

## FRC publishes revised ethical and auditing standards



# IAS Plus-2019c

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### The Financial Reporting Council (FRC) has published a major revision to its Ethical Standard and revised Auditing Standards.

The changes, which were consulted on in July 2019 (<https://www.iasplus.com/en-gb/news/2019/07/frc-consults-on-enhanced-ethical-and-auditing-standards>), will "help to strengthen auditor independence, prevent conflicts of interest and ensure the UK is seen as a destination to do business, because of stronger investor protection resulting from high quality audit".

The changes incorporate changes to international ethical requirements, which now prohibit auditors from providing recruitment and remuneration services or playing any part in management decision making. Public interest entity auditors will now only be able to provide non-audit services which are closely linked to the audit itself or required by law or regulation.

The latest revisions are the result of a comprehensive post implementation review, supported by two public consultations and extensive outreach. The FRC will also monitor the outcome of the Brydon review (<https://www.iasplus.com/en-gb/news/2019/12/brydon-review-quality-and-effectiveness-of-audit>) and consider whether further changes to standards and their scope are necessary when the recommendations are implemented.

The revised Auditing Standards include additional application guidance to make clear how an auditor should respond to requirements.

A press release ([https://www.frc.org.uk/news/december-2019-\(1\)/frc-moves-to-strengthen-auditor-independence-and-b](https://www.frc.org.uk/news/december-2019-(1)/frc-moves-to-strengthen-auditor-independence-and-b)) and the latest standards and guidance for auditors are available on the FRC website. Our related Governance in brief publication is available here (<https://www.iasplus.com/en-gb/publications/corporate-governance/governance-in-brief/gib-audit-independence-rules-revised-ethical-standard-2019>).

#### Related Topics

##### Resources

- Auditing (<https://www.iasplus.com/en-gb/resources/other-regulatory/financial-reporting-council/auditing>)
- Financial Reporting Council (<https://www.iasplus.com/en-gb/resources/other-regulatory/financial-reporting-council/frc>)

##### Other

- Auditing - Ethical Standards ([https://www.iasplus.com/en-gb/search?content\\_types\\_vocabulary\\_othertopic=8f283b1a-7b39-4398-9821-b7b635c0e461&portal\\_type%3Alist=News+Item&sort\\_on=getDateAdded&sort\\_order=reverse&title=Auditing - Ethical Standards](https://www.iasplus.com/en-gb/search?content_types_vocabulary_othertopic=8f283b1a-7b39-4398-9821-b7b635c0e461&portal_type%3Alist=News+Item&sort_on=getDateAdded&sort_order=reverse&title=Auditing - Ethical Standards))

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