



ALGA


Association of Local Government Auditors


Auditor Independence

ALGA's Mission


We empower our local government auditing community through excellence in advocacy, education, communication, and collaboration to protect and enhance the public good while embracing diversity, equity, and inclusiveness.

Contact Us

 449 Lewis Hargett Circle
Suite 290
Lexington, KY 40503


 (859) 276-0686

 ALGAonline.org

 Find more resources and contact ALGA's Advocacy Committee by visiting our "[Build an Audit Function](#)" page on our website.

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 Association of Local Government Auditors (ALGA)

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WHAT IS AUDITOR INDEPENDENCE?

This essential principle provides freedom for auditors to conduct their work without being affected by threats to their professional judgment, integrity, and objectivity. Independent auditors produce reports you — and your communities — can trust.

WHAT ARE THE RISKS IF YOUR AUDITOR IS NOT INDEPENDENT?

- Auditors lacking independence might think they cannot or should not look into some programs, departments, or issues. They might avoid sensitive topics.
- Auditors lacking independence might be pressured to not report significant problems, which risks obstructing their work and creates a fear of retaliation. If so, serious problems might never be brought to decision-makers' attention — and you and your organization could be blamed for not knowing about them.

HOW CAN YOU STRENGTHEN OR PROTECT YOUR AUDITOR'S INDEPENDENCE?

- Establish the auditor position by codifying its duties and responsibilities through a formal mandate, such as a voter-approved charter or enabling legislation.
- Ensure that your auditor follows professional audit standards such as the Generally Accepted Government Auditing Standards (also called the "Yellow Book") or standards issued by the Institute for Internal Auditors (also called the "Red Book").
- Ensure that the auditor can be fired only for specified cause, such as a violation of state or federal law or inappropriate relationships — and preferably only with a supermajority vote of your jurisdiction's legislative body. Auditors elected by voters have additional independence, because they can only be removed by the public.
- Create an organizational structure where the auditor reports to a different branch of government from those being audited. For example, if your auditor evaluates departments managed by the executive they should report to the legislative body. With rigorous safeguards, an auditor could report to senior management within the audited entity. Legislation should include the right to independent counsel when necessary.
- Provide the auditor with authority for unrestricted access to records and employees — including enforcement capabilities, such as subpoena power. This authority should be codified at a higher level of government.
- Protect the auditor from any other interference in their work or personnel decisions.