

# PCAOB Auditing Standard 18 and Related Amendments Effective Soon

**December 3, 2014** — On October 21, 2014, the SEC issued an order<sup>1</sup> approving PCAOB Auditing Standard 18, amendments to certain PCAOB auditing standards regarding significant unusual transactions, and other amendments to PCAOB auditing standards, including required procedures to obtain an understanding of a company's financial transactions with its executive officers.<sup>2</sup>

The standard and amendments are a culmination of a standard-setting process that included the PCAOB's issuance of an original proposal on February 28, 2012, a reproposal on May 7, 2013, and consideration of feedback from comment letters. On June 10, 2014, the PCAOB issued the standard and amendments. As part of its approval process, the SEC exposed the standard and amendments for additional public comment on July 24, 2014. No changes were made as a result of that process.

Auditing Standard 18 supersedes PCAOB AU Sections 334<sup>3</sup> and 9334.<sup>4</sup> The standard and amendments are effective for audits and quarterly reviews of issuers for fiscal years beginning on or after December 15, 2014.

For detailed information about the standard and amendments, see Deloitte's June 23, 2014, *Heads Up*.

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<sup>1</sup> SEC Release No. 34-73396, *Public Company Accounting Oversight Board; Order Granting Approval of Proposed Rules on Auditing Standard No. 18, Related Parties, Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions, and Other Amendments to PCAOB Auditing Standards*.

<sup>2</sup> PCAOB Release No. 2014-002, *Auditing Standard No. 18, Related Parties, Amendments to Certain PCAOB Auditing Standards Regarding Significant Unusual Transactions, and Other Amendments to PCAOB Auditing Standards*.

<sup>3</sup> PCAOB AU Section 334, *Related Parties*.

<sup>4</sup> PCAOB AU Section 9334, *Related Parties: Auditing Interpretations of Section 334*.

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