

NOCLAR – Effective Date of Proposed SAS

I. Issue

The Auditing Standards Board directed that the effective date of the proposed SAS, *Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance with Laws and Regulations* (the NOCLAR SAS) be consistent with the effective date of the “Responding to Noncompliance With Laws and Regulations” interpretations (1.170.010 and 2.170.010) (“the interpretations”) as adopted by the Professional Ethics Committee at its meeting in February 2022.

II. Effective Date of the Interpretations

As stated in the adopted interpretations, the interpretations are effective “one year after announcement is published in the *Journal of Accountancy*.”¹ All adopted interpretations allow for early implementation.

The interpretations are scheduled to be announced in the June 2022 edition of the *Journal of Accountancy*. The result is that the interpretations will be effective on June 30, 2023.

III. Proposed Effective Date of the NOCLAR SAS

The effective date of the NOCLAR SAS as stated in paragraph 1 of the draft standard at Agenda item 2A is as follows:

1. This amendment is effective for audits of financial statements for periods ending on or after December 15, 2022.

For consistency with the effective date of the interpretations, the following is proposed as the effective date of the NOCLAR SAS:

This amendment is effective for audits of financial statements for periods beginning on or after June 30, 2023.

An alternative is to select an effective date of periods ending on or after June 30, 2024. However, the “beginning” convention is more consistent with the effective date of the interpretations.

ASB Consideration

The ASB is asked to consider whether it agrees with the proposed effective date for the SAS.

¹ [ET section 0.600.010](#) of the Code of Professional Conduct states, in part, “the effective date of the *interpretation* and other guidance is the last day of the month in which the pronouncement or notice is published in the *Journal of Accountancy*, unless otherwise noted.”