

House Panel Approves Ban on Mandatory Auditor Rotation

JUNE 20, 2013

The House Financial Services Committee has approved a bill that would prohibit the Public Company Accounting Oversight Board from imposing mandatory auditor rotation. The bill, which passed with bi-partisan support, provides that the PCAOB shall have no authority “to require that audits conducted for a particular issuer in accordance with the standards set forth under this section be conducted by specific auditors, or that such audits be conducted for an issuer by different auditors on a rotating basis.” As with all proposed legislation, it is, at best, uncertain whether this bill will become law. But it does send something of a signal to the PCAOB.