

## Independence Requirements Summary

	F/S audit client	Assertion Based Engagement		Direct reporting
		One responsible party	Two different responsible parties	
<b>Financial interests</b>				
Members of assurance team and firm	Prohibitions on financial interests in f/s audit client (8.16)	Prohibitions on financial interests in responsible party (8.17)	Prohibitions on financial interests in party responsible for subject matter information (8.19) Consideration should be given to any threats the firm has reason to believe may be created by interest and relationships between a member of the assurance team, the firm and the party responsible for the subject matter. (8.19)	Direct reporting engagements are not commonly performed by professional accountants in public practice. Before accepting such an engagement the principles in this section should be applied, and the professional accountant in public practice should carefully consider whether there are adequate safeguards available to reduce threats to independence to an acceptable level. If the professional accountant in public practice directly performs the evaluation or measurement of the subject matter the threat to independence may be so significant no safeguard would be available to reduce the threat to independence to an acceptable level. (8.14)  Subject to paragraph 8.14 the remainder of this section applies only to assertion-based engagements. (8.15)
Network firm	Prohibitions on financial interests in f/s/ audit client (8.16)	Consideration should be given to threats the firm has reason to believe may be created by network firm interests and relationships (8.17)	Consideration should be given to threats the firm has reason to believe may be created by network firm interests and relationships with the party responsible for the subject matter information (8.17)  Consideration should be given to any threats the firm has reason to believe may be created by interest and relationships between a network firm and the party responsible for the subject matter. (8.19)	

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Family and Personal Relationships				
Immediate family member	Prohibited from being: a director; an officer; or an employee of the client in a position to exert direct and significant influence over the subject matter information (8.134)  Consider any threats when a director; an officer; or an employee of the client in a position to exert direct and significant influence over the subject matter (8.134a)			Direct reporting engagements are not commonly performed by professional accountants in public practice. Before accepting such an engagement the principles in this section should be applied and accountant should carefully consider whether there are adequate safeguards available to reduce the threat to an acceptable level. (8.14)
Close family member	Evaluate threats if director, officer or employee in a position to exert direct and significant influence over the subject matter information (8.135)			
Others – assurance team	Members of assurance team are responsible for identifying any other persons with whom they have a close relationship who are a director, officer or employee of the assurance client in a position to exert direct and significant influence over the subject matter information. (8.136)			
Others – members of the firm	Consideration should be given to threats created by personal or family relationships with a partner or employee of the firm who is not a member of the assurance team and a director, officer or employee in a position to exert direct and significant influence over the subject matter information. (8.137)			