

Breach of an Independence Requirement

1. Do you wish to hear about all breaches, irrespective of their significance?

		Response Percent	Response Count
Yes		85.9%	366
No		14.1%	60
answered question			426
skipped question			3

2. If you wish to hear about only some breaches, which of the following breaches would you want to hear about?

		Response Percent	Response Count
Breaches that are significant		30.5%	18
Breaches that are other than clearly trivial or inconsequential		28.8%	17
Breaches that could reasonably be thought to bear on the firm's objectivity		40.7%	24
Other (please explain)		0.0%	0
answered question			59
skipped question			370

3. If you wish to hear about some or all breaches, when would you want to hear about them?

		Response Percent	Response Count
As soon as possible		34.7%	141
As soon as possible, unless the breach is clearly trivial and inconsequential		30.0%	122
On a timely basis, left to the judgment of the auditor		24.4%	99
In accordance with a timeline agreed with the auditor		9.6%	39
Other (please specify)		1.2%	5
		answered question	406
		skipped question	23

4. What form should communication from the auditor on these matters take?

		Response Percent	Response Count
Verbal		10.2%	39
Written		15.2%	58
Verbal as soon as possible, followed later by written communication		50.7%	193
Depends on the urgency and significance of the matter		21.3%	81
Other (please specify)		2.6%	10
		answered question	381
		skipped question	48

5. Should audit firms be required to seek the concurrence of those charged with governance that action can be taken to satisfactorily address the consequences of the breach?

		Response Percent	Response Count
Yes		76.6%	292
No		8.4%	32
Not sure		15.0%	57
answered question			381
skipped question			48

6. Please provide any other comments you think would be helpful to the IESBA.

	Response Count
	30
answered question	30
skipped question	399

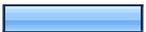
7. Which best describes your role(s)? (Select all that apply.)

		Response Percent	Response Count
Audit committee member		86.6%	330
Other director		18.6%	71
Other (please specify)		9.2%	35
answered question			381
skipped question			48

8. Which best describes the organization(s) you serve? (Select all that apply.)

		Response Percent	Response Count
Listed		85.6%	326
Unlisted		20.7%	79
Small- or medium-sized		19.4%	74
answered question			381
skipped question			48

9. In which region of the world are you located?

		Response Percent	Response Count
Africa/Middle East		1.8%	7
Asia		4.5%	17
Australasia/Oceania		1.8%	7
Europe		20.5%	78
Latin-America Caribbean		2.9%	11
North America		68.5%	261
answered question			381
skipped question			48

Page 3, Q3. If you wish to hear about some or all breaches, when would you want to hear about them?

1	Within 90 days - To allow time for an investigation and determination if the breach rises to the level of "risk of a loss of objectivity."	May 24, 2012 6:42 AM
2	At the next audit committee meeting.	May 23, 2012 3:27 PM
3	At the next regularly scheduled audit committee. If major, immediate disclosure.	May 23, 2012 8:26 AM
4	Immediately	May 23, 2012 8:17 AM
5	As soon as possible, unless the breach is clearly trivial and inconsequential - If clearly trivial and inconsequential a yearly summarizing e.g. related to a management letter or similar	Apr 14, 2012 3:21 AM

Page 4, Q4. What form should communication from the auditor on these matters take?

1	Anything significant I would want to know as soon as possible and verbally - then all in writing	May 30, 2012 9:13 AM
2	Discuss verbally first and then decide whether written description necessary.	May 28, 2012 9:26 AM
3	email: john.bagalay@gmail.com	May 25, 2012 7:57 AM
4	Verbal, followed by written communication if significant	May 24, 2012 8:48 AM
5	E-mail best for me.	May 23, 2012 7:28 PM
6	Verbal and written at audit committee meeting.	May 23, 2012 3:28 PM
7	Verbal, followed by written communication if so directed by the audit committee	May 23, 2012 10:58 AM
8	Preferably written, with discussion follow-up, at no cost to client	May 23, 2012 8:29 AM
9	Verbal followed by written in accordance with pre-agreed time lines.	May 14, 2012 6:06 AM
10	Breaches that are other than trivial and insignificant should be verbal as soon as possible with all breaches later in writing	Apr 27, 2012 7:17 AM

Page 4, Q6. Please provide any other comments you think would be helpful to the IESBA.

1	Monitoring mechanism to ensure the agreed action is taken within the agreed time lines	Jun 3, 2012 11:51 PM
2	Any breach should be reported so that the Audit Committee can determine for it self how material the breach is.	Jun 1, 2012 6:39 PM
3	No need to be spending time on inconsequential matters. Minor breaches should be handled internally by the audit firm with no need to get the Audit Committee involved.I., ..	May 29, 2012 4:19 PM
4	Perhaps best to have the firm have a policy and have the Audit Committee review the Policy and agree with it or request some amendments. This may lead to more consistent approaches and therefore make implementation easier for the firms.	May 27, 2012 6:09 AM
5	The key seems to be what constitutes a breach of independence. The more trivial and inconsequential actions are included and treated in the same way as serious breaches, the less effective the overall system will be.	May 26, 2012 7:34 AM
6	Rules should not be so precise that common sense cannot be exercised when indicated.	May 24, 2012 4:22 PM
7	#4 above - the breach would need to be significant before I would answer yes.	May 24, 2012 8:01 AM
8	Rather subjective, but a place ot start	May 24, 2012 6:51 AM
9	Communication should be with Audit Committee Chair only because of the potential for involvement of the internal management team in the breach.	May 24, 2012 6:45 AM
10	Audit firm needs to provide assessment with full disclosure and basis on thir assessment	May 23, 2012 5:17 PM
11	Breach of Independence is a serious issue, one where immediacy of communication is warranted. Additionally, in today's super sensitive governance world, Dodd-Frank and addtional proposals on Auditor rotation, it serves all parties well for the Accounting profession to improve processes rather than adhering to more arbitrary rules.	May 23, 2012 3:52 PM
12	Simple communication about issues with Audit Chair/Committee, with appropriate minutes is sufficient	May 23, 2012 2:29 PM
13	Depending upon significance of the breech, it may be adequate for audit firm and internal financial officer to confirm to committee what has been done.	May 23, 2012 11:57 AM
14	None	May 23, 2012 10:58 AM
15	Rapid disclosure to the audit committee is very important to allow them to act appropriately if necessary.	May 23, 2012 9:03 AM
16	generally, increased dialogue in all areas of governance make us all better and strengthens the relationships involved	May 23, 2012 8:50 AM
17	Direct communication with Audit Committee for reporting to full Board is sufficient.	May 23, 2012 8:48 AM

Page 4, Q6. Please provide any other comments you think would be helpful to the IESBA.

18	Audit committee should know what challenges its auditor has with its regulators over independence. However, the Audit Committee is not in a position authorize or even concur with Auditors remediation, as most of us are not close enough with the vast requirements on Auditors to enter into the liability stream. We have enough liability challenges related to our own companies	May 23, 2012 8:45 AM
19	It is important for clients to understand what controls the auditing firm has in place to avoid breaches of independence, and how those are modified if necessary after a breach	May 23, 2012 8:29 AM
20	Audit Committee should determine its action independent of auditor determination of its corrective action	May 23, 2012 8:29 AM
21	Judgements as to the significance of a breach should be left to the audit committee.	May 23, 2012 8:16 AM
22	how about a general rule of using common sense under the circumstances, and leave it at that?	May 23, 2012 8:15 AM
23	I from Brazil and wish the cold ethics, in before the special clients	May 16, 2012 7:34 PM
24	none	May 16, 2012 10:45 AM
25	Some clarity or guidance should be provided with respect to, depending upon the seriousness of the breach, the Auditor's ability to complete the audit engagement or requirement to resign immediately.	May 14, 2012 6:06 AM
26	As a person involve with the governance structure of a company in the Russian Federation, I think that it is particularly important that all breaches are communicated to the audit committee	May 10, 2012 4:05 PM
27	Expect both sides to use good common sncse judgement.	May 7, 2012 12:20 PM
28	As audit committee chair I would want to assess whether a breach was trivial. I would also want to know promptly as to what actions are proposed by the auditors to rectify the situation.	Apr 18, 2012 10:28 AM
29	Should be concurred by "third party" if anyone, since auditor's role is to take care of third parties needs.	Apr 14, 2012 3:26 AM
30	I think that some viewpoints depend of the consulting service that applied in the future audit service.	Apr 13, 2012 7:22 PM

Page 4, Q7. Which best describes your role(s)? (Select all that apply.)

1	Auditor	Jun 3, 2012 11:51 PM
2	Academic	Jun 1, 2012 12:03 PM
3	Audit Committee Chair	May 30, 2012 9:18 AM
4	Sustainability Risk	May 26, 2012 7:38 PM
5	General Counsel	May 26, 2012 8:33 AM
6	auditor	May 26, 2012 7:15 AM
7	Chair of AC	May 25, 2012 7:25 PM
8	Board Chairman	May 25, 2012 7:57 AM
9	academic	May 24, 2012 10:17 PM
10	Several audit committees and governance committees	May 24, 2012 8:48 AM
11	Audit committee chair	May 24, 2012 8:37 AM
12	governance	May 24, 2012 7:42 AM
13	Audit committee chair	May 23, 2012 5:17 PM
14	audit-compliance-nominating-	May 23, 2012 2:16 PM
15	Chair of Corporate Governance Committee	May 23, 2012 10:58 AM
16	audit chairman	May 23, 2012 9:20 AM
17	Lead independent director	May 23, 2012 9:18 AM
18	chairman	May 23, 2012 9:03 AM
19	Chair	May 23, 2012 8:48 AM
20	Audit Committee Chair	May 23, 2012 8:16 AM
21	test	May 16, 2012 10:45 AM
22	Former member IESBA (IFAC Ethics Committee)	May 14, 2012 6:06 AM
23	Group CFO	May 10, 2012 9:26 PM
24	Auditor	May 10, 2012 7:43 PM
25	Chief Legal & Compliance Officer	May 10, 2012 7:24 PM
26	Professional body member	May 10, 2012 1:07 AM
27	also as audit committee member in other companies	May 6, 2012 5:53 AM

Page 4, Q7. Which best describes your role(s)? (Select all that apply.)

28	dont know	May 5, 2012 5:03 AM
29	Board chair	May 1, 2012 11:45 AM
30	Internal Auditor	Apr 26, 2012 1:20 AM
31	Audit Committee Chair	Apr 25, 2012 7:41 AM
32	professional at large	Apr 23, 2012 11:46 PM
33	Independence Auditor	Apr 21, 2012 12:23 PM
34	Chair of the Board, Audit Committee Chair	Apr 18, 2012 10:28 AM
35	Head of Finance	Apr 14, 2012 3:26 AM