



**CONCEPT OF AUDITOR'S INDEPENDENCE**

**AUDITING AND OTHER DISCIPLINES**



# AUDITOR'S INDEPENDENCE- MEANING & CONCEPT

It refers to the independence of auditor from parties that may have financial interest in the business/ concern being audited;

The auditor is required to carry out his or her work freely and in an objective manner.

This is important as the auditor's report is taken as an assurance for many decisions taken by stakeholders

# AUDITOR'S INDEPENDENCE- FORMS

**Independence of mind-** permitting expression of views free from undue influence;

**Independence in appearance:** Conduct of audit in a manner to confide in the users of audit reports with regard to its truthfulness and fairness.

# NATURE OF AUDITOR'S INDEPENDENCE

- ❑ The auditor should exercise and also appear to exercise integrity and objectivity;
- ❑ The auditor should be straight forward, honest and sincere in his approach to his professional work;
- ❑ He must be fair and must not allow prejudice and bias to override his objectivity;
- ❑ He should maintain an impartial attitude and appear to be free from any undue interests.

## AUDITOR'S DUTY THREATS (THREATS TO AUDITOR'S INDEPENDENCE)

- ❑ Self-interest threats
- ❑ Self-review threats
- ❑ Advocacy threats
- ❑ Familiarity threats
- ❑ Intimidation threats

# RELATIONSHIP OF AUDITING WITH OTHER DISCIPLINES

- ❑ Auditing and Accounting;
- ❑ Auditing and Law;
- ❑ Auditing and Financial Management;
- ❑ Auditing and Economics;
- ❑ Auditing and Statistics & Mathematics;
- ❑ Auditing and Computer Data Processing.