

DIRECTORATE OF LOCAL FUND AUDIT, ODISHA,  
TREASURY & ACCOUNTS BHAWAN, 2<sup>nd</sup> FLOOR,  
UNIT-III, KHARAVELA NAGAR, BHUBANESWAR

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No. 15295 /DLFA,  
DLFA (Prog)-XIV-Aud-13/2012

Date 30/09/2013

From

Shri B.B. Panigrahi,  
Deputy Director,  
Local Fund Audit, Odisha.

To

All District Audit Officers,  
Local Fund Audit, Odisha.

Sub: Code of Ethics for Audit personnel of Local Fund Audit Organisation.

Madam/Sir,

I am directed to enclose herewith the Code of Ethics for guidance of the audit personnel of the Local Fund audit Organisation who should abide by the said code while discharging their audit assignments. The Code should be circulated to all Auditors, Audit Superintendents and others concerned under your administrative control with strict instructions to abide by it and impress upon them that any violation of the same will be viewed seriously.

Yours faithfully,

Enclosure: As above.

Deputy Director 30/09/13

Memo No. 15296 /DLFA, Date 30/09/2013

Copy to all Officers, Audit Superintendents, Auditors, DLFA/ G.P. Section/Establishment Section, DLFA /Technical Director, NIC ( ALFA In- charge) for information and necessary action. The Code may please be hoisted in the ALFA Portal.

Deputy Director 30/09/13

Memo No. 15297 /DLFA, Date 30/09/2013

Copy forwarded to the Deputy Secretary, LFA Branch, Finance department, Odisha for information..

Deputy Director 30/09/13

# Code of Ethics prescribed for the audit personnel of the Local Fund Audit Organisation.

Auditing is an independent, objective assurance and consulting activity designed to add value and improve the operations of an institution. It helps an institution accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Auditors Code of Ethics is a system or code of behaviour based on moral responsibility and obligation to explain how an auditor must behave. It is a guide for all audit personnel to enhance the performance and professionalism.

## Objectives of Code of Ethics.

The basic objectives of Code of Ethics are to promote an ethical standard in the profession of auditing and provides guidance to Auditors in discharge of their responsibilities.

## Importance of the Code of Ethics.

A code of ethics is very necessary and appropriate for those in auditing profession. The Code of Ethics includes two basic components:

- Principles that are relevant to the profession and practice of auditing.
- The Rules of Conduct describe behavioural norms expected of auditors.

## Principles

Auditors are expected to apply and uphold the following principles

- **Integrity** - The integrity of auditors establishes trust and thus provides the basis for reliance on their judgment. Integrity requires auditors to observe both the form and spirit of auditing standards. It also requires auditors to observe the principles of independence, objectivity, standards, of professional conduct, and absolute honesty in their work.
- **Objectivity**- Auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. They must make a balanced assessment of all the relevant circumstances and not to be unduly influenced by their own interests or by others in forming judgments. It is essential that auditors are independent and impartial, not only in fact but also in appearance.

