

ISB Interpretation 00-2

Independence Standards Board

The Applicability of ISB Standard No. 1 When "Secondary Auditors" Are Involved in the Audit of a Registrant

An Amendment of Interpretation 00-1

ISB Interpretation 00-2

Dates Discussed: May 2, 2000 and July 11, 2000

Date Issued: July 11, 2000

Issue

1. The Board has been asked to reconsider its Interpretation 00-1 and has determined to amend that interpretation as follows.

ISB Interpretation

2. The responsibility to comply with ISB No. 1 rests solely with the primary auditor. The report by the primary auditor to the audit committee should include all of its relationships and those of its domestic and foreign associated¹ firms that could reasonably bear on the independence of the primary auditor. If the primary auditor is relying on the work of secondary auditors not associated with the primary auditor's firm, the report of the primary auditor should either describe any such secondary auditors' relationships, or it should state that it does not do so.

¹ For this purpose, an associated firm is a firm that is a member of, correspondent with, or similarly associated with the primary auditor's firm or association of firms.