

AN ALERT FROM THE BDO NATIONAL ASSURANCE PRACTICE

BDO FLASH REPORT

CORPORATE GOVERNANCE



SUBJECT

PCAOB AUDIT QUALITY INDICATORS AND SEC AUDIT COMMITTEE DISCLOSURE FACT SHEETS FOR AUDIT COMMITTEES

SUMMARY

The Center for Audit Quality (the CAQ) is issuing two fact sheets to encourage and aid stakeholders, particularly audit committees, in providing their comments to the PCAOB and the SEC on their respective recent concept releases:

- ▶ [PCAOB Concept Release on Audit Quality Indicators \(AQI\):
Summary & Consideration for Stakeholder Comment](#)
(Comments due September 29, 2015)
- ▶ [SEC Concept Release on Audit Committee Disclosures:
Summary & Consideration for Stakeholder Comment](#)
(Comments due September 8, 2015)

NEXT STEPS

Each of the concept releases cited above contain background information and commentary along with various questions posed to stakeholders that are designed to inform the PCAOB and SEC, respectively, as they move forward with their audit quality and transparency initiatives. Within the fact sheets, the CAQ highlights specific areas of particular importance within each of the concept releases for consideration. We encourage you to review the fact sheets along with other information, including BDO's recent [PCAOB Alert](#) and [SEC Alert](#), highlighting each of the above releases, and consider commenting on these significant projects.

BDO USA CORPORATE GOVERNANCE PRACTICE

BDO USA's Corporate Governance Practice was developed to provide guidance to corporate boards. The firm works with a wide variety of clients, ranging from entrepreneurial businesses to multinational Fortune 500 corporations, on a myriad of accounting, tax, risk management and forensic investigation issues.

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Please note, in addition to many other areas for consideration, the SEC concept release references the PCAOB's AQI release and asks whether it would be appropriate for the audit committee to provide disclosure around the discussion of AQIs. The SEC Concept Release on Audit Committee Disclosures also references other pending regulatory projects, including the [PCAOB's Proposed Auditing Standards on the Auditor's Report and the Auditor's Responsibilities Regarding Other Information and Related Amendments](#) and [Supplemental Request for Comment: Rules to Require Disclosure of Certain Audit Participants on a New PCAOB Form](#) and specifically requests comments on whether disclosure of the lead engagement partner's name and audit firm tenure might be appropriate by the audit committee. In an effort to avoid confusion, the CAQ intentionally did not highlight within the Fact Sheets any of these policy issues that are cross-referenced in the various regulatory projects.

The PCAOB's AQI concept release is available [here](#). The SEC's Audit Committee Disclosures concept release is available [here](#).

For additional audit committee tools and resources, visit BDO's Board Governance page at: <https://www.bdo.com/services/assurance/board-governance/overview>.

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