
PCAOB Adopts New Auditing Standard on Related Party Transactions and Other Matters

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On June 10, the Public Company Accounting Oversight Board adopted [new and amended auditing standards](#) for auditing relationships and transactions with related parties, significant and unusual transactions, and financial relationships and transactions with executive officers. The final standards largely follow the Board's proposals in May 2013. (See [this previous post](#).) In its 223-page adopting release and comments from members, the Board, in addition to adopting new substantive audit procedures, emphasized that the new standards will expand requirements relating to the auditor's communications with a company's audit committee about these matters.

The new standards are subject to SEC approval, including the special findings required by the JOBS Act to apply them to audits of emerging growth companies. If approved, the new standards will be effective for audits of companies with fiscal years beginning after December 15, 2014, including reviews of interim financial statements within those years.