

AN OFFERING FROM THE BDO GOVERNANCE AND FINANCIAL REPORTING CENTER

PCAOB ADOPTS RULES REQUIRING DISCLOSURE OF THE ENGAGEMENT PARTNER AND OTHER ACCOUNTING FIRMS PARTICIPATING IN AN AUDIT

At the PCAOB's open meeting, held on December 15, 2015, the PCAOB adopted rules requiring disclosure of the engagement partner and other accounting firms participating in an audit¹. The new rules and amendments, if approved by the SEC, are effective as follows:

Disclosure of engagement partner name	Reports issued on or after January 31, 2017
Disclosure of other audit firms participating in the audit	Reports issued on or after June 30, 2017

The new rules and amendments are accessible [here](#) and a summary in the form of a PCAOB Fact Sheet [here](#).

The new rules will require audit firms to disclose the names of each audit engagement partner as well as the names of other audit firms that participate in the audit in a new Form AP, *Auditor Reporting of Certain Audit Participants*, for each issuer audit. Disclosure will include:

- ▶ The name of the engagement partner;
- ▶ The names, locations and extent of participation of other accounting firms that took part in the audit, if their work constituted 5 percent or more of the total audit hours; and
- ▶ The number and aggregate extent of participation of all other accounting firms that took part in the audit whose individual participation was less than 5 percent of total audit hours.

To assist firms in complying with the requirements of Form AP, the PCAOB intends to publish an implementation guide that will address questions that may arise in completing Form AP, including the use of estimates in determining the extent of participation of other accounting firms. The guide is expected to be issued shortly after the SEC approves the rules.

The standard filing deadline for Form AP will be 35 days after the date the auditor's report is first included in a document filed with the SEC. However, for an initial public offering that date is 10 days after such a filing. The data reported on Form AP will be accessible through a searchable database on the PCAOB's website.

We encourage you to explore the resources cited as you fulfill your duties on behalf of the boards and companies that you serve. For additional audit committee tools and resources, visit BDO's Board Governance page at: www.bdo.com/services/assurance/board-governance/overview.

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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¹ This Alert updates BDO's previous July 2015 *Alert*, which described the PCAOB's supplemental request for comment on *Rules to Require Disclosure of Certain Audit Participants on a New PCAOB Form*.