



Public Company Accounting Oversight Board

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PROPOSED TECHNICAL AMENDMENTS TO  
INTERIM STANDARDS RULES

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) PCAOB Release No. 2003-022  
) November 12, 2003

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) PCAOB Rulemaking  
) Docket Matter No. 011  
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Summary: The Public Company Accounting Oversight Board (the "Board" or "PCAOB") has proposed certain technical amendments to its rules to reflect that the Board will be superceding, or effectively amending, the existing professional standards referred to in the Board's interim standards rules as the Board continues to set auditing and related professional practice standards.

Public  
Comment: Interested persons may submit written comments to the Board. Such comments should be sent to the Office of the Secretary, PCAOB, 1666 K Street, N.W., Washington, D.C. 20006-2803. Comments may also be submitted by e-mail to [comments@pcaobus.org](mailto:comments@pcaobus.org) or through the Board's Web site at [www.pcaobus.org](http://www.pcaobus.org). All comments should refer to PCAOB Rulemaking Docket Matter No. 011 in the subject or reference line and should be received by the Board no later than 5:00 p.m. EST on December 4, 2003.

Board  
Contacts: Thomas Ray, Deputy Chief Auditor (202/207-9112; [rayt@pcaobus.org](mailto:rayt@pcaobus.org)),  
Greg Scates, Associate Chief Auditor (202/207-9114;  
[scatesg@pcaobus.org](mailto:scatesg@pcaobus.org)).

## **RELEASE**

### **A. Proposed Amendments to the Board's Rules Relating to Interim Standards**

The Board is proposing certain technical amendments to its interim standards rules to reflect that the Board will be superceding, or effectively amending, the existing professional standards referred to in the Board's interim standards rules as the Board continues to set auditing and related professional practice standards.

On April 16, 2003, the Board adopted on an initial, transitional basis five temporary rules that refer to existing professional standards of auditing, attestation, quality control, ethics, and independence. The professional standards adopted by the Board through its interim standards rules are comprised of individual sections that address specific subject matters, for example, the auditor's responsibility for fraud in a financial statement audit, and the audit confirmation process, among other subjects. The amendments proposed today reflect that when the Board adopts a new auditing and related professional practice standard that addresses a subject matter that also is addressed in the interim standards, the affected portion of the interim standards will be superseded or effectively amended. Accordingly, the Board is proposing to add the phrase "to the extent not superseded or amended by the Board" to each of the interim standards rules (PCAOB Rules 3200T, 3300T, 3400T, 3500T, and 3600T).

### **B. Opportunity for Public Comment**

The Board will seek comment on the proposed rule amendments for a 21-day period. Interested persons are encouraged to submit their views to the Board. Written comments should be sent to Office of the Secretary, PCAOB, 1666 K Street, N.W., Washington, D.C. 20006-2803. Comments may also be submitted by e-mail to [comments@pcaobus.org](mailto:comments@pcaobus.org) or through the Board's Web site at [www.pcaobus.org](http://www.pcaobus.org). All comments should refer to PCAOB Rulemaking Docket Matter No. 011 in the subject or reference line and should be received by the Board no later than 5:00 p.m. EST on December 4, 2003.

The Board will carefully consider all comments received. Following the close of the comment period, the Board will determine whether to adopt final amended Rules, with or without amendments. Any final amended Rule adopted will be submitted to the Securities and Exchange Commission for approval. Pursuant to Section 107 of the Act, proposed rules of the Board do not take effect unless approved by the Commission.

**RELEASE**

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On the 12th day of November, in the year 2003, the foregoing was, in accordance with the bylaws of the Public Company Accounting Oversight Board,

ADOPTED BY THE BOARD.

/s/ J. Gordon Seymour

J. Gordon Seymour  
Acting Secretary

November 12, 2003

APPENDIX –

Proposed Amendments to the Board's –

Rule 3200T, Interim Auditing Standards

Rule 3300T, Interim Attestation Standards

Rule 3400T, Interim Quality control Standards

Rule 3500T, Interim Ethics Standards

Rule 3600T, Interim Independence Standards

## RELEASE

### Appendix – Amendments to Rules Relating to Interim Professional Auditing Standards

Proposed additions to the Board's rules are shown in *bold italics*.

#### RULES OF THE BOARD

#### SECTION 3. PROFESSIONAL STANDARDS

##### Part 1 – General Requirements

##### **Rule 3200T. Interim Auditing Standards.**

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with generally accepted auditing standards, as described in the AICPA Auditing Standards Board's Statement of Auditing Standards No. 95, as in existence on April 16, 2003 (Codification of Statements on Auditing Standards, AU § 150 (AICPA 2002)), *to the extent not superseded or amended by the Board.*

Note: Under Section 102(a) of the Act, public accounting firms are not required to be registered with the Board until 180 days after the date of the determination of the Commission under section 101(d) that the Board has the capacity to carry out the requirements of Title I of the Act (the "mandatory registration date"). The Board intends that, during the period preceding the mandatory registration date, the Interim Auditing Standards apply to public accounting firms that would be required to be registered after the mandatory registration date and to associated persons of those firms, as if those firms were registered public accounting firms.

##### **Rule 3300T. Interim Attestation Standards.**

In connection with an engagement (i) described in the AICPA's Auditing Standards Board's Statement on Standards for Attestation Engagements No. 10 (Codification of Statements on Auditing Standards, AT § 101.01 (AICPA 2002)) and (ii) related to the preparation or issuance of audit reports for issuers, a registered public accounting firm, and its associated persons, shall comply with the AICPA Auditing Standards Board's Statements on Standards for Attestation Engagements, and related interpretations and Statements of Position, as in existence on April 16, 2003, *to the extent not superseded or amended by the Board.*

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Note: The Board intends that, during the period preceding the mandatory registration date, the Interim Attestation Standards apply to public accounting firms that would be required to be registered after the mandatory registration date and to associated persons of those firms, as if those firms were registered public accounting firms.

### **Rule 3400T. Interim Quality Control Standards.**

A registered public accounting firm, and its associated persons, shall comply with quality control standards, as described in –

(a) the AICPA's Auditing Standards Board's Statements on Quality Control Standards, as in existence on April 16, 2003 (AICPA Professional Standards, QC §§ 20-40 (AICPA 2002)); and

(b) the AICPA SEC Practice Section's Requirements of Membership (d), (f)(first sentence), (l), (m), (n)(1) and (o), as in existence on April 16, 2003 (AICPA SEC Practice Section Manual § 1000.08(d), (f), (j), (m), (n)(1) and (o)),

***to the extent not superseded or amended by the Board.***

Note: The second sentence of requirement (f) of the AICPA SEC Practice Section's Requirements of Membership provided for the AICPA's peer review committee to "authorize alternative procedures" when the requirement for a concurring review could not be met because of the size of the firm. This provision is not adopted as part of the Board's Interim Quality Control Standards. After the effective date of the Interim Quality Control Standards, requests for authorization of alternative procedures to a concurring review may, however, be directed to the Board.

Note: The Board intends that, during the period preceding the mandatory registration date, the Interim Quality Control Standards apply to public accounting firms that would be required to be registered after the mandatory registration date and to associated persons of those firms, as if those firms were registered public accounting firms.

## RELEASE

### **Rule 3500T. Interim Ethics Standards.**

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with ethics standards, as described in the AICPA's Code of Professional Conduct Rule 102, and interpretations and rulings thereunder, as in existence on April 16, 2003 (AICPA Professional Standards, ET §§ 102 and 191 (AICPA 2002)), ***to the extent not superseded or amended by the Board.***

Note: The Board intends that, during the period preceding the mandatory registration date, the Interim Ethics Standards apply to public accounting firms that would be required to be registered after the mandatory registration date and to associated persons of those firms, as if those firms were registered public accounting firms.

### **Rule 3600T. Interim Independence Standards.**

In connection with the preparation or issuance of any audit report, a registered public accounting firm, and its associated persons, shall comply with independence standards –

(1) as described in the AICPA's Code of Professional Conduct Rule 101, and interpretations and rulings thereunder, as in existence on April 16, 2003 (AICPA Professional Standards, ET §§ 101 and 191 (AICPA 2002)); and

(2) Standards Nos. 1, 2, and 3, and Interpretations 99-1, 00-1, and 00-2, of the Independence Standards Board,

***to the extent not superseded or amended by the Board.***

Note: The Board's Interim Independence Standards do not supercede the Commission's auditor independence rules. See Rule 2-01 of Reg. S-X, 17 C.F.R. 240.2-01. Therefore, to the extent that a provision of the Commission's rule is more restrictive – or less restrictive – than the Board's Interim Independence Standards, a registered public accounting firm must comply with the more restrictive rule.

**RELEASE**

Note: The Board intends that, during the period preceding the mandatory registration date, the Interim Independence Standards apply to public accounting firms that would be required to be registered after the mandatory registration date and to associated persons of those firms, as if those firms were registered public accounting firms.