



## INTERNAL AUDIT SHARED SERVICE CODE OF ETHICS

### Introduction

In accordance with the Internal Audit Charter, all internal auditors are required to confirm that they will work in compliance with a code of ethics. A Code of Ethics 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, control and governance.

This Code of Ethics is based upon the Public Sector Internal Audit Standards (PSIAS) which all internal auditors in UK public sector organisations must adhere to. Additionally, auditors who are members of other professional bodies, such as CIPFA, IIA or ISACA, must also comply with their relevant body's ethical requirements. The Code of Ethics applies to both individuals and entities that provide internal auditing services.

#### Public Sector Requirement:

Internal auditors who work in the public sector must also have regard to the Committee on Standards of Public Life's *Seven Principles of Public Life*, which can be found at [www.public-standards.gov.uk](http://www.public-standards.gov.uk) and are detailed below.

### The PSIAS Code of Ethics

#### 1. Integrity

The integrity of internal auditors is founded upon trust and thus provides the basis for reliance on their judgement. Internal Auditors will never use their authority or office for personal gain. They will seek to uphold and enhance the standing of the profession. Internal Auditors will maintain the highest standard of integrity in all their business relationships both inside and outside the Council (both Bridgend County Borough Council and The Vale of Glamorgan Council). They will reject any business practice, which might reasonably be deemed improper.

Internal Auditors:

- Will perform their work with honesty, diligence and responsibility.
- Will observe the law and make disclosures expected by law and the profession.
- Will not knowingly be party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the Councils or themselves in their professional capacity. The fact that an action is legal does not necessarily mean that it is ethical.
- Will respect and contribute to the legitimate and ethical objectives of the Councils.
- Will declare any personal interest, which may impinge or might reasonably be deemed by others to impinge on impartiality in any matter relevant to his or her duties.
- Will be trustworthy, truthful and honest. Internal Auditors should also promote and support these fundamental principles by leadership and example.

## **2. Objectivity**

Internal Auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or processes 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 judgements.

Internal Auditors:

- Will 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 Councils.
- Will not accept anything that may impair or be presumed to impair their professional judgement.
- Will disclose all material facts know to them that, if not disclosed, may distort the reporting of activities under review or distort their reports or conceal unlawful practices.
- Will at all times maintain their professional independence. They must be fair and must not allow prejudice or bias, conflict of interest or the influence of others to override their judgement and actions.

## **3. Confidentiality**

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

Internal Auditors:

- Will be prudent in the use and protection of information acquired in the course of their duties.
- Will 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 Councils.
- Will respect the proper confidentiality of information acquired during the course of performing professional services: Information given in the course of duty should be true and fair and never designed to mislead.
- Will not use or disclose any such information without specific authority unless there is a legal or professional right or duty of disclosure.

#### **4. Competency**

Internal Auditors apply the knowledge, skills, and experience needed in the performance of internal auditing services. Internal Auditors foster the highest possible standards of professional competence amongst those for whom they are responsible, optimising the use of resources for which they are responsible to provide the maximum benefit to the Councils.

Internal Auditors:

- Will engage only in those services for which they have the necessary knowledge, skills and experience.
- Will continually improve their proficiency and the effectiveness and quality of their services.
- Will carry out professional services in accordance with the relevant technical and professional standards.
- Will perform professional services with due care, competence and diligence, and have a continuing duty to maintain their professional knowledge and skills at a level required to ensure that Councils and Clients receives the advantage of a competent professional service based on up-to-date developments in practice, legislation and techniques.

#### **Review and Agreements**

The Code of Ethics will be regularly reviewed and all staff must confirm that they agree to and will conform to this code on an annual basis.

## **Seven Principles of Public Life (Published 31<sup>st</sup> May 1995)**

### **1. Selflessness**

Holders of public office should act solely in terms of the public interest.

### **2. Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

### **3. Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

### **4. Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

### **5. Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

### **6. Honesty**

Holders of public office should be truthful.

### **7. Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.