

SEC Approves PCAOB Standard for Auditor Communications

DECEMBER 18, 2012

On December 17, the Securities and Exchange Commission [approved](#) the Public Company Accounting Oversight Board's Auditing Standard 16—*Communications with Audit Committees*. The new standard will apply to audits for fiscal years beginning on or after December 15, 2012. Note that AS 16 has also been incorporated into the PCAOB's standard for reviews of interim financial statements (SAS No. 100 or AU 722). Therefore, some aspects of the standard will come into play in the first quarter of 2013 for issuers with calendar fiscal years. In addition, the SEC expressly determined under the requirements of the JOBS Act that application of AS 16 to emerging growth companies is "necessary or appropriate in the public interest, after considering the protection of investors and whether the action will promote efficiency, competition, and capital formation." (For more information on AS 16, see our newsletter, [PCAOB Focuses on Audit Committee Interactions with Auditors](#).)