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## **SEC's Pitt promises profession a kinder, gentler commission**

*by Bill Carlino*

Miami Beach, Fla. - Extending an olive branch rather than the thorns of the past several years, new Securities and Exchange chairman Harvey L. Pitt, promised that the regulatory agency would initiate a more open and under-standing dialogue with the accounting pro-fession.

Between periods of enthusiastic applause from attendees at the American Institute of CPA's Fall Council confab, Pitt told a regulation-weary audience that "In the past, the accounting profession was not always willing to speak to the SEC and the SEC was not always willing to speak to the profession. I'm here to say that those days are over."

Pitt, a former Washington securities lawyer, who served as general counsel to the SEC from 1975 to 1978 and succeeded long-time SEC chairman Arthur Levitt earlier this year, told attendees that the SEC intends to form a partnership with the profession, but reminded the audience that "we need the same from you, without the fear of us saying 'Gotcha!'"

Pitt also spliced in several wry one-liners and stated, considering the uneasy relationship between the nation's auditors and the SEC, that the AICPA's invitation to have him deliver a key-note speech showed "either enormous goodwill or poor judgment."

The words came as a relief to the nation's auditors, who over the past three years battled Levitt on the issue of auditor independence, a fight which ended in a quasi-compromise with the adoption of the new audit independence regulations.

"We view the profession as a partner," said Pitt, who singled out Robert K. Herdman, the newly installed SEC chief accountant and former vice chair at Ernst & Young, as the one to spearhead the new dialogue with auditors.

"We [the SEC and AICPA] share a common dedication. Government must be a service industry. The AICPA has shown a deep commitment to the public interest."

Pitt also spoke about his agency's strategy to revisit antiquated disclosure rules - moving toward current disclosure as opposed to periodic disclosure.

"Too often, when investors receive information, it's stale," Pitt said. "We need to disclose information as it happens, not wait until the end of the quarter. It's our job to maintain our capital markets as the world's best."

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