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PCAOB Rule to Improve Audit Transparency Approved by the SEC

AUDIT, PUBLIC COMPANIES
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On May 10, 2016, the Securities and Exchange Commission (SEC) approved the Public Company Accounting Oversight Board (PCAOB) rules that are aimed to improve the transparency of public company audits. PCAOB Release No. 2015-008 was issued this past December, and requires certain disclosures on the new PCAOB Form AP, *Auditor Reporting of Certain Audit Participants* (Form AP).

PCAOB firms will be required to file Form AP for each issuer audit, and will be required to disclose the name of the engagement partner, the name, location and extent of participation of each other accounting firm participating in the audit whose work constituted at least 5% of total audit hours, and the number and aggregate extent of participation of all other accounting firms participating in the audit whose individual participation was less than 5% of total audit hours. The information filed in Form AP will be available to the public in a searchable database on the PCAOB's website.

Audit firms will be required to file the PCAOB Form AP for all public company audits issued on or after January 31, 2017, and information about other firms participating in the audit must be filed for all public company audits issued on or after June 30, 2017. Ultimately, the goal of the new form is to address concerns in the investor community about the transparency of audits, and to provide additional information to the investor community to make informed decisions.

Contact us with questions about the PCAOB Form AP and read about the services that Schneider Downs offers public companies.

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