

## **Fees**

### *Fees—Relative Size*

290.220 When the total fees from an Audit Client represent a large proportion of the total fees of the Firm expressing the audit opinion, the dependence on that client and concern about losing the client creates a self-interest or intimidation threat. The significance of the threat will depend on factors such as:

- The operating structure of the Firm;
- Whether the Firm is well established or new; and
- The significance of the client qualitatively and/or quantitatively to the Firm.

The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an Acceptable Level. Examples of such safeguards include:

- Reducing the dependency on the client;
- External quality control reviews; or
- Consulting a third party, such as a professional regulatory body or a Member, on key audit judgments.

AUST 290.220.1 In certain circumstances another party or another Firm may refer multiple Audit Clients to the Firm. In these circumstances, when the total fees in respect of multiple Audit Engagements are from one source and represent a large proportion of the total fees of the Firm expressing the audit opinions, the dependence on that source and concern about losing the relevant Audit Engagements from that source creates a self-interest or intimidation threat. The significance of the threat will depend on factors such as:

- The operating structure of the Firm;
- Whether the Firm is well established or new; and
- The significance of the source qualitatively and/or quantitatively to the Firm.

The significance of the threat shall be evaluated and safeguards applied when necessary to eliminate the threat or reduce it to an Acceptable Level. Examples of such safeguards include:

- Reducing the dependency on the source;
- External quality control reviews; or
- Consulting a third party, such as a professional body or another Member in Public Practice, on key audit judgments.