



## PCAOB Reproposes Auditing Standard on Engagement Quality Review

**Washington, DC, March 4, 2009** – The PCAOB today voted to repropose for comment an auditing standard on Engagement Quality Review (EQR). The Board first proposed a new standard on EQR on February 26, 2008.

Since then, the Board has made extensive changes to the original proposal and is now seeking comment on the revised EQR standard. The proposal would supersede the Board's quality control standard, SECPS Requirements of Membership, Section 1000.08(f).

The Sarbanes-Oxley Act of 2002 directs the Board to include in its auditing standards a requirement that each registered public accounting firm "provide a concurring or second partner review and approval of [each] audit report (and other related information), and concurring approval in its issuance, by a qualified person (as prescribed by the Board) associated with the public accounting firm, other than the person in charge of the audit, or by an independent reviewer (as prescribed by the Board)."

The proposed standard would apply to all audit engagements and engagements to review interim financial information conducted pursuant to the standards of the PCAOB.

The proposed EQR standard provides a framework for an engagement quality reviewer to objectively evaluate the significant judgments made by the engagement team and the conclusions reached in forming an overall conclusion on the engagement.

"This proposed EQR standard focuses the engagement quality reviewer's attention on those matters that increase the likelihood of identifying and correcting significant engagement deficiencies before the audit report is issued," said PCAOB Chairman Mark W. Olson. "The proposed standard would go a long way to improve the existing EQR process for public company audits."

The Board is seeking comment on this proposed standard for a 45-day period.

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*The PCAOB is a private-sector, nonprofit 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.*