



# Media Center

- About IFAC
- Media Center
- Exposure Drafts
- Compliance Program
- Standard-Setting Boards
- Committees
- Financial Reporting Supply Chain
- Forum of Firms
- Articles and Speeches Library
- Bookstore
- Translations and Permissions
- Jobs at IFAC

- Home
- Frequently Asked Questions
- Site Map
- Site Feedback
- Contact IFAC
- Leadership Intranet
- MemberNet

Sign up to get IFAC eNews

Sign Up!



FOR IMMEDIATE RELEASE

### Contacts:

Helene Kennedy +1-973-394-9256  
 (Mobile) +1-917-254-6706  
[helenekennedy@ifac.org](mailto:helenekennedy@ifac.org)  
 Bryan Hall +1-212-471-8719  
[bryanhall@ifac.org](mailto:bryanhall@ifac.org)

## Further Independence Proposals Issued by IFAC's International Ethics Standards Board for Accountants

(New York/May 30, 2008) - The International Ethics Standards Board for Accountants (IESBA), an independent standard-setting board within the International Federation of Accountants (IFAC), has issued a [re-exposure draft](#) of proposals to strengthen two areas of the independence requirements contained in the IFAC *Code of Ethics for Professional Accountants* (the Code). The proposals re-exposed for comment relate to the provision of internal audit services to a public interest audit client and the safeguards that are required when the fees from a public interest audit client exceed 15 percent of the total fees of the firm. The re-exposure draft relates to matters that were exposed for comment in July 2007.

"The IESBA considered the comments it received related to independence and concluded that the proposals in the July 2007 exposure draft should be further strengthened in the areas of internal audit services and the relative size of fees from a single audit client," states Richard George, IESBA Chair. "We are seeking comments on the proposed revisions because of the significance of the changes made to address comments received."

The re-exposure draft contains two key proposals. The first would prohibit independent auditors from providing internal audit services related to internal controls, financial systems or financial statements to an audit client that is a public interest entity, thereby further strengthening their objectivity in carrying out audits. The second proposal requires that an annual pre- or post-issuance review be conducted by a professional accountant who is not a member of the firm when the revenues from one public interest entity client exceed 15 percent of total firm revenue for two consecutive years. The proposal provides an important safeguard against the threat to independence

when a firm receives a significant portion of its revenues from a single client.

The objective of the IESBA is to serve the public interest by setting high quality ethical standards for professional accountants and by facilitating the convergence of international and national ethical standards, thereby enhancing the quality and consistency of services provided by professional accountants.

Comments on the exposure draft are requested by August 31, 2008. The exposure draft may be viewed by going to <http://www.ifac.org/EDs>. Comments may be submitted by email to [edcomments@ifac.org](mailto:edcomments@ifac.org). They can also be faxed to the attention of the IESBA Senior Technical Manager at +1 (212) 286-9570 or mailed to IFAC, 545 Fifth Avenue, 14th Floor, New York, NY 10017, USA. All comments will be considered a matter of public record and will ultimately be posted on IFAC's website.

#### **About the IESBA and IFAC**

The IESBA develops ethical standards and guidance for use by professional accountants. It encourages member bodies of IFAC to adopt high standards of ethics for their members and promotes good ethical practices globally. The Public Interest Oversight Board oversees the activities of the IESBA and, as one element of that oversight, establishes its due process and working procedures.

IFAC is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of 157 members and associates in 123 countries and jurisdictions, representing more than 2.5 million accountants in public practice, education, government service, industry and commerce. In addition to setting international standards of ethics through the IESBA, IFAC, through its independent standard-setting boards, sets standards on auditing and assurance, education, and public sector accounting. It also issues guidance to encourage high quality performance by professional accountants in business.