

For instructions on how to ensure receipt of our emails, please [click here](#). Thank you!



CAQ Alert #2012-16 November 9, 2012

DEAR CENTER MEMBERS

Reference to the Standards of the PCAOB in Auditors' Reports

Public Company Accounting Oversight Board (PCAOB) [Auditing Standard No. 1, References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board](#), requires an auditor, in connection with audit engagements performed for issuers in accordance with the auditing and related professional practice standards of the PCAOB, to refer to the “**standards of the Public Company Accounting Oversight Board (United States)**” in the auditor's report. It **would not** be appropriate for the auditor's report for issuers or other entities that require compliance with PCAOB requirements to reference only the **auditing standards** of the PCAOB, as this may imply that the auditor did not adhere to the PCAOB's related professional practice standards in conducting the audit. For example, when the principal auditor makes reference in their report to the report of another auditor, including an auditor of a non-issuer equity method investee, the other auditor's report must refer to the standards of the PCAOB and not be limited to the auditing standards of the PCAOB.

Section 4110.5 of the SEC's Division of Corporation Finance [Financial Reporting Manual](#) provides further information, including a chart that outlines the application of certain PCAOB reporting requirements in SEC filings for various types of entities.

Stay Informed

As a member of the Center for Audit Quality (CAQ), you will receive timely communication of important regulatory and legislative developments related to the public company auditing environment through our *Alerts* and *Public Policy Monitor*. We welcome your feedback. Questions or comments can be submitted to CAQ staff by e-mail: center@thecaq.org or by phone: 1-888-817-3277. Have a technical inquiry? Please visit our [technical inquiry resource](#).

©2012 Center for Audit Quality. All Rights Reserved. CAQ Member and CAQ Associate Member firms may use and distribute CAQ Alerts for internal, non-commercial purposes. No part may be otherwise reproduced, stored in a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording, scanning or otherwise), without the written permission of CAQ. Requests to CAQ should be addressed to: 1155 F St., N.W., Suite 450, Washington D.C. 20004, or emailed to: info@thecaq.org.