

# New PCAOB Rules Require Disclosure of Audit Engagement Partner & Other Participating Firms

Subject to Securities and Exchange Commission (SEC) approval, investors and other financial statement users soon will receive more information about the parties involved in a public company's audit, including the names of engagement partners and other firms that participated in the audit.

On December 15, 2015, the Public Company Accounting Oversight Board (PCAOB) unanimously agreed to new rules requiring audit firms to file Form AP, *Auditor Reporting of Certain Audit Participants*, for each issuer audit. Required disclosures include the following:

Requirements of Form AP, <i>Auditor Reporting of Certain Audit Participants</i>	Effective Date
The name of the engagement partner	Effective for auditor's reports issued on or after January 31, 2017, or three months after SEC approval of the final rules, whichever is later
The names, locations and extent of participation of other accounting firms that participated in the audit, when their work constituted 5 percent or more of the engagement's total audit hours, including firms in other countries	Effective for auditor's reports issued on or after June 30, 2017
The number and aggregate extent of participation of all other accounting firms that participated in the audit for which individual participation was less than 5 percent of the engagement's total audit hours, including firms in other countries	

The adopted rules require auditors to file Form AP no later than 35 days after the date the auditor's report is first included in a document filed with the SEC. In the case of initial public offerings, auditors are required to file Form AP no later than 10 days after the auditor's report is first included in a document filed with the SEC. PCAOB staff plans to publish guidance in 2016 relating to compliance with Form AP reporting requirements.

*In response to auditors' concerns, auditors will not disclose the audit engagement partner and other participating firms in the auditor's report. In addition to filing this information on Form AP, the audit firm may voluntarily provide information about the engagement partner, other accounting firms or both in the auditor's report. The PCAOB will make available the information reported on Form AP (short for Audit Participants) in a single searchable database on the PCAOB's website.*

Additional information is available in PCAOB's Form AP [fact sheet](#). The 91-page final rule, as well as rulemaking details and documents released since the PCAOB issued a concept release in 2009, is available on PCAOB's website under [Docket 029: Improving Transparency through Disclosure of Engagement Partner and Certain Other Participants in Audits](#). For additional information, consult your BKD advisor.

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