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## SEC To Review Audit Committee Report in Proxy Statement

MAY 29, 2014

In a May 20 [Speech at the Financial Accounting Foundation Trustees Dinner](#), SEC Chair Mary Jo White said that the SEC has initiated a review of the audit committee report that is included in proxy statements. The report, which is signed by the members of a company's audit committee, currently requires specified information about communications with accountants and the committee's recommendation regarding filing of the company's Form 10-K. Recently, governance groups and SEC staff members have recommended that audit committees consider voluntary disclosure of additional information about the committee and its work (see [this previous post](#) and [this post](#)).

Ms. White reported that she has asked the SEC staff to examine the existing audit committee report to "make it more useful to investors." She observed that investors have expressed interest in increased transparency into audit committee activities and that audit committee reporting requirements had not changed in a number of years. In light of that, she said, "I think it is time to take a look at whether improvements can be made."

Ms. White also commented on the application of International Financial Reporting Standards to domestic issuers. Noting that the SEC is being pressed by foreign regulators and standard-setters to state a position, and that it last spoke as a commission on the subject of incorporation of IFRS in February 2010, she stated that she has "made it a priority for the Commission to position itself to make a further statement on this very important subject." She did not provide any substance but added, "I hope to be able to say more in the relatively near future."