AWP 4.3

# **Auditor’s declaration to comply with Code of Ethics in the conduct of audit**

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| --- | --- |
| Name of the Entity | XYZ |
| Period of audit | 01.01.20XX to 31.12.20XX |

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| --- | --- | --- | --- | --- |
| Verified by: | | Signature | Reviewed & approved by | Signature |
| Name: |  |  |  |  |
| Designation |  |  |
| Date: |  |  |

| **1** | **2** | **3** |
| --- | --- | --- |
| **Code of Ethics** | **Declaration**  **I declare that:** | **Reasons if he or she cannot comply with code of ethics** |
|  |  | **Traced to AWP 4.6** |
| **Integrity** | I will act honestly, reliably, in good faith and in the public interest. I will be trustworthy in the course of my work. I will comply with the policies and standards set by my SAI. |  |
| I will take due care to exercise responsibilities and use the powers, information and resources at my disposal solely for the benefit of the public interest. I will not use my position to obtain favours or personal benefits for them or for third parties. |  |
| I will remain aware of integrity vulnerabilities and approaches to mitigate them, and will act accordingly. |  |
| **Independence & Objectivity** | I will maintain independence from political influence and be free from political bias. |  |
| I will not be involved in the auditee management’s decision-making. |  |
| I will avoid circumstances where personal interests could impact decision-making. |  |
| I will avoid circumstances where relationships with the management or personnel of the auditee or other entities could impact decision-making. |  |
| I will refuse gifts, gratuities or preferential treatment that could impair independence or objectivity. |  |
| **Competence** | I will perform my job in accordance with applicable standards and with due care. |  |
| I will act in accordance with the requirements of the assignment, carefully, thoroughly and on a timely basis. |  |
| I will maintain and develop my knowledge and skills to keep up with the developments in my professional environment in order to perform my job optimally |  |
| **Professional behaviour** | I will comply with the applicable laws and regulations, as  well as with the guidance for my behaviour established by the SAI. |  |
| I will not engage in conduct that may discredit my SAI. |  |
| **Confidentiality and transparency** | I will remain aware of the legal obligations and of the SAI’s policies and guidelines concerning both confidentiality and transparency |  |
| I will not disclose any information acquired as a result of my work without proper and specific authority, unless there is a legal or professional right or duty to do so. |  |
| I will not use confidential information for personal gain or for gain of third parties. |  |
| I will remain alert to the possibility of inadvertent disclosure to third parties of confidential information. |  |
| I will maintain professional confidentiality during and after termination of employment. |  |

**Agreement of Team member**

I, the undersigned fully understand the requirements and my responsibilities in terms of the Code of Ethics stated in the above table.

I will comply with the ethical requirements set out in the table above relating to the audit of …….. (*Name of audited entity)*

**Signature**

**Name of Auditor**

**Division/Unit/Section**

**Conclusion**

Based on my knowledge and belief, and after consideration of the above declarations and staff interviews, I conclude that all the requirements contained in the Code of Ethics for SAI auditors are understood by ……. *(insert name)* …….. *(insert designation)*. Any threats to the audit teams’ independence have been eliminated or reduced to an acceptable level, which is documented herewith **(Traced to AWP 4.6).**

**Name of Supervisor:**

**Signature:**

**Date:**

**Guidance for completing Auditor’s declaration to comply with Code of Ethics in conduct of audit**

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| Overall Objective of the completing the template | The overall objective is to obtain declaration from each individual audit team member including the audit supervisor that he/she will comply with the SAI’s Code of Ethics while conducting the audit. It also ensures that the auditor will maintain objectivity and independence throughout the conduct of the audit. |
| Applicable ISSAIs | ISSAI 130, ISSAI 2200 and ISSAI 2220 |
| Guidance | Each member of the audit team including the audit supervisor should complete this declaration to confirm that he/she will comply with the SAI’s code of Ethics while conducting the given audit. For instance, if the audit team comprises of five members including the audit supervisor, there should five declarations in the audit file.  There are three columns in this template. The explanation on Column 1& 2, and guidance to complete column 3 are given below:   |  |  | | --- | --- | | Column 1 | This contains Code of Ethics in brief. These are the key ethical code of conduct that the auditor needs to comply while conducting the audit. The extent of list would depend on respective SAIs’ Code of Conduct, which are assumed to be developed based on ISSAI 30. This template is based on ISSAI 30. | | Column 2 | These are some of pre-determined statement or declaration that each member in the audit team is expected to declare on each code of ethics (code description from ISSAI 30). Depending on the nature and type of entity identified for audit, the declaration statements can be customised to the needs of the SAI. | | Column 4 | If in the event a member of the audit team will be not be able to comply with any of the code of ethics, the reasons thereof needs to be recorded in this column, which can later be traced to AWP 4.6. For instance, the reason could be self-interest or self-review threat. The objective is that these threats can be appropriately dealt with by putting safeguards in place. | |
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| Overall undertaking of the member | Based on declaration of each statement under respective SAI’s Code of Ethics, the member of the audit team should provide overall undertaking to reaffirm that he/she has understood the responsibilities in terms of Code of Ethics, and that those will be complied with accordingly. This needs to be signed off and submitted to the reviewer for independent review. |
| Conclusion of the supervisor | The supervisor or the independent reviewer in the SAI or the audit team should conclude that he/she has reviewed the declaration made by the member of the audit team, and re-affirm that a particular member has understood the Code of Ethics and that those will be complied accordingly while conducting the audit.  Alternatively, and in most cases, the supervisor only provides overall conclusion on the compliance of the entire audit team with the ethical requirements. Thus, one can expect that the individual declaration of team member may not have the corresponding documentation for the supervisor’s conclusion. But it is important to compile all the declarations with the document showing the supervisor’s overall conclusion to support the requirements of ISSAI. |
| Recording the evidence of verifier and reviewer | The table indicating the details of verifier and reviewer needs to be completed at the end. This is to ensure that there was independent check and balance system in the audit team, and that this was completed before commencement of audit.  In this case, the verifier is usually the audit team leader, and the reviewer is the audit supervisor. Similarly, when the audit team leader and audit engagement supervisor provide a declaration, the verifier and reviewer can then be addressed based on the organisation structure of the SAI. This needs to be signed off accordingly by the verifier and reviewer respectively. |