

PCAOB Chairman Mark Olson and EU Commissioner Charlie McCreevy Meet to Discuss Furthering Cooperation in the Oversight of Audit Firms

Washington, DC, March 6, 2007 – Chairman Olson and Commissioner McCreevy met today to discuss steps to enhance cooperation between the PCAOB and European auditor oversight bodies and advance collaborative efforts in 2007. Chairman Olson and Commissioner McCreevy agreed to launch roadmap discussions on cooperation between the PCAOB and EU regulators. They have mandated their staff to commence work and will review progress at their next meeting. The goal is to enable the PCAOB and EU auditor regulators that have independent and rigorous oversight systems to move toward full reliance by 2009. Both sides will take stock and review progress in October 2007.

Currently, there are over 760 non-US firms from 83 countries registered with the PCAOB, including approximately 265 firms located in the European Union, some portion of which will be subject to inspection. Once registered with the PCAOB, non-US firms meeting certain criteria are subject to the inspection requirements of the Sarbanes-Oxley Act.

Similarly, under the European Union's new Directive on Statutory Auditors, certain non-European audit firms will be required to be inspected by European regulators unless their home-country system is considered to be equivalent to the public oversight requirements set forth in the Directive.

Chairman Olson and Commissioner McCreevy noted that increased cooperation and reliance on the home-country regulator's work would save resources and reduce regulatory overlap, as well as strengthen global confidence in audited financial statements. Although countries may have different frameworks, types of institutions, standards and rules, all have the same objective of improving audit quality and restoring confidence in financial reporting.

Chairman Olson stated, "Having entered our fifth year of operation and with some experience now in the inspection and oversight of non-US firms registered with the PCAOB, it makes sense that the Board would take the time at this stage to consider how the PCAOB may further implement its international policy of cooperating with other regulators to the maximum extent possible. This consideration is facilitated by the fact that auditor oversight bodies worldwide continue to grow in numbers and capacity. As more countries around the world take steps to protect the integrity of their own capital markets by strengthening auditor oversight, regulators must find ways to rely reasonably on each other in accomplishing our shared objective."

To promote such reliance, the PCAOB will consider issuing further policy guidance regarding its reliance on non-US regulators. The PCAOB plans to consult with key jurisdictions worldwide, including the European Commission and the EU Member States, as part of developing such potential guidance. Chairman Olson and Commissioner McCreevy will confer in October 2007 on the progress of the PCAOB's policy guidance as well as the work on the equivalency and other determinations that are required under the EU's Statutory Auditor Directive.

Media Inquiries: Public Affairs, 202-207-9227

The PCAOB is a private-sector, non-profit corporation, created by the Sarbanes-Oxley Act of 2002, to oversee the auditors of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, fair, and independent audit reports.

News & Events Headlines

Events

- [Forum on Auditing in the Small Business Environment](#)

News

- [PCAOB Chairman Olson and EU Commissioner McCreevy Meet to Discuss Furthering Cooperation in the Oversight of Audit Firms](#)
- [Board Issues Report on Auditors' Implementation of PCAOB Standards Relating to Auditors' Responsibilities With Respect to Fraud](#)
- [Board Proposes Revised Auditing Standard on Internal Control over Financial Reporting](#)

What's New

- [View a list of web site updates or join the mailing list.](#)

News & Event Archives

Webcasts

- [Listen to web casts of past Board, Standing Advisory Group, and roundtable meetings.](#)

