

### **Threats and Safeguards to Auditor Independence**

Progressively, Audit Committees are required to take on a more active role in overseeing the external audit once directors have appointed an external auditor. One of the key dimensions of this oversight is that of independence, not only of the audit engagement, but of other assurance services.

International guidance proposes that the Audit Committee should have the necessary procedures to ensure the independence and objectivity of the external auditor annually, taking into consideration relevant professional and regulatory requirements.

The Audit Committee should oversee that the external auditor conducts a comprehensive review of the threats that endanger independence and the appropriate safeguards that could be adopted in mitigation of such risks, and require some written assurance as to this.

Since each organization is unique, the audit committee will need to apply the principles in a manner appropriate to those individual circumstances and in so doing, it will need to ask specific questions relevant to the particular auditor and audit assignment. One size does not fit all.

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