

DATE: September 4, 2007
TO: Ethics CAG
FROM: Richard George, Chair IESBA
SUBJECT: Report from the IESBA

Introduction

This report summarizes the activities of the IESBA since the last Ethics CAG conference call in June 2007. The report provides an update on each of the working projects of IESBA and an overview of the expected activities before the next CAG meeting. The Board has met once on June 25-27, 2007 in Berlin Germany. Draft minutes for this meeting are contained in Agenda Paper B.2.

Independence Part I

At the June 2007 meeting the IESBA commences discussion of the comment letters received. The Independence Task Force has met twice since the June IESBA meeting and meets once more, on September 20-21, 2007, before the next IESBA meeting on October 24-26, 2007. This matter is addressed in further detail as part of Agenda Item E.

Independence Part II

At the June 2007 meeting, the IESBA approved for exposure revisions to the three remaining independence items noted in the Independence 1 exposure draft. The items addressed are:

- Provision of Internal Audit services to an audit client;
- Additional guidance with respect to the relative size of fees from an audit client that is an entity of significant public interest; and
- Additional guidance with respect to contingent fees for non-assurance services.

The exposure draft comment period ends on October 15, 2007.

Strategic and Operational Plan

At its June 2007 meeting, the IESBA approved for exposure a draft Strategic and Operational Plan for the period 2008-2009. The exposure draft period ended on August 31st. This matter is addressed in further detail as part of Agenda Item C.

Implications of Clarity Project

At the June 2007 meeting the IESBA continued its discussion of the implications of the IAASB Clarity project on the Code. The IESBA plans to approve an exposure draft on this matter at its October 2007 meeting. This matter is addressed in further detail as part of Agenda Item D.

Other Matters

The next IESBA meetings are:

- October 24-26, 2007 – Toronto, Canada
- January 21-23, 2008 – Amsterdam, The Netherlands
- April 15-17, 2008 – New York, United States of America
- Late June/early July 2008 – TBD
- October 21-23, 2008 – TBD

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