

This KLiP will cover:

#### 4. Second Opinion

A professional accountant shall comply with the fundamental principles and apply the conceptual framework to identify, evaluate and address threats.

In this section, the Code sets out specific requirements and application material relevant to applying the conceptual framework when providing a **second opinion to an entity that is not an existing client**. This professional activity might create a self-interest or other threat to compliance with one or more of the fundamental principles.

A professional accountant might be asked to provide a **second opinion on the application of accounting, auditing, reporting or other standards or principles**:

(a) To a specific circumstance

(b) To transactions by or on behalf of a company or an entity that is not an existing client

A threat, for example, a self-interest threat to compliance with the principle of professional competence and due care, might be created if the second opinion is not based on the same facts that the existing or predecessor accountant had, or is based on inadequate evidence.

**What should the professional accountant do when permission to communicate with the existing or predecessor accountant is not provided?**

If an entity seeking a second opinion from a professional accountant will not permit to communicate with the existing or predecessor accountant, then the accountant shall determine whether the accountant may provide the second opinion sought.

With this we come to the end of KLiP for 4<sup>th</sup> topic- Second Opinion.

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