SEC Approves 2020 PCAOB Budget and Accounting Support Fee

FOR IMMEDIATE RELEASE
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Washington D.C., Dec. 18, 2019 — The Securities and Exchange Commission voted today to approve the 2020 budget of the Public Company Accounting Oversight Board (PCAOB) and the related annual accounting support fee.

The 2020 PCAOB budget totals $284.7 million, an increase of approximately 4.0% from its 2019 budget. The accounting support fee totals $270.2 million, approximately 2.8% more than the 2019 accounting support fee, of which $239.7 million will be assessed on public companies and $30.5 million will be assessed on broker-dealers. The accounting support fee approximates the PCAOB’s annual budget, with differences generally attributable to certain timing differences in fee collections and PCAOB expenditures, adjustments to the working capital reserve, and the potential for unspent funds from the prior year budget being carried forward into the accounting support fee calculation.

The Sarbanes-Oxley Act of 2002, which established the PCAOB, provides the Commission with oversight responsibility over the PCAOB. This includes reviewing and approving the PCAOB’s budget and accounting support fee annually. In addition to the approval of the budget and the support fee, the Commission and the PCAOB coordinate on various matters, including standard setting, inspections and enforcement, principally through regular staff meetings as well as direct contact between the Commission and the PCAOB’s Board.

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FACT SHEET
Public Company Accounting Oversight Board 2020 Budget and Accounting Support Fee
December 18, 2019

Highlights

The Securities and Exchange Commission today voted to approve the 2020 budget of the Public Company Accounting Oversight Board (PCAOB) and the related annual accounting support fee.

On November 19, 2019, the PCAOB adopted its 2020 budget, accounting support fee, and its strategic plan for 2019-2023, including:

- A total budget of $284.7 million.
- An accounting support fee of $270.2 million, allocated as follows:
  - $239.7 million to be assessed on issuers; and
  - $30.5 million to be assessed on registered broker-dealers.

The PCAOB’s 2020 budget represents an increase of approximately 4.0% from its 2019 budget of $273.7 million.

The 2020 budget will be funded primarily by the 2020 accounting support fee of $270.2 million, which is approximately 2.8% higher than the 2019 Commission-approved accounting support fee of $262.9 million.

Background

The PCAOB oversees the audits and auditors of the financial statements that are filed by issuers and registered broker-dealers. The Sarbanes-Oxley Act of 2002, which established the PCAOB, provides the Commission with oversight responsibility over the PCAOB. This includes reviewing and approving the PCAOB’s budget and accounting support fee annually.

Under Section 109 of the Sarbanes-Oxley Act of 2002, the PCAOB is required to establish, with the approval of the Commission, a reasonable accounting support fee to fund its operations. The fee is assessed annually on
issuers and registered broker-dealers. Consideration of the budget for approval is one of the many ways in which the Commission exercises its oversight responsibilities of the PCAOB.

What’s Next?
The PCAOB will proceed with issuing invoices to issuers and registered broker-dealers using the allocation above in accordance with the PCAOB’s funding rules.

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