

**Meeting:** IESBA CAG

**Meeting Location:** New York

**Meeting Date:** April 10, 2013

## Agenda Item

# G

### Long Association of Senior Personnel (including Partner Rotation) with an Audit Client

#### Objectives of Agenda Item

1. To consider:
  - (a) The project proposal to review the long association provisions in Section 290<sup>1</sup> of the Code to ensure that they continue to provide robust and appropriate safeguards against the familiarity and self-interest threats arising from long association with an audit client; and
  - (b) The approach to, and timing of, the project.

#### Task Force

2. Members:
  - Marisa Orbea, Chair, IESBA Member
  - Brian Caswell, IESBA Member
  - Gary Hannaford, IESBA Member
  - Chishala Kateka, IESBA Member

Correspondent Member:

- Andrew Pinkney, IESBA Technical Advisor

#### Background

3. The IESBA approved the project proposal presented as Agenda Item G-1 at its meeting in December 2012.
4. The Task Force met twice via teleconference in January and February 2013 to agree the approach to the project and the commencement of a benchmarking exercise.
5. The IESBA received an update on, and considered the approach to, the project at its meeting in March 2013. Amongst other matters, IESBA members made a number of suggestions regarding the draft audit committee survey the Task Force proposed to undertake, including the need to understand the factors audit committees consider in evaluating the threat of long association, and the importance of aiming for responses from a broad range of jurisdictions. It was also suggested

---

<sup>1</sup> Section 290, *Independence – Audit and Review Engagements*

the Task Force consider the concept of a client relationship partner as well as what a partner should be allowed to do in the “time out period” after they have “rotated off” an engagement.

**Material Presented**

Agenda Item G-1	Project Proposal
Agenda Item G-2	Long Association of Senior Personnel (including Partner Rotation) with an Audit Client – Matters for Consideration
Agenda Item G-3	Jurisdictions for Which Responses to the Benchmarking Survey Have Currently Been Received as at March 1, 2013.

**Action Requested**

6. Representatives are asked for views on:
  - (a) The project proposal;
  - (b) The planned research and the proposed timing set out in Agenda Item G-2; and
  - (c) Whether the current long association provisions in the IESBA Code (paragraphs 290.150-290.155 (see Agenda Item G-2, Appendix 3) continue to provide robust and appropriate safeguards against the familiarity and self-interest threats arising from long association with an audit client.