
PCAOB Issues Concept Release Aimed at Enhancing Auditor Independence, Objectivity and Professional Skepticism

Date: 08/18/11

On August 16, 2011, the Public Company Accounting Oversight Board ("PCAOB") issued a concept release to solicit public comments on ways to enhance auditor independence, objectivity and professional skepticism. The concept release focuses on one possible approach to accomplish this goal-mandatory audit firm rotation. Mandatory audit firm rotation would entail a regulatory limitation on auditor tenure and is intended as a means by which to address the fundamental conflict that can result from the fact that auditors are paid by the companies they audit and may therefore put their clients' interests ahead of investors' interests.

Attorney

- Charles A. Gilman