

## Template 2: The Declaration of Independence and Objectivity

### Purpose

The purpose of this declaration is to facilitate adherence to the Public Finance Management Act, Public Finance Management Regulations (County Government), Internal Audit Charter and the County Government Internal Audit Manual with regard to internal auditor's objectivity and independence.

### Instructions

This form is to be completed for each engagement by each team member.

Internal Auditors must have an impartial, unbiased attitude and avoid any conflict of interest.

#### **IIA Attribute Standard 1120 – Individual Objectivity**

##### **Interpretation**

Conflict of interest is a situation in which an Internal Auditor, who is in a position of trust, has a competing professional or personal interest. Such competing interests can make it difficult to fulfill his or her duties impartially. A conflict of interest exists even if no unethical or improper act results. A conflict of interest can create an appearance of impropriety that can undermine confidence in the Internal Auditor, the Internal Audit Unit, and the profession. A conflict of interest could impair an individual's ability to perform his or her duties and responsibilities objectively.

#### **IIA Attribute Standard 1130 – Impairments to Independence and Objectivity**

If independence or objectivity is impaired in fact or appearance, the details of the impairment should be disclosed to the appropriate parties (Internal Auditor General and the appropriate Accounting Officer).

Impairment to Internal Audit Unit's independence and individual Internal Auditor's objectivity may include, but is not limited to, personal conflict of interest; scope limitations; restrictions on access to records, personnel, and properties; and resource limitations, such as funding.

**1130.A1** – Internal Auditors shall refrain from assessing specific operations for which they were previously responsible. Objectivity is presumed to be impaired if an Internal Auditor provides assurance services for an activity for which the Internal Auditor had responsibility within the previous two financial years.

**1130.A2** – Assurance engagements for functions over which the Head of Internal Audit has responsibility must be overseen by a party outside the Internal Audit Unit.

**Declaration**

I the undersigned declare that:

1. I shall not participate in any activity or relationship that may impair or be presumed to impair my unbiased assessment of any internal audit and related activities that I am involved in at the County Government Entity. This participation includes those activities or relationships that may be in conflict with the interests of the County Government Entity.
2. I shall not accept any gift of significant value that may impair or be presumed to impair my professional judgement.
3. I shall disclose all material facts known to us that, if not disclosed, may distort the reporting activities under review.
4. I shall disclose all material facts on my previous involvement in a decision-making or management capacity that impacted the current operations of the process or entity being reviewed.
5. I shall not have pre-determined views towards individuals, groups, organizations, or objectives of a particular program or activity that could bias the review.
6. I shall disclose any financial interest, direct or indirect, in the area or process to be audited or its major suppliers or customers.
7. I shall disclose any professional, personal, political, or financial relationships that might limit the extent of inquiry, limit disclosure, or to weaken audit findings in any way.
8. I shall disclose any intimidation and threats, social pressure, cultural and other biases.
9. I shall have an impartial, unbiased attitude and avoid conflicts of interest.

If you have any relative employed in the area to be reviewed, complete the following:

Name of relative	Relationship	Position
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If my independence or objectivity is impaired, in fact or appearance, the details of the impairment will be disclosed to the Head of Internal Audit Unit or his / her designate. The nature of the disclosure will depend upon the impairment.

Any Impairment to Declare (Yes/No)	Remarks (If yes, document the impairment)

By my signature below, I certify that I have disclosed below or by attachment to this statement any personal impairment of which I am aware and which might be perceived to impair my objectivity in relation to the engagement. In addition, I have been informed of the independence and objectivity standards of the International standards for the professional practice of internal auditing issued by The Institute of Internal Auditors. In the event that my objectivity or independence in relation to the area under review becomes impaired, I understand it is my responsibility to inform my immediate supervisor of the relevant circumstances. In addition, I have knowledge of and will abide by the Code of Ethics of Internal Auditors.

Name

Signature

Date

DRAFT