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| Last reviewed | June 2025 |
| Next review   | June 2026 |

## Appendix D - Internal Audit Code of Ethics



### 1 INTRODUCTION

- 1.1 The purpose of a Code of Ethics is to promote an appropriate ethical culture for Internal Audit. The Code sets out the minimum standards for the performance and conduct of the Council's Internal Auditors. It is intended to clarify the standards of conduct expected when carrying out their duties and promote an ethical, professional culture at all times when undertaking audit duties.
- 1.2 The Global Internal Audit Standards set out the principles and standards in Domain II and outline the behavioural expectations for any entities that provide internal audit services. These are summarised below. Conformance with these principles and standards instils trust in the profession of internal auditing, creates an ethical culture within the internal audit function, and provides the basis for reliance on internal auditors' work and judgment. In addition, the Internal Audit team will follow the ethical codes of their respective professional bodies, local laws and the organisational codes and policies where appropriate.

## 2 PRINCIPLES

### 2.1 Internal auditors are expected to apply and uphold the following 5 principles:

| Principle                 | Guidance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Standards requirements                                                                                                      |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Integrity:                | <p>Integrity is behaviour characterised by adherence to moral and ethical principles, including demonstrating honesty and the courage to act based on relevant facts, even when facing pressure to do otherwise, or when doing so might create potential adverse personal or organisational consequences. In simple terms, internal auditors are expected to tell the truth and do the right thing, even when it is uncomfortable or difficult.</p> <p>Integrity is the foundation of the other principles of ethics and professionalism, including objectivity, competency, due professional care, and confidentiality. The integrity of internal auditors is essential to establishing trust and earning respect.</p> | <p>Honesty and Professional Courage;</p> <p>Organisational Ethical Expectations and</p> <p>Legal and Ethical Behaviour.</p> |
| Objectivity:              | <p>Objectivity is an unbiased mental attitude that allows internal auditors to make professional judgments, fulfil their responsibilities, and achieve the Purpose of Internal Auditing without compromise. An independently positioned internal audit function supports internal auditors' ability to maintain objectivity.</p>                                                                                                                                                                                                                                                                                                                                                                                        | <p>Individual Objectivity</p> <p>Safeguarding Objectivity</p> <p>Disclosing Impairments to Objectivity</p>                  |
| Competency:               | <p>Demonstrating competency requires developing and applying the knowledge, skills, and abilities to provide internal audit services. Because internal auditors provide a diverse array of services, the competencies needed by each internal auditor vary. In addition to possessing or obtaining the competencies needed to perform services, internal auditors improve the effectiveness and quality of services by pursuing professional development.</p>                                                                                                                                                                                                                                                           | <p>Competency</p> <p>Continuing Professional Development</p>                                                                |
| Due Professional Care     | <p>Due professional care requires planning and performing internal audit services with the diligence, judgment, and scepticism possessed by prudent and competent internal auditors. When exercising due professional care, internal auditors perform in the best interests of those receiving internal audit services but are not expected to be infallible.</p>                                                                                                                                                                                                                                                                                                                                                       | <p>Conformance with the Global Internal Audit Standards</p> <p>Due Professional Care</p> <p>Professional Scepticism</p>     |
| Maintain Confidentiality: | <p>Because internal auditors have unrestricted access to the data, records, and other information necessary to fulfil the internal audit mandate, they often receive information that is confidential, proprietary, and/or personally identifiable. This includes information in physical and digital form as well as information derived from oral communication, such as formal or informal meeting discussions. Internal auditors must respect the value and ownership of information they receive by using it only for professional purposes and protecting it from unauthorised access or disclosure, internally and externally.</p>                                                                               | <p>Use of Information</p> <p>Protection of Information</p>                                                                  |

### **3 MANAGING ARRANGEMENTS:**

#### **3.1 To ensure compliance with the Code of Ethics:**

- There is an annual review of the Code to reinforce understanding and confirm on-going commitment;
- Quality control processes are in place to demonstrate integrity in all aspects of the work;
- All staff are obliged to declare any potential conflicts of interest, at least annually;
- Confidentiality breaches will not be tolerated; and
- All staff are aware and understand the organisations aims and objectives together with an appreciation of the policies and procedures which govern the areas to be audited.