December 10, 2011 2:55:16 PM

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From: Blane Brown
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Subject: Opinion regarding PCAOB Release No. 2011-006

I have read the PCAOB's concept release on auditor independence and audit firm rotation titled PCAOB Release No. 2011-006. The release pertains primarily to determining if mandating audit firm rotation would increase auditor independence, objectivity, and professional skepticism; therefore, adding more value to each audit. In my opinion, the best way to address this topic is by listing the positives and negatives.

The concept of audit firm rotation, as well as all other concepts, has its positives and negatives. The positives aspects of a change to audit firm rotation would be that it could change the client-auditor relationship. This change will lead audit firms to have less pressure put on them by top clients to deliver favorable audit reports. Also, if audit firms know that other audit firms will scrutinize their work then they will be more inclined to be more thorough.

The negatives of audit firm rotation include the high cost of switching from one firm to another for the auditor and the client. Another negative is that audit quality might be worse during earlier years of the audit due to the high learning curve for new clients. Also, some large companies may have trouble finding new audit firms that can handle their audits. Finally, some audit firms may have a difficult time working around the firms that handle the other non-audit functions, such as consulting.

I believe that knowledge of an audit client gained by time and experience helps greatly to improve audit quality. Because of this I feel that audit firm rotation would not be the most beneficial way to improve audit quality. Independence and objectivity may rise but the quality of the audit may fall due to the steep learning curve and the additional burden that will be placed on clients as well as audit firms. I would recommend that the PCAOB look at the cost/benefit relationship to determine what effect this change will have to the overall goal of achieving high audit quality.

Yours truly,

Blane Brown
December 10, 2011