awp 4.5

Declaration of Conflict of Interest

I, Mr./Ms. (………………………………………………….) have been assigned as Team Leader/team member in auditing ….(……………………………………………) for the period covering 1 July 20….. to 30 June 20……… In accordance with a clause on Conflict of Interest as stated in the SAI’s Code of Ethics, I hereby declare that my close relative(s) given in the following Table are holding influential position in……………………………………………………… As such I have a conflict of interest to be a part of the audit team to conduct this audit. In this regard, I would like to withdraw from this audit team.

|  |  |  |
| --- | --- | --- |
| Sl. No. | Name of close relatives | Position held in the entity |
| 1 | Mr. X | Financial Controller |
| 2 | Mr. Y | Human Resource Manager |
| 3 | Mr. Z | Procurement Officer |

Dated Signature :

Name of the Audit Team Member making the declaration :

Designation & Division/Section/Unit :

Dated Signature :

Audit Engagement Supervisor/Head of Department :

Designation & Division/Section/Unit

:

**Guidance for completing Declaration of Conflict of Interest**

|  |  |
| --- | --- |
| Overall Objective of the completing the template | The overall objective is to obtain declaration from the audit supervisor, audit team leader, and audit team member that he/she has a conflict of interest in the context of close relatives occupying influential position in the entity identified for audit. The inclusion of supervisor, team leader or team member having a conflict of interest in the audit team may impair objectivity and independent conduct of an audit. The audit team including the audit supervisor should be and be seen to be independent. |
| Applicable ISSAIs | ISSAI 130, ISSAI 2200 and ISSAI 2220 |
| Guidance | The declaration made by everyone in the audit team needs to be signed off by his or her supervisor. In the event of declaration made by the audit supervisor, it should be signed off by a person to whom he/she is reporting. Different SAIs may have different organisational structures, and audit staff at different levels have different designations. The positions mentioned in this template needs to be modified suiting the SAI’s audit team composition and the defined supervisory levels. The texts of the template may also be modified accordingly.  In the event where there is more than one close relative occupying influential position in the entity, a person making the declaration my mention the names of those in the table provided in the template. Whether a person is influential in the entity will depend on what kind of posts he/she holds. Not all close relatives working in the entity will have an influence in the decision-making process, and hence the need to clearly indicate posts being held by those being included in the list.  The declaration made by each individual need to be independently verified by a person signing off, atleast to ensure the post being held by a person declared as close relative valid and correct, and that he/she had influence over decision making process.  The result should be cross-referenced to AWP 4.6 where safeguards are designed, which may include removal of the concerned member from the engagement. |