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other auditors on an audit.

Jason Bramwell • Aug. 18, 2022



The Securities and Exchange Commission (SEC) last week approved [changes made by the Public Company Accounting Oversight Board \(PCAOB\) in June](#) to existing rules for audits that involve multiple auditing firms.



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Aug. 12.

The vote on June 21 by the PCAOB was a long time coming. First proposed in 2016, the PCAOB issued additional rule proposals and held comment periods in 2017 and 2021 regarding the planning and supervision of audits involving other auditors.

“Today’s amendments to the auditing standards on the supervision of audits involving other auditors demonstrate a thoughtful and thoroughly considered approach to rulemaking,” SEC Commissioner Mark Uyeda said in a [written statement on Aug. 12](#). “These amendments culminate a multi-year effort to ensure that stakeholders had opportunities to provide feedback to the Public Company Accounting Oversight Board as it considered and refined the amendments before finalization.”

After unanimously approving the changes on June 21, the PCAOB said the amended standards strengthen existing requirements and responsibilities that apply to the lead auditor in planning and performing audits that involve outside auditors. These include increasing the lead auditor’s involvement in and evaluation of the work of other auditors and aligning the applicable requirements with the regulator’s risk-based supervisory standards—with the goal of better-quality audits.

The PCAOB also approved a brand-new auditing standard, AS 1206, *Dividing Responsibility for the Audit with Another Accounting Firm*, that provides guidance for situations when the lead auditor divides responsibility for a portion of the audit with another audit firm and therefore does not supervise the work performed by that firm.

Gensler, who was [critical of the PCAOB last month](#) for being too slow to update existing auditing standards, praised the board last Friday for its work on updating the rules on the use of other auditors—the first standards the audit regulator has adopted since Erica Williams took over as PCAOB chair in January.

“I look forward to the additional standard-setting work the PCAOB will undertake to

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