



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 3, 2013

**H.R. 1564
Audit Integrity and Job Protection Act**

As ordered reported by the House Committee on Financial Services on June 19, 2013

H.R. 1564 would prohibit the Public Company Accounting Oversight Board (PCAOB) from requiring public companies to use a specific auditor or to use different auditors on a rotating basis. The bill also would require the Government Accountability Office (GAO) to update a report completed in 2003 that reviewed the potential effects of mandatory rotation for auditing firms.

Based on information from the PCAOB, CBO estimates that enacting H.R. 1564 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. The PCAOB has no immediate plans to issue a ruling specifying how public companies should choose a financial auditor; therefore, the prohibition in H.R. 1564 would not change its workload. Based on information about similar reporting efforts, CBO estimates that implementing H.R. 1564 would have a discretionary cost of about \$1 million for the GAO to complete the required study and report.

H.R. 1564 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Susan Willie. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.