

**UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION**

**Securities Act of 1933
Release No. 9162 / December 10, 2010**

**Securities Exchange Act of 1934
Release No. 63526 / December 10, 2010**

**ORDER APPROVING PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD
SUPPLEMENTAL BUDGET REQUEST TO ESTABLISH AN OFFICE OF OUTREACH
AND SMALL BUSINESS LIAISON IN 2010**

The Sarbanes-Oxley Act of 2002¹ (the “Sarbanes-Oxley Act”) established the Public Company Accounting Oversight Board (the “PCAOB”) to oversee the audits of companies and related matters, to protect investors, and to further the public interest in the preparation of informative, accurate and independent audit reports. The PCAOB is to accomplish these goals through registration of public accounting firms and standard setting, inspection, and disciplinary programs. Section 109 of the Sarbanes-Oxley Act directs the PCAOB to establish a budget for each fiscal year in accordance with the PCAOB’s internal procedures, subject to approval by the Securities and Exchange Commission (the “Commission”).

The Commission’s Rules of Practice related to its Informal and Other Procedures includes a rule to facilitate the Commission’s review and approval of PCAOB budgets.² This budget rule provides, among other things, a timetable for the preparation and submission of the PCAOB budget, limits on the PCAOB’s ability to incur expenses and obligations except as provided in the approved budget, and procedures relating to supplemental budget requests. In

¹ 17 U.S.C. 7202 *et seq.*

² 17 CFR 202.190. *See* Release No. 33-8724 (July 18, 2006) [71 FR 41998 (July 24, 2006)].

accordance with the Commission's budget rule, the PCAOB submitted to the Commission a budget for calendar year 2010 that was approved by the Commission on December 22, 2009.³

Effective July 21, 2010, Section 982 of the Dodd-Frank Wall Street Reform and Consumer Protection Act⁴ (the "Dodd-Frank Act") amended the Sarbanes-Oxley Act to authorize the PCAOB, among other things, to establish, subject to approval by the Commission, auditing and related attestation, quality control, ethics, and independence standards to be used by registered public accounting firms with respect to the preparation and issuance of audit reports to be included in broker-dealer filings with the Commission.⁵ In light of this new authority, the PCAOB reassessed its communications and outreach strategy.

As a result of this reassessment, the PCAOB intends to enhance its outreach function by establishing a new Office of Outreach and Small Business Liaison ("Office of Outreach") to act as a liaison between the PCAOB and any PCAOB-registered public accounting firm, or any other person affected by the Board's regulatory activities, including in particular, entities in the small business community, such as the auditors of broker-dealers. In order to establish this office in 2010, the PCAOB is required under the budget rule to submit a supplemental budget request for Commission approval.⁶ Pursuant to the procedures set forth in the budget rule, on October 28, 2010, the PCAOB submitted to the Commission a supplemental budget request seeking approval to establish the Office of Outreach in 2010.⁷

³ See Release No. 34-61212 (Dec. 22, 2009).

⁴ Pub. L. No. 111-203, 124 Stat. 1376 (July 21, 2010).

⁵ 15 U.S.C. 78a *et seq.*

⁶ See 17 CFR 240.190(b)(10).

⁷ 17 CFR 202.190(f).

The Board believes that the creation of the Office of Outreach would not result in a net cost increase in 2010. To the extent that any unanticipated costs emerge, the PCAOB proposes to accommodate them from within available funds currently budgeted for the Office of Communications in 2010. Costs associated with the Office of Outreach in future years will be considered by the Commission as part of its review of the PCAOB budgets for those years.

Staff from the Commission's Offices of the Chief Accountant and Executive Director reviewed and analyzed the PCAOB's supplemental budget request and did not identify any matters that are inconsistent with Section 109 of the Sarbanes-Oxley Act or the Commission's budget rule. Upon considering the staff's review and analysis, the Commission has determined that the PCAOB's request to create the Office of Outreach in 2010 is consistent with Section 109 of the Sarbanes-Oxley Act and the Commission's budget rule. Accordingly,

IT IS ORDERED, pursuant to Section 109 of the Sarbanes-Oxley Act, that the PCAOB's supplemental budget request to create the Office of Outreach in 2010 is approved.

By the Commission.

Elizabeth M. Murphy
Secretary