

MEDIA RELEASE

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AICD SUPPORTS RAMSAY REPORT ON AUDITOR INDEPENDENCE

The Australian Institute of Company Directors (AICD) today welcomed the release of Professor Ian Ramsay's Report on the Independence of Australian Company Auditors.

Chief Executive Officer of the AICD, John Hall, was pleased to see the Report implemented many of the initiatives mentioned in the recently published *Audit Committee Best Practice Guide*, produced by the AICD, The Auditing & Assurance Standards Board of the Australian Accounting Research Foundation and the Institute of Internal Auditors.

"The Report adds further impetus to our constant message to all company boards that the independence of their auditors and the work of their audit committees is crucial to the integrity of the market. And the AICD is happy to assist in developing appropriate independence rules recommended by the Report," Mr Hall said.

Report proposals welcomed by the AICD include:

- The recommendation that an auditor must make an annual declaration addressed to the Board of Directors stating that the auditor has maintained its independence in accordance with the Corporations Act and the rules of professional accounting bodies.
- Clarification of what is "independence".
- Disclosure of non-audit services provided by the audit firm in the financial report of the company.
- The recommendation that all registered company auditors, whether members of professional accounting bodies or not, should be required to abide by ethical requirements equivalent to the codes of ethics and other rules of the professional accounting bodies.

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