



Meeting Location: IFAC Offices, New York, USA

Meeting Date: June 18-20, 2012

Reformatting of the Code

Objective of Agenda Item

1. To consider an approach to reformatting the Code.

Background

At its meeting in February 2012, the IESBA agreed to consider how the structure of the Code could be improved to raise the visibility of its requirements and prohibitions and, with respect to the independence requirements in the Code, how to better explain who within a firm has the responsibility for complying with them.

Discussion

The Planning Committee¹ has focused first on the structure of the Code and prepared an example of a revised structure. The example uses the provisions in Section 290.102 to 231 that apply to audit clients that are not public interest entities. Agenda Paper 7-B contains a mark-up of the text to show the revised structure and Agenda Paper 7-A is a clean version.

The example extracts the requirements and prohibitions in each section and places them at or near the beginning of the paragraph (or paragraphs) that discuss the requirement or prohibition. The requirements and prohibitions are presented in bold to provide prominence.

Material Presented

Agenda Paper 7	This agenda paper
Agenda Paper 7-A	Reformatted Section 290 (clean)
Agenda Paper 7-B	Reformatted Section 290 (mark-up)

¹ Ken Dakdduk (chair), Bob Franchini, Caroline Gardner, Jörgen Holmquist, Isabelle Sapet, Brian Walsh and Richard Fleck

Action Requested

1. IESBA members are asked to consider the example and whether they believe that this is a more user friendly approach.
2. IESBA members are asked to consider whether the re-formatting could be further streamlined, for example, by deleting the shaded text in Agenda paper 7-B.