



**Laredo Independent School District Audit Office
Auditor's Annual Independence Statement**

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Auditor: _____

Position: _____

Internal auditors are independent when they can carry out their work freely and objectively. Independence permits internal auditors to render the impartial and unbiased judgments essential to the proper conduct of audits. It is achieved through organizational structure and objectivity.

We expect our auditors to maintain independence of mental attitude in the conduct of all assigned work; to be objective, fair, and impartial; and to conduct themselves accordingly so that auditees and third parties will see our office in this way. Each staff member must promptly notify the Director, or higher, in writing concerning any situation that would impair the staff member's or the office's independence on an audit, or that might lead others to question it. If a staff member has any doubt about whether a situation may be an impairment, he or she should resolve the question in favor of disclosure.

Examples of Personal Impairment

- Official, professional, personal, or financial relationships that might cause the auditor to limit the extent of the inquiry, to limit disclosure, or to weaken or slant audit findings in any way (includes relatives employed by the auditee organization).
- Preconceived ideas toward individuals, groups, organizations, or objectives of a particular program that could bias the audit.
- Previous responsibility for decision-making or managing an entity that would affect current operations of the entity of program being audited.
- Biases, including those induced by political or social convictions, that result from employment in or loyalty to, a particular group, organization, or level of government.
- Subsequent performance of an audit by the same individual who, for example, had previously approved invoices, payrolls, claims, and other proposed payments of the entity or program being audited.
- Concurrent or subsequent performance of an audit by the same individual who maintained the official accounting records.
- Financial interest, direct or substantial indirect, in the audited entity or program.
- Offer of or application for a position with the auditee during the preceding year (note: an offer of or intention to apply for a position with the auditee once the audit is in progress must also be reported)*.

* - Details may be communicated to the Director separately by confidential memorandum.



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Identify audit areas which may be affected by the above situations:

Possible Personal Impairments to My Independence

I have reviewed my personal situation with respect to system administration and the component institutions. I am not aware of any circumstances that might impair my ability to be independent on any audit or that might lead others to question it, except as indicated above or on attached pages.

Responsibility to Update This Disclosure

I understand that I am also responsible to make timely written notification in the event any other circumstance arises during the course of this year that might impair or appear to impair my independence with respect to any audit.

Signature: _____ **Date:** _____