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SECURITIES AND EXCHANGE COMMISSION

Securities Act of 1933

Release No. 10255 / November 14, 2016

Securities Exchange Act of 1934

Release No. 79303 / November 14, 2016

Order Approving Public Company Accounting Oversight Board Supplemental Budget For Calendar Year 2016

The Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”),¹ established the Public Company Accounting Oversight Board (“PCAOB”) to oversee the audits of companies that are subject to the securities laws, and related matters, in order to protect the interests of investors and further the public interest in the preparation of informative, accurate and independent audit reports. Section 982 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”)² amended the Sarbanes-Oxley Act to provide the PCAOB with explicit authority to oversee auditors of broker-dealers registered with the Commission. The PCAOB is to accomplish these goals through registration of public accounting firms and standard setting, inspection, and disciplinary programs. The PCAOB is subject to the comprehensive oversight of the Securities and Exchange Commission (the “Commission”).

Section 109(b) 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 Commission. Rule 190 of Regulation P facilitates the Commission’s review and approval of PCAOB budgets and annual accounting support fees.³ This budget rule provides, among other

¹ 15 U.S.C. 7201 *et seq.*

² Pub. L. No. 111-203, 124 Stat. 1376 (2010).

³ 17 CFR 202.190.

things, limits on the PCAOB's ability to incur expenses and obligations except as provided in the approved budget as well as the procedures for the submission of supplemental budgets when it is forecasted that the limits to incur expenses and obligations will be exceeded in a given year. The Commission previously determined that the PCAOB's 2016 budget of \$257.7 million was consistent with Section 109 of the Sarbanes-Oxley Act and accordingly, it approved the PCAOB's 2016 Budget on March 14, 2016.⁴

During 2016, the PCAOB determined that it had under budgeted for inspections related travel for the year, and, on October 14, 2016 it submitted a supplemental budget request to the Commission. The PCAOB's 2016 supplemental budget requests Commission approval to transfer \$1 million of FY 2016 funding from certain program areas where the PCAOB has a 2016 underspend to the Inspections program area to cover the projected overspend in inspections related travel costs. The supplemental budget does not request an increase to the PCAOB's previously approved 2016 Budget of \$257.7 million.

The Commission has determined that the PCAOB's 2016 supplemental budget is consistent with Section 109 of the Sarbanes-Oxley Act. Accordingly,

IT IS ORDERED, pursuant to Section 109 of the Sarbanes-Oxley Act, that the PCAOB supplemental budget for calendar year 2016 is approved.

By the Commission.

Brent J. Fields
Secretary

⁴ Release No. 33-10054 (March 14, 2016).

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