

Code of Conduct for Internal Auditors

INTRODUCTION

Pursuant to Article 8 of the internal audit sub decree No. 40 ANK/BK dated February 15th, 2005, on the organization and functioning of the Ministries, Organizations, and State own enterprises, the Ministry of Economy and Finance, has developed the Code of Conduct for internal auditors. This Code of Conduct provides guidance to internal auditors working in the RGC. The purpose of the Code of Conduct is to promote an ethical culture in the profession of internal auditing..

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

A code of conduct is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, internal control, and governance. The Code of Conduct extends beyond the definition of internal auditing to include two essential components:

1. *Principles* that are relevant to the profession and practice of internal auditing;
2. *Rules of Conduct* that describes behavior norms expected of internal auditors. These rules are an aid to interpreting the Principles into practical applications and are intended to guide the ethical conduct of internal auditors.

PRINCIPLES

Internal auditors are expected to apply and uphold the following principles:

Integrity

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.

Objectivity

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments

Confidentiality

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

Competency

Internal auditors apply the knowledge, skills, and experience needed in the performance of

internal auditing services.

RULES OF CONDUCT

1. Integrity

Internal auditors:

- 1.1. Shall perform their work with honesty, diligence, and responsibility.
- 1.2. Shall observe the law and make disclosures expected by the law and the profession.
- 1.3. Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the RGC.
- 1.4. Shall respect and contribute to the legitimate and ethical objectives of the RGC.

2. Objectivity

Internal auditors:

- 2.1 Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the RGC.
- 2.2 Shall not accept anything that may impair or be presumed to impair their professional judgment.
- 2.3 Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. Confidentiality

Internal auditors:

- 3.1 Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2 Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the RGC.

4. Competency

Internal auditors:

- 4.1 Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- 4.2 Shall perform internal auditing services in accordance with the *Standards for the Professional Practice of Internal Auditing* as issued by the Ministry of Economy and Finance.
- 4.3 Shall continually improve their proficiency and the effectiveness and quality of their services.